

A Market **Trusted** is a Market That **Grows**

SUSTAINABILITY REPORT 2025



About the Report

This report outlines DSE's approach to building a sustainable organisation, taking into account the environmental, social, and governance (ESG) factors that are most material to our operations and stakeholders.

The Sustainability Report has been approved by the DSE Board of Directors and is prepared in accordance with the Guidelines on Sustainability Reporting for Listed Companies under the DSE Listing Rules, with reference to selected elements of the Global Reporting Initiative (GRI) Standards

Reporting Process

A dedicated internal team coordinated the preparation of this report by reviewing applicable reporting frameworks and guidelines and identifying key disclosures relevant to DSE's sustainability priorities.

The report has undergone internal validation through established risk management and compliance review processes, ensuring appropriate oversight, accuracy, and integrity of the information disclosed.

Save the environment, do not print. To eliminate paper wastage our sustainability report is only made available via soft copy.



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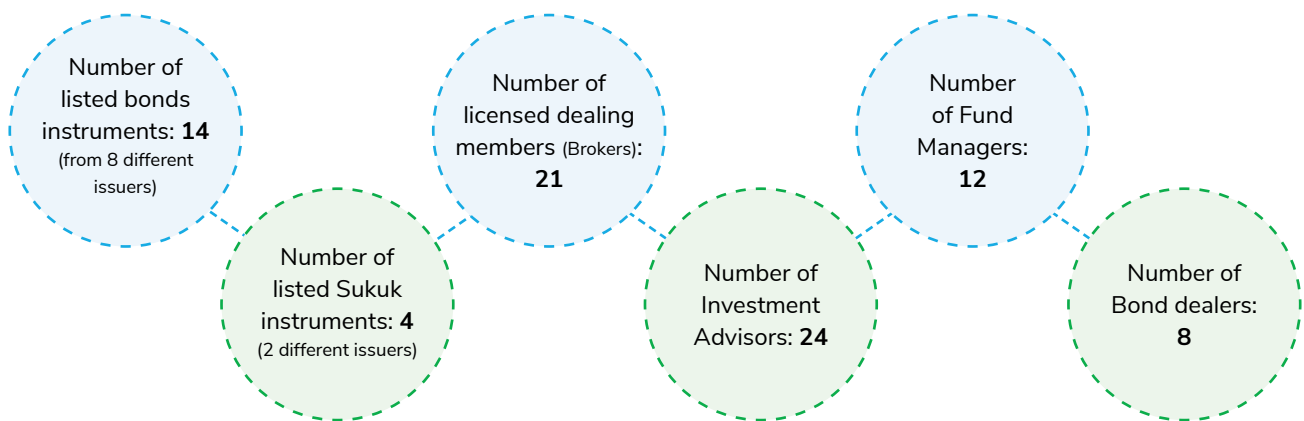
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Introduction

The Dar es Salaam Stock Exchange (DSE), incorporated in 1996 and operational since 15 April 1998, plays a central role in Tanzania's financial ecosystem as a marketplace connecting investors with businesses seeking long-term capital. As the secondary arm of the capital markets, the Exchange mobilises savings into productive investments, supporting economic growth, enterprise development, and financial inclusion.

As of 31 December 2025, DSE continues to demonstrate steady market growth, with 28 listed companies (22 domestic and 6 cross-listed) and expanding activity across equities and debt instruments, reflecting its role as a key platform for capital formation and investment.

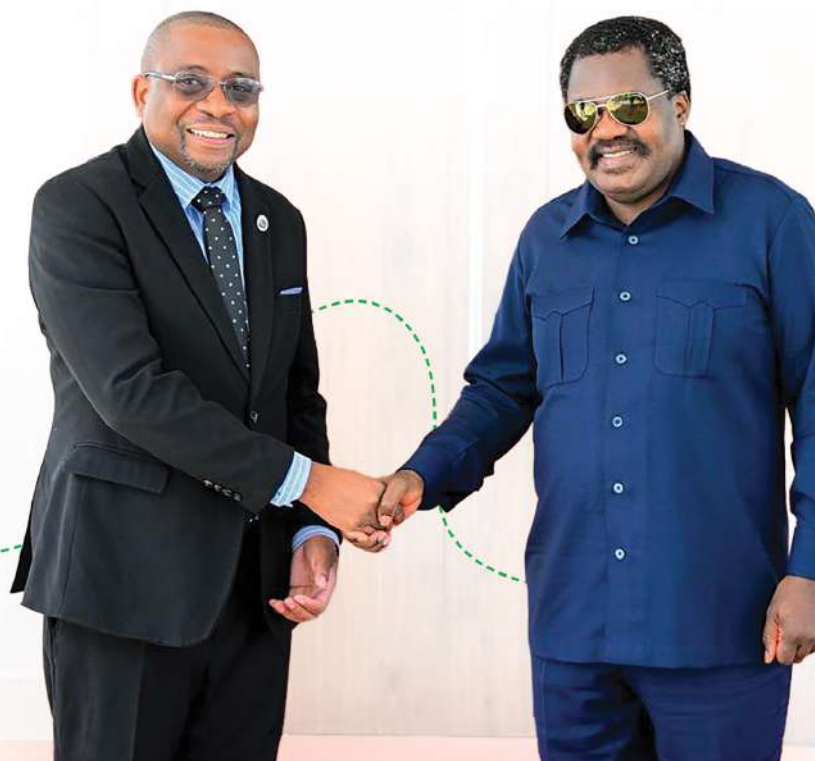
The Exchange's participants as of 31 December 2025 include:



As at the end of 2025, total market capitalisation stood at TZS 23,995.45 billion (approximately USD 9.42 billion), representing growth of 34.30% from TZS 17,868.17 billion recorded at the end of 2024. Domestic market capitalisation stood at TZS 15,559.44 billion (approximately USD 6.11 billion), reflecting growth of 27.08% from TZS 12,243.37 billion recorded in the prior year.

Beyond its core market function, DSE is increasingly positioned as a catalyst for sustainable finance and responsible investment. Since joining the United Nations Sustainable Stock Exchanges (UN SSE) Initiative in 2016, the Exchange has strengthened its commitment to integrating environmental, social, and governance (ESG) principles within its operations and across the wider market. This includes promoting transparency, enhancing sustainability disclosure, and enabling issuers and investors to contribute to a more resilient and inclusive economy.

Through these efforts, DSE continues to advance its vision of building efficient, transparent, and sustainable capital markets that support long-term value creation for all stakeholders.



Amongst major achievements made by the Exchange includes:

1996

Incorporation of the Dar es Salaam Stock Exchange and approval of Stock Exchange Rules

1997

Publication of Collective Investment Scheme Regulations

1998

Start of operations of the DSE with the first privatization and listing of state-owned entity

1999

Installation of the Central Depository System at the Exchange and Listing of the first corporate debt

Issuance of Guidelines for the Issue of Corporate Bond

2002

Listing and start of trading of Treasury Bonds at the Exchange

2004

Cross listing of the first foreign company and the listing of the first airline company

2006

Deployment of Automated Trading System linked with a new three tier Central Depository System

2008

Listing of the first commercial bank

2011

Publication of Regulations to govern introduction of Real Estates Investment Trusts

2013

Migration to the new efficient Automated Trading System and Central Depository System

Launching of the second-tier market: EGM - Enterprise Growth Market (EGM)

Listing of the first company on EGM

2014

Deployment of ATS on the Wide Area Network and start of remote trading by brokers

Uplifting of Foreign Investors Limits Regulations

Introduction of DSE Scholar Investment Challenge

2015

Introduction of the regulatory framework and subsequent use of mobile phone technology in IPOs (Equity and Debt) and Secondary Trading

DSE Demutualization and Re-incorporation into a Public Limited Company DSE IPO and Self-Listing; DSE joined the world federation of exchange

2016

Supporting United Nations Sustainable Stock Exchanges initiative; DSE Initiated the DSE Members Award.

2017

Listing of the first telecom company in the country.

2018

Full operationalization of the Subsidiary Company, CSD & Registry Company Ltd

2025

Listing of the first Exchange Traded Fund (ETF) at DSE.

The issuance of the Capital Markets and securities (Corporate and Subnational Sustainability Bond) regulations.

What We Do



The principal activity of the DSE is to provide securities market to investors who intend to invest in the listed companies. The DSE has 28 listed companies.

The Exchange provides a platform that assists companies to raise capital through the issuance of equities and debt securities which are then listed at the Exchange. As the primary securities exchange in the country, DSE has

developed an array of market segments that attract both domestic and international investors. The debt market at DSE includes traditional corporate bonds, which are debt securities issued by corporations to raise funds for various business needs and sustainability bonds, which are used to finance or re-finance projects with positive environmental and social impacts.

Equity Markets		Debt Market	Exchange Traded Fund (ETF)
Main Investment Market (MIM): The MIM is the primary equities market where companies list their shares for trading.	Enterprise Growth Market (EGM): The EGM is tailored for small and medium-sized enterprises (SMEs) looking to raise capital and expand their operations.	Fixed Income Market (FIM): DSE's Fixed Income Market allows for the trading of government and corporate bonds.	Tanzania's first ETF, the Vertex International Securities ETF (VIS-ETF), was listed on the Dar es Salaam Stock Exchange (DSE) on October 16, 2025.
There are 16 companies listed on the segment.	There are 6 companies listed on the segment.		

As Tanzania's economy continues to develop, the Dar es Salaam Stock Exchange (DSE) is set to become increasingly vital in financing growth and offering investment opportunities. The exchange is positioned to diversify its range of products further, including supporting the government's initiatives to strengthen State-Owned Enterprises. This evolution will not only bolster economic stability but also attract a broader spectrum of investors, fostering a more dynamic and resilient financial market.

Message from the Chairman

“

In 2025, we made significant strides in integrating sustainability into our core operations. We expanded our range of sustainable financial products, creating enhanced opportunities for investors to support environmentally and socially responsible initiatives.

”

Mr. Daniel Ole Sumayan
Chairman of the Board



Dear Stakeholders

In 2025, the Dar es Salaam Stock Exchange (DSE) continued to strengthen its role as a catalyst for sustainable economic development in Tanzania. This year marks a significant step forward in embedding sustainability into the core of our operations, market offerings, and regulatory leadership, reflecting both national priorities and global best practices.

Operating within Tanzania's dynamic economic landscape, characterized by steady GDP growth of approximately 5.6% and increasing investment in infrastructure and industrialization, we recognize the urgent need to balance economic expansion with environmental stewardship and social inclusion. Tanzania remains highly vulnerable to climate change, with risks such as flooding, droughts, and rising temperatures threatening livelihoods, infrastructure, and long-term growth. Against this backdrop, the DSE has embraced its responsibility to mobilize capital towards sustainable and climate-resilient development.

In 2025, we made significant strides in integrating sustainability into our core operations. We expanded our range of sustainable financial products, creating enhanced opportunities for investors to support environmentally and socially responsible initiatives. Notably, the continued development of green finance instruments, building on milestones such as Tanzania's pioneering sub-national green bond for water infrastructure, demonstrates the growing appetite for sustainable investments within our market and the region. These efforts align with both global ESG practices and Tanzania's national climate and development frameworks.

A major milestone this year has been the strengthening of our sustainability disclosure ecosystem. In line with the DSE Listing Rules (2022), which require ESG disclosures across listed entities, we broadened the adoption of enhanced sustainability reporting practices among issuers. Through targeted capacity-building programmes, technical guidance, and ongoing engagement, we have supported listed companies in improving the quality, consistency, and credibility of their ESG disclosures. Our objective has been clear: to foster a reporting environment that is transparent, decision-useful, and reflective of long-term value creation.

A core achievement in 2025 has also been the enhancement of our reporting standards as an Exchange.

We have adopted more comprehensive frameworks that emphasize transparency, accountability, and measurable impact. This includes rigorous reporting on environmental, social, and governance metrics, enabling investors to better assess risks and opportunities in a rapidly evolving sustainability landscape. In a market where ESG awareness is still developing and often perceived as a cost rather than a value driver, such leadership is both necessary and transformative.

Our commitment to sustainability extends beyond compliance. It is anchored in our belief that sustainable capital markets are fundamental to long-term economic resilience and inclusive growth. By embedding sustainability considerations into our operations and market structures, we are actively contributing to addressing Tanzania's pressing environmental challenges, including deforestation, urban pollution, and climate vulnerability, while simultaneously supporting social priorities such as financial inclusion, gender equity, and community development.

As we look to the future, the DSE remains dedicated to driving innovation in sustainable finance. We will continue to expand sustainable investment products, strengthen ESG integration across the market, and enhance collaboration with regulators, government institutions, and international partners. Our ambition is to position the DSE as a leading hub for sustainable finance in East Africa, supporting Tanzania's transition to a low-carbon, climate-resilient, and inclusive economy.

The journey towards sustainability is a shared responsibility. I extend my sincere appreciation to our regulators, listed companies, investors, partners, and stakeholders for their continued commitment and collaboration. Together, we are building a capital market that not only drives economic growth but also safeguards our environment and uplifts our society.

Thank you for your continued support as we advance towards a sustainable future for Tanzania.

DSE Group Board of Director



**MR. DANIEL WILSON
OLESUMAYAN**

Chairman of the Board



**MR. PETER SITUMBEKO
NALITOLELA**

Chief Executive Officer



MR. SELESTINE J. SOME

Director - DSE



**PROF. SHUBI FELIX
KAIJAGE**

Director - DSE



MR. FADHILI J. MANONGI

Director - DSE



**MRS. LILIAN RICHARD
MUSINGI**

Director - DSE



**MS. MARY EDMUND
KINABO**

Director - DSE



DR. ABDIEL ABAYO

Director - DSE



MRS. MARY MNIWASA

Company Secretary



MR REVELIAN
Chairman - CSDR



**MR. PETER SITUMBEKO
NALITOLELA**
Director - CSDR



MS. LIKU KAMBA
Director - CSDR



MS. ENIGHENJA KIHEDU
Director - CSDR



**MR. FAHAD SOUD
HAMID**
Director - CSDR

Message from the Chief Executive Officer

“

Tanzania's economy continues to demonstrate resilience, with sustained growth driven by key sectors such as agriculture, mining, financial services, and infrastructure development.

”

Peter Nalitolela

Chief Executive Officer



Dear Stakeholders

As we enter a new chapter marked by evolving opportunities and complex challenges, I am pleased to present the Dar es Salaam Stock Exchange (DSE) Sustainability Report for the year ended 31 December 2025. This year has been one of transformation, consolidation, and renewed commitment as we strengthen our role in shaping a capital market that prioritizes long-term value creation and sustainable impact.

Tanzania's economy continues to demonstrate resilience, with sustained growth driven by key sectors such as agriculture, mining, financial services, and infrastructure development. At the same time, the country faces increasing exposure to climate-related risks, including floods, droughts, and rising temperatures, which have direct implications for economic stability, livelihoods, and investment flows. Within this context, the role of capital markets in mobilizing sustainable and climate-aligned financing has never been more critical.

In 2025, we intensified our efforts to embed sustainability across our strategic agenda and operational culture. Building on a strong foundation established in previous years, we expanded the breadth and accessibility of sustainable finance products available within our market. These initiatives are enabling investors, both local and international, to allocate capital toward projects that promote environmental stewardship, social inclusion, and sound governance. The increasing traction of green financing instruments, including infrastructure-related bonds, signals a growing recognition of the importance of sustainable investment in Tanzania's development trajectory.

A key priority during the year was strengthening the integration of ESG principles within the broader market ecosystem. In alignment with the DSE Listing Rules (2022), which require ESG disclosures by listed entities, we advanced our efforts to improve the quality and consistency of sustainability reporting. Through targeted capacity-building initiatives, technical guidance, and active engagement with issuers, we supported companies in enhancing their ESG disclosures and aligning with internationally recognized standards. This is particularly important in the Tanzanian context, where ESG adoption is still evolving and often viewed as an additional cost rather than a strategic value driver.

In addition, we deepened our collaboration with government institutions and key stakeholders, including continued support for the reform and modernization of State-Owned Enterprises (SOEs). By improving access to capital markets and encouraging adherence to robust corporate governance practices, we are contributing to the transformation of SOEs into more transparent, efficient, and competitive entities. This aligns closely with national priorities aimed at accelerating industrialization, enhancing infrastructure, and promoting sustainable economic growth.

During the year, the Central Depository and Settlement System (CSDR) continued to play a critical role in strengthening market infrastructure and operational resilience. By enhancing the efficiency, security, and reliability of securities clearing and settlement processes, CSDR supports investor confidence and market integrity. Ongoing system improvements and digital enhancements have further streamlined transaction processing, reduced operational risks, and enabled greater accessibility for market participants, contributing to the overall sustainability and stability of the capital market ecosystem.

Sustainability remains central to our mission, not merely as a regulatory requirement, but as a catalyst for resilience, innovation, and inclusive development. Tanzania faces a unique paradox: while contributing only a small share of global emissions, the country remains highly vulnerable to the impacts of climate change. This underscores the urgency of mobilizing private sector capital toward climate adaptation and mitigation initiatives. Through our platform, the DSE is committed to enabling such investments and fostering a capital market that supports a low-carbon, climate-resilient economy.

Internally, we continued to enhance our operational sustainability practices, focusing on efficiency, digital transformation, and responsible resource management. The transition toward paperless processes, improved energy efficiency, and adoption of technology-driven solutions reflects our commitment to reducing our environmental footprint while improving service delivery.

As we look ahead to 2026 and beyond, our strategic focus will remain clear. We will continue to innovate in sustainable finance, expand ESG integration across the market, and strengthen partnerships with regulators, policymakers, development institutions, and investors. Our ambition is to position the DSE as a leading hub for sustainable finance in East Africa, one that attracts diverse pools of capital, fosters responsible investment, and contributes meaningfully to Tanzania's long-term development agenda.

The progress we have made in 2025 would not have been possible without the continued trust and collaboration of our stakeholders. I extend my sincere appreciation to the Government of Tanzania, regulators, listed companies, investors, and our dedicated team for their unwavering support and commitment.

Together, we are building a capital market that not only drives economic growth but also advances environmental sustainability and social well-being.

Thank you for your partnership as we continue this journey toward a sustainable and prosperous future for Tanzania.

DSE Management



**MR. PETER SITUMBEKO
NALITOLELA**
Chief Executive Officer



MR. BENITHO KYANDO
Managing Director CSDR



MRS. MARY MNIWASA
Chief Legal Counsel



MR. ALI OMAR OTHMAN
Chief Technology Officer



MR. MECKLAUD EDSON
Chief Internal Auditor



MS. SARA MREMA
Chief Trading Officer



MR. LUCAS SINKALA

Chief Financial Officer



MR. EMMANUEL NYALALI

Chief Business Development Officer



MS. ATUWENE LUVINGA

Head of Human Resource



MS. HAPPINESS MUSHI

Head of Risk and Compliance



Brighton Ross Kinemo

Head of Training & Data sales

Message from the Chief Finance Officer

“

The DSE Group delivered a strong revenue growth of 76% to TZS 14.415 billion in the financial year ended 31 December 2025, reflecting renewed momentum in our core exchange operations. The Group remained profitable with an after-tax profit of TZS 2.348 billion and total assets growing by 17% to TZS 41.822 billion. Our balance sheet remains solid as we stay committed to delivering sustainable growth and deepening Tanzania's capital markets.

”



Lucas Sinkala

Chief Finance Officer

During the financial year ended 31 December 2025, the DSE Group (DSE PLC and CSDR subsidiary) generated total revenue of TZS 14.415 billion, representing a significant 76% increase from TZS 7.957 billion in 2024. This strong growth was driven by a 76% rise in core revenue (TZS 13.732 billion versus TZS 7.806 billion in 2024), complemented by other income of TZS 684 million (up from TZS 152 million in 2024). The impressive revenue recovery reflects improved activity across listings, transaction fees, and broader market participation, signalling renewed momentum in the Group's core exchange operations.

Operational & Expense Performance

Expenses for the year totalled TZS 15.111 billion, compared to TZS 7.217 billion in 2024. It is important to note that this increase was significantly influenced by a one-off VAT expense of TZS 3.990 billion, arising from a difference in interpretation of the VAT Act between DSE and the Tanzania Revenue Authority (TRA). Excluding this non-recurring charge, underlying operating expenses remained broadly in line with the Group's growth trajectory and strategic investment plans. The remaining cost base reflects continued investments in people, ICT infrastructure, business development, and operational activities aligned with the Group's long-term agenda.

Profit Performance

The Group recorded an operating loss of TZS 673 million, compared to an operating profit of TZS 741 million in 2024, with the variance largely attributable to the one-off VAT charge noted above. However, robust finance income of TZS 3.307 billion offset operational pressures, resulting in a pre-tax profit of TZS 2.634 billion and an after-tax profit of TZS 2.348 billion. Notably, excluding the exceptional

VAT charge, the Group's underlying operating performance would have reflected a materially stronger result, consistent with the significant revenue growth achieved during the year. The Group's ability to sustain positive earnings demonstrates the resilience of its financial model and the strength of its investment income base.

Financial Position & Outlook

On the balance sheet, total assets grew by 17% to TZS 41.822 billion (from TZS 35.866 billion), underpinned by growth in government securities, short-term deposits, trade and other receivables, and property and equipment. Shareholders' equity stood at TZS 31.330 billion, supported by retained earnings and a revaluation surplus of TZS 83 million recognised during the year.

The 2025 financial year underscores the Group's underlying operational strength, with revenue growth of 76% affirming the positive trajectory of DSE's core business. While the one-off VAT charge temporarily dampened profitability, the Group's balance sheet remains sound and well-positioned to support continued growth. Looking ahead, management will remain focused on resolving the outstanding VAT dispute, optimising cost efficiency, advancing capital market development, and delivering sustainable long-term value to shareholders and the broader market ecosystem.

Message from the Chief Market Operations Officer

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The growth in the DSEI was attributable to positive price movements in both domestic and cross-listed companies, demonstrating improved market performance during the year.

”



Sara Mrema

Chief Market Operations Officer

Dear Stakeholder,

Market Performance

The market recorded strong performance in 2025, as reflected by the upward movement of key market indices. The Tanzania Share Index (TSI) increased from 4,618.78 points in 2024 to 5,759.41 points in 2025, representing a year-on-year growth of 24.7%. This growth was largely driven by the appreciation in share prices of domestic listed companies.

Similarly, the All-Share Index (DSEI) rose from 2,139.73 points in 2024 to 2,761.93 points in 2025, reflecting a significant increase of 29.06%. The growth in the DSEI was attributable to positive price movements in both domestic and cross-listed companies, demonstrating improved market performance during the year.

Market Capitalization

Domestic market capitalization increased by 27.26% to TZS 15,580.77 billion at the end of 2025, compared to TZS 12,243.37 billion recorded in 2024. Total market capitalization, comprising both domestic and cross-listed companies, grew by 34.29% to TZS 23,995.34 billion in 2025 from TZS 17,868.00 billion in 2024. This growth reflects improved market valuation, increased investor confidence, and positive performance across listed companies.

Market Liquidity (Equities and Bonds)

Equity market turnover reached TZS 660 billion in 2025, representing a substantial increase of 188.21% compared to TZS 229 billion recorded in 2024. The volume of shares traded also increased significantly to 478 million shares from 228 million shares in 2024, marking a growth of 109.65%. The improved liquidity was driven by enhanced mobile trading platforms, strategic partnerships, increased participation by both local and foreign investors, and the strong performance of listed companies.

In the bond market segment, total turnover reached TZS 5,856 billion in 2025, compared to TZS 3,150 billion in 2024, representing an increase of 85.90%. This performance reflects continued growth in the bond market and sustained investor appetite for fixed-income instruments.

Mobile Trading Platform (MTP) Activities

The number of investors registered on the DSE Mobile Trading Platform (MTP) increased significantly to 98,046 in 2025 from 27,223 in 2024, representing a growth of 260%. By the end of 2025, cumulative MTP registrations had reached 142,632 investors. MTP-generated turnover increased markedly to TZS 112.34 billion in 2025 from TZS 14.57 billion in 2024, reflecting a six-fold increase of 671%. Consequently, MTP's contribution to total market turnover, excluding pre-arranged transactions, rose to 50.51% in 2025 from 24.33% in 2024.

New Product

During 2025, the Exchange achieved another key milestone through the introduction of the Exchange Traded Fund (ETF), broadening the range of investment products available in the capital market and enhancing opportunities for portfolio diversification among investors.

Listed Products

The Exchange recorded increased activity in the debt market during 2025, with six corporate bonds issued compared to one corporate bond listed in 2024. In the government securities segment, several previously issued bonds were re-opened alongside the listing of new government bonds. No new equity listings were recorded during the year.

Message from the Head of Training & Data sales

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The DSE continued to strengthen its market data business by improving policies, pricing structures, client engagement, and the overall value proposition for both local and international users of DSE data.

”

Brighton Ross Kinemo
Head of Training & Data sales



Dear Stakeholder,

The year 2025 marked an important phase in the growth of the Dar es Salaam Stock Exchange. It was a year of strengthening capacity, expanding financial education, improving market data services, and positioning the DSE more firmly within the global financial information ecosystem.

Through the DSE Academy, we continued to support the development of Tanzania's capital markets by providing practical and relevant training to market participants, financial institutions, listed companies, students, professionals, and the wider investing public. The Academy remained focused on building knowledge, improving investor confidence, and supporting deeper participation in the securities market. During the year, we conducted several training courses designed to respond to the needs of the market and the wider financial sector. These programs supported capacity building in areas linked to capital markets, investment products, market operations, governance, sustainability, investor education, and professional development. Through these initiatives, the DSE Academy continued to serve as a trusted platform for learning, dialogue, and market awareness.

Beyond training, 2025 was also a year of progress in market data. The DSE continued to strengthen its market data business by improving policies, pricing structures, client engagement, and the overall value proposition for both local and international users of DSE data. Market data remains a strategic product that supports investment decisions, research, trading, risk management, valuation, and market transparency.

The DSE's participation as a member of the Financial Information Services Division, FISD, also supported this progress. Through FISD, the DSE engaged with global market data standards and industry practices covering data licensing, usage policies, distribution models, pricing frameworks, subscriber agreements, derived data, and

service standards. This exposure helped us benchmark our market data policies against global practices. It also supported our review of how DSE data is packaged, priced, licensed, distributed, and monitored. Our goal was to make DSE market data more accessible, commercially sustainable, transparent, and aligned with the needs of investors, vendors, institutions, and market participants.

We also focused on improving our pricing approach by reviewing customer segments, usage categories, local and international access models, and the commercial value of DSE information. This work aimed to balance market development with fair value capture for the Exchange. The progress achieved in 2025 reflects collaboration, innovation, and institutional commitment. It confirms the growing role of the DSE as a platform for education, data, transparency, and market development.

To our stakeholders, partners, trainers, participants, data clients, vendors, listed companies, brokers, investors, and the wider capital markets community, we extend our sincere appreciation. Your support has helped strengthen the DSE Academy and our market data services as important pillars of capital markets growth.

As we look ahead, we remain committed to expanding financial education, improving market data services, strengthening professional capacity, and supporting deep, inclusive, transparent, and sustainable capital markets in Tanzania and the region.

Message from the Chief Internal Auditor

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The Internal Audit Department will continue prioritizing governance, cybersecurity, operational resilience, ESG integration, and strategic advisory support aligned with DSE's long-term objectives and evolving stakeholder expectations.

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Meclaud Edson

Chief Internal Auditor



Introduction

The Internal Audit Department of Dar es Salaam Stock Exchange PLC ("DSE") is pleased to present its Annual Internal Audit Report for the year ended 31st December 2025. This report provides a summary of the IAD's activities, key achievements, and overall contribution toward strengthening governance, risk management, internal controls, regulatory compliance, operational efficiency, and institutional resilience across DSE and its subsidiary, the Central Depository and Registry Company Limited (CSDR).

During the year under review, the Internal Audit Department continued to discharge its responsibilities independently and objectively, in accordance with the approved Internal Audit Charter, the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA), the approved Risk-Based Internal Audit Plan for 2025, applicable laws and regulations, DSE Rules, and directives issued by the Board of Directors and the Audit Risk & Compliance Committee (ARC). The Internal Audit Department remained focused on supporting the implementation of DSE's 2023–2027 Strategic Plan, which emphasizes market efficiency, strengthening capital raising and listings, and delivering sustainable returns to stakeholders.

Internal Audit Performance Overview

The Internal Audit Department successfully implemented the approved 2025 Internal Audit Plan and recorded strong performance results across assurance, advisory, governance, and administrative activities. During the year, a total of 388 activities and outputs were completed against 326 planned activities, representing an overall implementation rate of 119 percent. The overachievement was mainly driven by increased advisory support, participation in strategic and governance initiatives, operational reviews, investor protection activities, management support engagements, and additional assignments arising during the year. The performance outcome reflects the continued commitment of the Internal Audit Department toward supporting institutional governance, operational resilience, accountability, and continuous improvement across DSE and CSDR.

Assurance and Risk-Based Audit Activities

During 2025, the Internal Audit Department conducted ten (10) assurance reviews covering key operational, governance, compliance, financial, and technology-related areas across DSE and CSDR. The audits were conducted using a risk-based approach to assess the adequacy and effectiveness of governance structures, risk management processes, internal controls, and operational procedures.

Reviews on trading and market operations focused on compliance with trading rules, effectiveness of operational controls, integrity of market activities, and adequacy of monitoring mechanisms. The reviews confirmed continued operational stability while identifying opportunities to further strengthen process automation, reconciliation procedures, operational monitoring, and market oversight controls to support market integrity and efficiency.

Audits conducted on legal and records management processes assessed the effectiveness of records management practices, safeguarding of sensitive legal information, compliance with contractual obligations, and efficiency of legal support services. The reviews emphasized the importance of continued enhancement of records digitization, access management controls, document retention practices, and operational efficiency within legal support functions.

In the area of compliance and governance, Internal Audit assessed adherence to applicable laws, regulations, DSE Rules, and institutional governance requirements. The reviews also considered the integration of Environmental, Social, and Governance (ESG) principles within institutional operations and governance structures. The assessments noted continued progress in strengthening governance and compliance frameworks while highlighting the growing importance of ESG integration, sustainability, and stakeholder accountability within capital market operations.

Review of Strategic and Operational Functions

The Internal Audit Department further reviewed listing, capital-raising, marketing, and operational support activities to assess the effectiveness of institutional strategies aimed at promoting market growth and enhancing stakeholder engagement. The reviews covered disclosure compliance, revenue assurance mechanisms, marketing effectiveness, operational efficiency, and support provided to issuers and investors.

The reviews noted continued efforts by DSE to strengthen its market positioning, improve stakeholder engagement, and support capital market development initiatives. Recommendations were provided to further improve operational efficiency, market outreach initiatives, institutional performance, and reviewing disclosure monitoring processes and recommending publication of financial statements and other disclosures submitted by listed companies, thereby promoting informed investment decisions.

Financial, Governance, and Oversight Reviews

Internal Audit conducted reviews on finance and governance processes to assess the adequacy and effectiveness of financial controls, governance structures, revenue management practices, financial reporting processes, and institutional oversight mechanisms. The reviews confirmed the existence of key governance and control frameworks while identifying areas requiring continuous improvement to further strengthen accountability, transparency, operational effectiveness, and decision-making processes.

The Internal Audit Department also continued to support governance structures through participation in Management meetings, governance engagements, strategic discussions, and monitoring activities relating to the implementation of annual plans and budgets.

ICT, Cybersecurity, and Business Continuity

Recognizing the increasing importance of technology and digital infrastructure in capital market operations, Internal Audit conducted reviews on ICT governance, cybersecurity, business continuity, and disaster recovery preparedness. The reviews focused on assessing the adequacy of cybersecurity controls, resilience of ICT infrastructure, effectiveness of backup and recovery arrangements, and operational continuity preparedness. It was noted that DSE has invested in technology and cybersecurity, whereby, during the year, new state-of-the-art ICT infrastructures were acquired, and System Penetration Tests were conducted daily, referred to as security as a service. The main purpose is to ensure confidentiality, integrity, and availability of information, data, and services.

The assessments emphasized the importance of continued investment in cybersecurity, digital resilience, technology governance, and operational continuity arrangements to support the sustainability, reliability of trading systems, and security of DSE and CSDR operations in an evolving digital environment.

Data Management and Capacity Building

Internal Audit reviewed data management and institutional training activities to assess the adequacy of data governance processes, accuracy and reliability of market data dissemination, and effectiveness of training initiatives. The reviews highlighted the growing importance of data analytics, information governance, continuous professional development, and staff capacity enhancement in supporting operational excellence and informed decision-making.

During the year, Internal Audit also facilitated awareness and training initiatives covering governance, risk management, compliance, ESG, and internal controls. These initiatives contributed toward strengthening institutional awareness, accountability, governance culture, and risk management practices across the organization.

Advisory and Consulting Services

In addition to assurance activities, the Internal Audit Department continued to provide strategic advisory and consulting support to Management and governance organs. During the year, the Function actively participated in strategic and operational initiatives, including business continuity and disaster recovery reviews, investor protection activities, governance support engagements, financial awareness programs regarding securities investment, shareholder-related matters, and institutional improvement initiatives.

Internal Audit also supported market transparency and investor confidence through the review and recommendation for publication of financial statements and disclosures submitted by market participants for publication on the DSE website. Furthermore, the Function continued to support operational monitoring and strategic decision-making through participation in weekly Management Committee meetings and implementation reviews of institutional plans and budgets.

Follow-Up Reviews and Continuous Monitoring

As part of its continuous monitoring responsibilities, Internal Audit conducted follow-up reviews to assess the implementation status of previously agreed audit recommendations. The follow-up process strengthened accountability and promoted the timely implementation of corrective actions by Management. The reviews noted continued commitment by Management toward addressing identified observations and enhancing internal control systems across the organization.

The Internal Audit Department also undertook investigation and special review assignments aimed at supporting informed decision-making, strengthening accountability, identifying root causes of operational issues, and recommending corrective actions where necessary. These assignments contributed toward reinforcing institutional integrity, operational discipline, and governance effectiveness.

Emerging Risks and Future Focus Areas

The Internal Audit Department continued to monitor emerging risks affecting DSE, CSDR, and the broader capital markets environment. Key areas of focus included cybersecurity risks, evolving regulatory requirements, operational resilience, ESG and sustainability expectations, data governance risks, and technology-driven market transformation.

Going forward, Internal Audit will continue strengthening its risk-based audit approach and leveraging technology and data-driven methodologies to address emerging institutional and market risks. The Internal Audit Department will continue prioritizing governance, cybersecurity, operational resilience, ESG integration, and strategic advisory support aligned with DSE's long-term objectives and evolving stakeholder expectations.

Conclusion and Appreciation

Based on the work performed during the year, the Internal Audit Department concluded that the governance, risk management, and internal control environment across DSE and CSDR remained generally adequate and effective, although continuous improvements are required in selected operational and technology-related areas to address evolving risks and support institutional growth.

The Internal Audit Department extends its sincere appreciation to the Board of Directors, the ARC, Management, and all staff members of DSE and CSDR for their continued support, cooperation, and commitment toward strengthening governance, risk management, compliance, and internal controls. Their continued support significantly contributed to the successful execution of the 2025 Internal Audit Plan and the achievement of the Function's objectives.

The Internal Audit Department remains committed to supporting DSE and CSDR in achieving their strategic objectives through the provision of independent assurance, strategic advisory services, and continuous promotion of sound governance, accountability, operational resilience, and sustainable value creation.

Internal Audit Report for the year ended 31st December 2025

Message from the Head of Risk and Compliance

“

We also strengthened the compliance culture through ongoing staff awareness initiatives, policy reviews, and monitoring activities to ensure alignment with applicable laws, regulations, and internal policies.

”

Happiness Mushi
Chief Internal Auditor



Introduction

During 2025, the Dar es Salaam Stock Exchange PLC (DSE) remained committed to maintaining robust risk management and compliance practices, while effectively discharging its role as a Self-Regulatory Organization (SRO). As the capital markets landscape becomes increasingly dynamic and technology-driven, maintaining a strong culture of risk awareness, integrity, transparency, and compliance remains essential to safeguarding market integrity, fostering stakeholder trust, and supporting the Exchange's long-term strategic objectives.

In pursuit of these objectives, DSE enhanced its Enterprise Risk Management (ERM) Framework, regulatory compliance oversight, and business continuity arrangements. The Exchange also continued to integrate Sustainability considerations into its risk management practices while enhancing staff awareness and capacity building in the areas of risk management, compliance, data protection, cybersecurity, and ethical conduct.

Enterprise Risk Management

The Risk and Compliance Function continued to strengthen the Enterprise Risk Management (ERM) framework through periodic risk assessments, monitoring of key risk indicators (KRIs), and evaluation of control effectiveness across business processes. Particular attention was given to strategic, operational, technology, regulatory, business continuity, data protection, and sustainability-related risks.

The Function worked closely with process owners to identify risks, assess their potential impact, and implement appropriate mitigation measures to enhance organizational resilience.

Risk reports were regularly submitted to Management and the Board to facilitate effective oversight and timely decision-making on key risk exposures.

Regulatory Compliance and SRO Oversight

As a Self-Regulatory Organization (SRO), the Exchange continued to discharge its oversight responsibilities through both onsite and offsite surveillance covering listed companies, dealing members, and other market intermediaries.

The Function monitored compliance with continuing listing obligations, disclosure requirements, code of conduct governing security dealings by members and other applicable market rules to ensure transparency, fairness, and investor protection. Regular engagement with market participants and regulators further supported effective supervision and strengthened overall market discipline.

Compliance Culture and Awareness

Strengthening the compliance culture remained a key priority during the year. Various staff awareness programs, policy reviews, and advisory engagements were conducted to promote understanding of regulatory obligations, ethical conduct, and internal controls.

During the year, employees actively participated in a range of training and awareness programs covering key areas such as cybersecurity, data protection, business continuity, ethics, and business conduct.

These initiatives enhanced employee awareness and reinforced accountability, integrity, and adherence to applicable laws, regulations, and internal policies.

Sustainability and ESG Risk Integration

Recognizing the increasing significance of Environmental, Social, and Governance (ESG) matters, the Risk and Compliance Function continued integrating sustainability-related risks into the Enterprise Risk Management framework.

Climate-related risks, data privacy, social responsibility considerations, and governance risks were assessed as part of the overall risk management process to ensure that sustainability considerations are embedded within decision-making processes and strategic planning. Furthermore, sustainability awareness and capacity-building initiatives were conducted for all staff and DSE members during the year.

Emerging Risks and Future Focus Areas

The Function continued to monitor key and emerging risks including cybersecurity threats, evolving regulatory requirements, climate-related risks, data privacy concerns, operational resilience challenges, and technological disruptions.

Through proactive risk oversight and continuous improvement initiatives, the Function will continue to focus on enhancing organizational resilience, reinforcing the Exchange's Self-Regulatory Organization (SRO) role and supporting informed decision-making aligned with the Exchange's strategic objectives.

Message from the Chief Business Development Officer

“

Throughout the year, the Business Development function aligned its initiatives with the DSE Five-Year Strategic Plan (2023–2027), supporting market growth, partnerships, technology and ESG integration.

”

Emmanuel Nyalali

Chief Business Development Officer



Introduction

The year 2025 represented another significant milestone in the Dar es Salaam Stock Exchange's journey towards building a resilient, inclusive and sustainable capital market. Sustainability remained embedded in DSE's business development agenda through market innovation, stakeholder engagement, financial inclusion, SME development and responsible capital mobilisation. Throughout the year, the Business Development function aligned its initiatives with the DSE Five-Year Strategic Plan (2023–2027), supporting market growth, partnerships, technology and ESG integration.

Engagement and Strategic Initiatives

During 2025, DSE strengthened engagement with market participants, regulators, government institutions, development partners and the private sector to advance strategic initiatives that enhanced market depth, investor confidence and long-term capital formation.

Government and Stakeholder Engagement

The Exchange continued constructive engagement with the Ministry of Finance, CMSA, the Bank of Tanzania, the Treasury Registrar and other stakeholders to support policy reforms, market development and sustainable financing initiatives.

DEAP and ENDELEZA SME Acceleration

DSE continued implementing the DSE Enterprise Acceleration Programme (DEAP) and ENDELEZA SME Platform to prepare high-potential SMEs for capital market financing through capacity building, governance enhancement, investment readiness and investor engagement.

Financial Literacy Initiatives

Investor education remained a core sustainability priority through seminars, university engagements, exhibitions, media programs and digital campaigns that promoted financial inclusion and responsible investing.

Capital Market Innovation

The Exchange enhanced digital market access through Hisa Kiganjani, supported innovative investment products including ETFs, Sukuk, and continued modernizing market infrastructure and digital services.

Regional and International Participation

DSE strengthened collaboration with regional and global exchanges, development partners and professional organisations to promote sustainable finance, regional integration and adoption of global best practices.

Looking Ahead

Going forward, DSE will continue advancing ESG integration, sustainable finance, digital transformation, SME financing, financial literacy and strategic partnerships to support Tanzania's sustainable economic development.

FY2025

Sustainability Highlights

In 2025, the Dar es Salaam Stock Exchange continued to strengthen its role in promoting sustainable finance, responsible market practices, and inclusive capital market development in Tanzania. Key highlights for the year include:

Sustainable finance market development:

Continued to support the development and visibility of green, social, and sustainability-linked instruments within Tanzania's capital market, including instruments financing water infrastructure and broader sustainable development priorities.

Strengthened ESG disclosure ecosystem:

Continued improvement in sustainability reporting by listed companies under the DSE Rules, with 21 out of 28 listed companies submitting sustainability reports for the latest reporting cycle.

Capacity building and market readiness:

Implemented the DEAP 2025 cohort, through which 65 SMEs were trained to strengthen governance, transparency, and capital market readiness.

Women's economic inclusion:

Through collaboration with the Tanzania Women Chamber of Commerce (TWCC), 30 women-owned enterprises participated in the DEAP 2025 cohort, supporting inclusive growth and women's economic empowerment.



Youth and investor education:

The DSE Scholar Investment Challenge reached 591 participants from 56 institutions across 12 regions, helping build practical capital market knowledge among students and young people.

Professional market training:

Continued to support technical market training through the Securities Investment and Trading (SIT) Course, which reached 49 participants, and the ACI Dealing Certificate Course, which reached 16 participants.

Digital transformation for sustainability and inclusion:

Continued the rollout of digital solutions, including the e-Data Management System and broader mobile trading access, improving efficiency, reducing reliance on paper-based processes, and widening access to the market.

Financial inclusion and market access:

Continued to expand access to capital markets through digital channels, SME market segments, and investor education initiatives. DSE Hisa Kiganjani users increased to 143,126 in 2025 from 45,179 in 2024.



Climate risk integration:

Continued to integrate climate-related risks into governance and enterprise risk management frameworks, strengthening resilience and supporting the transition toward a low-carbon economy.

Environmental footprint management:

Continued to strengthen internal environmental management through paperless operations, resource efficiency, and improved monitoring of key environmental indicators.

GHG emissions reporting:

Established FY2025 as the baseline year for greenhouse gas reporting and disclosed Scope 1 and Scope 2 emissions in line with the GHG Protocol Corporate Standard and GRI 305.

Governance and ethics:

Continued to promote ethical conduct, accountability, and responsible business practices across the organisation. During the year, employees attended leadership and certified corporate governance programmes that included ethics-related modules.

Sustainable supply chain progress:

Continued to promote local participation in procurement, with 93.5% of suppliers sourced locally in 2025.

Enhanced stakeholder engagement: Strengthened collaboration with regulators, market participants, and strategic partners to advance sustainable finance, market development, and ESG adoption.

Our Approach to Sustainability

At the Dar es Salaam Stock Exchange, sustainability is closely linked to our purpose as a market institution. We recognise that well-functioning capital markets can support economic growth while also encouraging better governance, broader financial inclusion, and more responsible allocation of capital. Our approach therefore focuses on strengthening the market in ways that create long-term value for investors, issuers, and the wider economy.

Our sustainability approach is guided by three interconnected areas: environmental responsibility, social impact, and sound governance. These areas shape how we manage our own operations and how we support the wider market.





Environmental Stewardship

We acknowledge that Tanzania is highly vulnerable to climate change impacts, including flooding, drought, and rising temperatures, which pose risks to economic growth and livelihoods. In this context, the DSE is committed to leveraging its platform to mobilize capital toward environmentally sustainable initiatives.

In 2025, we continued to support the development of green finance markets by facilitating the issuance and visibility of sustainable financial instruments. These include green bonds and infrastructure-focused securities that channel funding into priority sectors such as renewable energy, water infrastructure, climate adaptation, and sustainable

urban development. The success of instruments like Tanzania's pioneering sub-national green bond underscores the growing potential of capital markets to finance environmental solutions.

Internally, we are also committed to minimizing our operational environmental footprint through initiatives such as digitalization, reduction of paper usage, improved energy efficiency, and responsible resource management. These efforts align with global sustainability practices and contribute to the broader national agenda of environmental preservation.



Social Responsibility

Promoting inclusive growth and equitable access to financial opportunities is a key priority for the DSE. Tanzania's development trajectory depends on ensuring that the benefits of economic growth are broadly shared across society.

In 2025, we strengthened our efforts to expand participation in capital markets by supporting products and initiatives that address social and economic disparities. This includes promoting access to finance for small and medium-sized enterprises, which are critical drivers of employment and

innovation, as well as encouraging investment instruments and initiatives that support inclusion and community development.

Through the Enterprise Growth Market, DEAP, and investor education initiatives, we continue to enable wider participation in the financial system, particularly among underserved groups. Our goal is to equip individuals, entrepreneurs, and institutions with the tools and opportunities needed to participate in and benefit from Tanzania's economic progress.



Governance and Ethical Leadership

Strong governance, transparency, and ethical conduct are fundamental to maintaining trust and integrity within the capital markets. The DSE continues to uphold high standards of corporate governance and regulatory compliance in line with both national requirements and international best practices.

In accordance with the DSE Rules (2022), all listed companies are required to integrate and disclose ESG considerations within their reporting frameworks. We have strengthened our oversight and support mechanisms to ensure that these disclosures are consistent, credible, and decision-useful for investors.

Our governance framework emphasizes:

- Transparency and timely disclosure of material information
- Accountability at both the Exchange and issuer levels
- Alignment with global standards, including the Global Reporting Initiative (GRI) and the UN Sustainable Stock Exchanges (SSE) principles

By enhancing ESG reporting and governance practices, we are fostering a market environment that promotes responsible investment and long-term value creation.



Innovation and Continuous Improvement

As sustainability expectations evolve, so too must our approach. The DSE is committed to continuously enhancing its policies, systems, and capabilities to remain aligned with emerging ESG trends and regulatory developments.

In 2025, we:

- Strengthened ESG capacity-building programmes for issuers and market participants
- Enhanced digital platforms to improve accessibility and efficiency

- Updated internal sustainability practices to reflect evolving global standards

Recognizing that ESG adoption is still maturing within Tanzania and is sometimes perceived as a compliance burden rather than a strategic opportunity, we continue to invest in education and awareness initiatives that highlight the long-term benefits of sustainable business practices.



Collaborative Efforts

We firmly believe that achieving sustainability is a shared responsibility that requires collective action across the financial ecosystem. The DSE actively collaborates with a wide range of stakeholders, including regulators, government institutions, development partners, investors, and listed companies.

These partnerships are critical in:

- Advancing sustainable finance frameworks
- Supporting Tanzania's National Adaptation Plan and climate commitments

- Mobilizing capital for priority sectors such as infrastructure, energy, and social development

By working collaboratively, we are contributing to the development of a more resilient, transparent, and sustainable capital market.



Environmental Stewardship

Our approach to sustainability goes beyond regulatory compliance. It is driven by our conviction that well-functioning capital markets can play a transformative role in addressing societal challenges while unlocking economic opportunities.

We are proud of the progress made in 2025 and remain committed to advancing our sustainability agenda. As Tanzania continues its journey toward a middle-income, climate-resilient economy, the DSE will remain a key partner in mobilizing capital, fostering innovation, and promoting responsible investment for the benefit of present and future generations.

Our vision:

A preferred avenue for capital raising and sustainable investment.

Our mission:

Maximize stakeholders value by providing sustainable investment opportunities and an efficient allocation of capital. At the heart of our sustainability approach, we consider our core values:

- **Professionalism:** We demonstrate high skill and competence in performing out through our conduct and attitude, to ensure quality services that meet stakeholder's expectations.
- **Integrity:** We treat our customers and stakeholders fairly, and with courtesy. We are ethical while discharging our duties and uphold confidentiality.
- **Teamwork:** We utilize expertise in achieving our goals.
- **Innovation:** We develop new methods and come up with ideas that result into positive impact in the sector and the economy.
- **Accountability:** We are responsible for the actions and decisions we make in the course of performing our duties.

Environment

We acknowledge that it is our common responsibility to address the environmental challenges that we face, and we recognise our responsibility to help minimise environmental impact.

Social impact

We commit to give back to our people and communities primarily by addressing various social challenges.

Governance

We will continue to uphold the highest standards of integrity in adherence to the best practice corporate governance principles in an effective manner.

Innovation

We are committed continuous improvement and innovation in our sustainability practices ensuring that we are well equipped to navigate the evolving sustainability landscape.

Collaborative Efforts

We actively engage with regulators, investors, issuers and other stakeholders to promote sustainable finance and create a more resilient financial market that benefits all.



Materiality assessment

Material matters are those that are both of importance to stakeholders and could have a substantial impact on our business, with the potential to significantly affect the achievement of our strategic objectives and consequently, our ability to create value.

At the Dar es Salaam Stock Exchange (DSE), we recognize the importance of identifying and prioritizing the most significant environmental, social, and governance (ESG) issues that impact our operations and stakeholders.

Materiality determination process

Our ESG materiality assessment is a critical process that helps us focus on the sustainability challenges and opportunities that are most relevant to our business and the broader community.

The purpose of our ESG materiality assessment is to ensure that we address the issues that matter most to our

stakeholders and align our sustainability strategy with these priorities. We employ a comprehensive methodology that includes stakeholder engagement, industry benchmarking, and analysis of global sustainability trends. This approach allows us to identify and prioritize ESG topics based on their significance to our business and their potential impact on society and the environment.

Our four-step approach for assessing material issues involved:



Stakeholder Identification
and engagement



Identify relevant
sustainability matters.



Data Collection and
Analysis



Validation &
Reporting

Stakeholder Identification and engagement: This step involves identifying the key stakeholders by mapping their interests with our activities and determining their role and impact on our organisation. The stakeholders identified were investors, vendors/suppliers, NGOs and communities, management, employees, Government, Regulators, listed companies.

Based on the insights gathered from our stakeholders and our analysis of industry trends, we prioritize ESG issues that are most material to our operations. These include, but are not limited to:

Climate Change and Environmental Impact:

Addressing the risks and opportunities associated with climate change, promoting energy efficiency, and supporting green finance initiatives.

Social Equity and Inclusion:

Ensuring equitable access to financial resources, promoting diversity and inclusion, and supporting community development.

Governance and Ethical Practices:

Enhancing transparency, accountability, and ethical leadership within our operations and among listed companies.

We engage in a transparent dialogue with our key stakeholders, and we interact regularly with governments and civil-society organizations, as well as communities and external partners. Identify relevant sustainability matters: This was done through engagement with our key stakeholders, industry benchmarking and peer review.

Materiality

shareholder matters

DSE remains committed to monitoring, managing, and reporting on our material sustainability issues. As part of this commitment to openness and transparency, we regularly conduct a formal, independent materiality assessment to ensure we are addressing those topics of greatest relevance, for our key stakeholders, society, and the environment.

We interact with a range of stakeholders to ensure that their perspectives are considered in the development of our corporate strategy and sustainability plans and objectives.

Our vision is to lead by example in how we manage our own sustainability strategy by embedding sustainability into our overall business strategy and operations, and by considering a wider and more complex set of ESG topics.



Reporting and Transparency

Transparency is a cornerstone of our ESG materiality assessment. We are committed to providing clear and comprehensive disclosures on our sustainability performance. Our reporting frameworks align with global standards, such as the Global Reporting Initiative (GRI)

and the UN Sustainable Stock Exchanges (UN-SSE) Initiative. By adhering to these standards, we ensure that our stakeholders have access to reliable and comparable information on our ESG practices.

ESG Pillar	Material Topic	GRI Mapping	Value Chain Mapping	
 Environmental	Managing our environmental impact	GRI 302 (Energy), GRI 305 (Emissions), GRI 306 (Waste)	Internal operations (offices, ICT infrastructure)	
	Investing in clean technologies	GRI 203 (Indirect Economic Impacts)	Market facilitation (investors, issuers)	
	Sustainable financing (renewable energy financing)	GRI 201 (Economic Performance), GRI 203	Capital markets (issuers, investors, regulators)	
	Positive environmental impact through community initiatives	GRI 413 (Local Communities)	Community engagement	
	Waste and water management	GRI 306 (Waste), GRI 303 (Water)	Internal operations and suppliers	
	Energy efficiency and energy management	GRI 302 (Energy)	Internal operations	
 Social	Financial Inclusion	GRI 203 (Indirect Economic Impacts)	Investors, SMEs, retail market participants	
	Training and education	GRI 404 (Training & Education)	Employees, issuers, investors	
	Gender diversity and inclusion	GRI 405 (Diversity & Equal Opportunity)	Employees, listed companies, boards	
	Employee wellbeing (Health and safety)	GRI 403 (Occupational Health & Safety)	Internal workforce	
	Talent management and succession planning	GRI 404 (Training), GRI 401 (Employment)	Internal workforce	
	Privacy & data security	GRI 418 (Customer Privacy)	Investors, trading systems, partners	
	Employee engagement	GRI 401 (Employment), GRI 404	Internal workforce	
	Occupational health and safety	GRI 403 (Occupational Health & Safety)	Internal workforce	
 Governance	Our efforts towards better disclosure in the market	GRI 2 (General Disclosures), GRI 207 (Tax), GRI 308/414 (Supplier ESG)	Listed companies, investors, regulators	
	Developing our people	GRI 404 (Training & Education)	Internal workforce	
	Gender equality	GRI 405 (Diversity & Equal Opportunity)	Board, management, listed companies	
	Reinforcing our ethics	GRI 2 (Governance), GRI 205 (Anti-corruption)	Entire value chain	
	Business ethics and managing conflict of interest	GRI 205 (Anti-corruption), GRI 206 (Anti-competitive behaviour)	Board, management, employees	
	Board composition and diversity	GRI 2 (Governance), GRI 405	Board of Directors	
	Board succession planning	GRI 2 (Governance)	Board level	
	Board remuneration	GRI 2 (Governance), GRI 102-35	Board governance	
	Anti-bribery	GRI 205 (Anti-corruption)	Entire value chain (issuers, regulators, partners)	
	Risk management, transparency and accounting	GRI 201 (Economic Performance), GRI 2 (Governance)	Entire value chain	

In preparation for this materiality reassessment, we have reviewed our material topics to understand potential gaps and emerging sustainability issues.

Based on our engagement with internal and external stakeholders, we will continuously update our list of material topics in line with the requirements of relevant sustainability reporting standards and applicable regulations.

	Rationale for Materiality
	As a listed exchange operating in an urban coastal city vulnerable to flooding, DSE must reduce its operational footprint and align with Tanzania's climate resilience priorities.
	Supports Tanzania's transition toward renewable energy, particularly in hydropower, solar, and gas transition projects critical to national energy security.
	Facilitates the mobilization of private sector capital into renewable energy and climate-resilient infrastructure, aligned with national energy and climate plans.
	Supports environmental conservation efforts such as water management, tree planting, and awareness initiatives, which are critical in addressing deforestation and climate risks.
	Tanzania faces growing urban waste management and water scarcity challenges; DSE promotes efficient resource use internally and across its stakeholders.
	Energy efficiency reduces operational costs and contributes to national energy sustainability amid growing demand and infrastructure constraints.
	Expanding access to capital markets is critical in Tanzania where financial inclusion remains uneven, particularly for SMEs and rural populations.
	ESG awareness and capital market knowledge are still developing; education strengthens market participation and sustainability understanding.
	Promotes equitable participation in economic growth, addressing gender disparities in corporate leadership and access to finance.
	Ensures a safe, productive workforce aligned with national labor standards and global ESG expectations.
	Critical for sustaining institutional knowledge and ensuring long-term operational resilience in a growing financial market.
	Increasing digitization of capital markets requires robust data protection frameworks to safeguard investor confidence and system integrity.
	Drives productivity and organizational culture, supporting DSE's transformation into a sustainability-driven institution.
	Particularly important in maintaining compliance and safeguarding employees in a rapidly evolving work environment.
	ESG disclosure remains relatively new in Tanzania; DSE plays a leadership role in improving transparency and market confidence.
	Strengthens institutional capacity to manage evolving ESG and regulatory requirements.
	Supports national and global commitments to gender equity and improved corporate governance practices.
	Ethical conduct is fundamental to maintaining investor trust and market integrity in emerging markets.
	Ensures fair and transparent market operations, especially critical in financial markets.
	Diverse boards improve oversight, decision-making, and investor confidence.
	Ensures continuity of leadership and alignment with long-term strategic priorities.
	Promotes transparency and alignment of incentives with long-term sustainability goals.
	Critical in maintaining trust and minimizing corruption risks within the financial ecosystem.
	Strengthens financial resilience, supports investor confidence, and aligns with regulatory expectations in Tanzania's capital markets.

Continuous Improvement.

The ESG landscape is constantly evolving, and we are dedicated to continuous improvement in our materiality assessment process. We regularly review and update our methodologies to reflect emerging trends and stakeholder

expectations. This commitment to innovation ensures that we remain responsive to the dynamic sustainability challenges and opportunities facing our industry.

Linkage to SDGs

At the Dar es Salaam Stock Exchange, our commitment to sustainability is aligned with the United Nations Sustainable Development Goals. These goals provide a broad framework for addressing economic, environmental, and social priorities, and they help guide the way we think about long-term value creation.

Through our sustainability initiatives and market development activities, we contribute to a number of SDGs,

particularly those linked to financial inclusion, gender equality, decent work, responsible business conduct, climate action, and partnerships.

Our approach to sustainability is therefore not limited to regulatory compliance. It is also about supporting a more resilient, inclusive, and sustainable future for Tanzania through the role we play in the capital market.



Goal 5 Gender Equality

The DSE shall strive to ensure gender equality through ensuring a) equal representation in staffing patterns; b) career development opportunities that are afforded to both women and men. This may include such activities as formal mentoring and coaching; c) sufficient effort is made, where appropriate so that candidates of both genders are given equal consideration for available positions; and d) Developing and/or reviewing existing policies, procedures, and systems to ensure that they support a gender-sensitive work environment.



Goal 12 Responsible Production and Consumption

The DSE shall ensure responsible production and consumption through: Promoting mandatory Sustainability Reporting by ensuring that DSE and its members (listed companies) adopt sustainable practices as well as integrate sustainability information into their reporting through the mandatory requirement of all listed companies to submit to the DSE Sustainability reports on an annual basis.



Goal 8 Decent work and Economic Growth

DSE shall ensure decent work and Economic growth through: Promoting development and or enhancement of policies and products that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small and medium sized enterprises, including ensuring access to financial services (financial inclusion). DSE is also used as a tool for inclusive economic growth, economic empowerment, shared prosperity and financial inclusion.

The DSE plays a crucial role in fostering economic growth and creating job opportunities. By facilitating access to capital for businesses, including small and medium-sized enterprises (SMEs), we support entrepreneurship and innovation, contributing to sustained economic growth and decent work for all.



Goal 9 Supporting Industry, Innovation, and Infrastructure

We are committed to advancing sustainable industrialization and fostering innovation. Through our support for green bonds and other sustainable financial products, we channel investments into infrastructure projects that promote sustainable development and technological advancement.



Goal 13

Climate Action

Addressing climate change is a priority for the DSE. We actively promote green finance initiatives that support projects aimed at reducing carbon emissions and enhancing climate resilience. By facilitating investments in renewable energy and sustainable infrastructure, we contribute to global efforts to combat climate change.

Under this goal, the DSE shall: a) Improve awareness raising and institutional capacity on climate change mitigation, adaptation, and impact reduction through promoting the adoption of green finance standards among issuers and investors; b) Promote the incorporation of green finance issues into listing rules; and c) Ensure Companies applying for Listings on the Stock exchange have necessary measures in place to combat climate risk depending on the nature of their business/Investments.



Goal 17

Partnerships for the Goals

Collaboration is essential for achieving the SDGs. The DSE engages with a wide range of stakeholders, including regulators, investors, and issuers, to promote sustainable finance and responsible investment practices. By fostering partnerships, we amplify our impact and drive collective progress towards the SDGs.

DSE shall ensure creation and enhancement of partnership for sustainable development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technologies, and financial resources to support the achievement of sustainable development goals at DSE.



Stakeholder Engagement

At the Dar es Salaam Stock Exchange (DSE), stakeholder engagement is a fundamental element of our sustainability strategy and decision-making processes. We actively engage with a diverse range of stakeholders to understand their expectations, address key concerns, and align

our initiatives with both market needs and national development priorities. Stakeholder engagement also informs our materiality assessment, ensuring that we focus on the environmental, social, and governance (ESG) issues that matter most to our stakeholders and our business.

Key stakeholder groups

DSE engages with a broad spectrum of stakeholders, including:



Investors (institutional and retail)



Listed companies and prospective issuers



Regulators and government institutions



Employees and management



Suppliers and service providers



Development partners, NGOs, and communities



Stakeholder needs and our response

Stakeholder Group	Key Needs / Expectations	DSE Responses
Investors	Transparency, ESG disclosures, market integrity, access to investment opportunities	Strengthened ESG disclosure requirements under DSE Rules (2022); improved digital access through mobile trading and real-time market data; investor education programmes
Listed Companies / Issuers	Clear reporting frameworks, access to capital, ESG guidance, market visibility	Capacity-building programmes, ESG training, DEAP initiative, technical guidance on sustainability reporting, listing support and enhanced disclosure frameworks
Regulators & Government	Market stability, compliance, support for national development priorities	Close collaboration on regulatory frameworks, support for SOE reforms, alignment with sustainability and capital market development goals
Employees	Safe workplace, career development, fair treatment, engagement	Training on ESG, ethics, and ICT; strong employee benefits; diversity and inclusion initiatives; continuous learning and engagement programmes
Suppliers	Fair procurement processes, transparency, long-term partnerships	Implementation of sustainable procurement practices, supplier screening, and strong focus on local sourcing (93.5% local suppliers)
Communities & Public	Financial inclusion, education, social impact, access to markets	Financial literacy programmes, DSE Academy, Scholar Investment Challenge, mobile trading platforms, community development initiatives
Development Partners & NGOs	Collaboration on sustainability, ESG advancement, inclusive growth	Partnerships with institutions (e.g., UN SSE, UNCDF, IFM, TPSF), ESG advocacy, joint programmes on financial literacy and sustainable finance

Engagement channels

We engage stakeholders through a variety of formal and informal platforms, including:



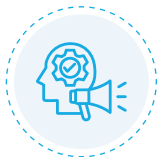
Training workshops, seminars, and ESG capacity-building programmes



Industry forums and stakeholder consultations



Digital platforms and mobile trading applications



Investor education and public awareness campaigns



Partnerships and collaborative initiatives



Regular reporting and disclosures

Governance

Strong governance is fundamental to the long-term success, resilience, and credibility of the Dar es Salaam Stock Exchange. As a market institution, the DSE has a responsibility to uphold high standards of transparency, accountability, ethical conduct, and regulatory compliance, while supporting confidence in Tanzania's capital markets.

Our governance approach is designed to support effective oversight, sound decision-making, responsible risk management, and the integration of sustainability considerations into our activities and the wider market.

Board Oversight and Risk Governance

The Board of Directors of the Dar es Salaam Stock Exchange (DSE) bears collective responsibility for ensuring the long-term sustainable success, resilience, and integrity of the Exchange. Central to this mandate is the Board's oversight of risk management, governance, and sustainability, which are critical to maintaining investor confidence and supporting the stability of Tanzania's capital markets.

The Board provides strategic leadership in setting the tone at the top and shaping a culture that prioritizes proactive risk management, ethical conduct, and accountability across all levels of the organization. It ensures that risk considerations are fully embedded into decision-making processes and aligned with the Exchange's broader strategic objectives.



Roles and Responsibilities of the Board

In fulfilling its governance and oversight duties, the Board is responsible for the following:

Strategic Direction and Risk Appetite

- Providing overall guidance in the determination of DSE's risk appetite, ensuring that it is clearly defined, measurable, and aligned with the Exchange's long-term strategic priorities.
- Ensuring that the Risk Management Policy and all related frameworks are consistent with, and supportive of, DSE's objectives of sustainable growth and market development.

Organizational Structure and Internal Controls

- Approving and periodically reviewing the organizational structure to ensure effective allocation of responsibilities, authority, and decision-making powers.
- Ensuring that robust internal control systems and enterprise-wide risk management frameworks are in place and proportionate to the nature, scale, and complexity of DSE's operations, including trading systems, regulatory functions, and market infrastructure.

Policy Approval and Oversight

- Approving the Risk Management Policy and ensuring that it remains responsive to evolving market, regulatory, and sustainability-related risks.
- Overseeing the adequacy and effectiveness of policies addressing emerging ESG risks such as climate-related financial risks, data security, and governance standards.

Internal Audit and Assurance

- Ensuring that the Internal Audit function operates independently and effectively in reviewing compliance with risk management principles, policies, and procedures.
- Receiving assurance that management actions are aligned with the established risk framework and that corrective measures are implemented where necessary.

Regulatory Compliance

- Ensuring full compliance with all applicable statutory, legal, and regulatory requirements, including those set by the Capital Markets and Securities Authority (CMSA) and other relevant bodies.
- Overseeing adherence to sustainability-related disclosure requirements and governance standards applicable to listed companies and the Exchange.

Management Capability and Accountability

- Ensuring that Management possesses the requisite skills, expertise, and capacity to identify, monitor, and manage risks inherent in DSE's operations and the broader market environment.
- Promoting leadership accountability for risk management and sustainable performance across all business functions.

Delegation to Management

While the Board retains ultimate accountability for governance and risk oversight, it has formally delegated authority to Management to oversee the day-to-day operations of the Exchange. This delegation is exercised within clearly defined limits, policies, and frameworks approved by the Board.

Management is responsible for implementing the risk management strategy, maintaining effective internal controls, and ensuring operational decisions are aligned with the Board's directives, risk appetite, and sustainability objectives.

Our Sustainability Governance Framework

DSE recognizes that strong governance practices are fundamental to addressing both traditional financial risks and emerging sustainability-related risks. In today's evolving operating environment, organizations face increasing exposure to reputational, regulatory, and operational risks arising from areas such as:

- ESG disclosure and transparency
- Ethical business conduct and anti-corruption
- Diversity, equity, and inclusion
- Data privacy and cybersecurity
- Supply chain responsibility and human rights

In response, we have continued to strengthen our sustainability governance framework through a combination of robust internal controls, enhanced transparency, and a culture of ethical leadership.

Key Governance Priorities in 2025

During the year, our focus has been on strengthening governance practices in the following areas:

1. Transparency and Disclosure

We have enhanced our disclosure frameworks to promote high-quality, consistent, and decision-useful ESG reporting by both the Exchange and listed entities. This supports investor confidence and improves market efficiency.

2. Risk Management Integration

We have further integrated environmental, social, and governance (ESG) risks into our enterprise risk management systems, recognizing the growing importance of climate risks, operational resilience, and social impact considerations in Tanzania's development context.

3. Ethical Conduct and Culture

We continue to foster a culture grounded in integrity, accountability, and ethical behavior. This includes strengthening policies on anti-bribery, conflict of interest, and responsible business conduct across the organization and market participants.

4. Compliance and Regulatory Alignment

We maintain strict adherence to all regulatory requirements while aligning with global best practices in governance, sustainability reporting, and risk management.

Embedding Sustainability into Strategy and Operations

At DSE, sustainability is not treated as a standalone function but as an integral part of our corporate strategy and operational decision-making. In 2025, we advanced our efforts to systematically embed sustainability considerations into all aspects of our business.

This includes:

- Integrating ESG considerations into strategic planning processes
- Aligning investment and product development strategies with sustainable finance principles
- Incorporating environmental and social risk assessments into decision-making
- Promoting a people-centered culture that values inclusion, wellbeing, and ethical leadership

Through these efforts, we aim to maximize the positive impact of our activities—particularly in supporting sustainable economic development in Tanzania—while minimizing any potential negative environmental or social outcomes.

Commitment to Continuous Improvement

We remain committed to continuously strengthening our governance and sustainability practices in response to evolving stakeholder expectations, regulatory developments, and market dynamics.

As Tanzania progresses toward a more inclusive, climate-resilient, and sustainable economy, DSE will continue to play a leadership role in:

- Enhancing governance standards across the

capital market

- Promoting responsible investment practices
- Supporting transparency, accountability, and long-term value creation

In doing so, we reaffirm our commitment to building a trusted, resilient, and sustainable capital market that contributes meaningfully to the nation's development.

Responsibilities



Sound risk management and compliance

Effective risk management and a strong compliance culture are essential to the sustainability of the Exchange and the stability of the market in which it operates. The DSE maintains policies, controls, and processes aimed at identifying and managing risks that could affect its operations, reputation, stakeholders, or strategic objectives.

Sustainability-related matters continue to be incorporated into the broader risk management framework. This includes consideration of climate-related risks, operational resilience, compliance obligations, business continuity, and market integrity.

The Exchange also promotes awareness of key risk and compliance issues across the organisation. During the year, employees continued to receive training and guidance on areas such as ethics, anti-money laundering, politically exposed persons, cybersecurity, and responsible business conduct.

By embedding risk awareness and compliance into day-to-day operations, the DSE seeks to reduce the likelihood of disruption, strengthen accountability, and support the continued resilience of the organisation.

Ethical, transparent and accountable business

DSE is committed to conducting its business ethically and with integrity. Transparency, accountability, and fairness remain central to how the Exchange operates and to maintaining the trust of investors, issuers, regulators, and other stakeholders.

This commitment is supported through policies, procedures, and internal controls designed to promote responsible business conduct and reduce the risk of misconduct.

During 2025, ethical conduct continued to be reinforced through internal communication and staff development. During the year, 4 employees attended leadership and certified corporate governance programmes that included

ethics-related modules. Additionally, all our employees received training on code of conduct and anti-corruption, business continuity training and ICT security training.

Code of conduct

We expect our people to treat each other with dignity and respect, and have a zero-tolerance policy against bullying, harassment or any form of discrimination. Our Code of Conduct outlines the standards and behaviour expected of our employees when dealing with clients, business colleagues, shareholders, communities and each other. This, along with our framework for handling employee concerns helps us to maintain a consistently high standard of employee safety.

The DSE's Code of conduct:

The Code of Conduct outlines the key responsibilities of all Exchange employees in relation to respect for the welfare and rights of people whom they work and interact with within or outside the Exchange. It is designed to assist all staff to better understand the obligations placed upon their conduct, so as to prevent abuses such as Sexual Exploitation and Abuse (SEA), all forms of harassment, fraud and corruption, security breaches, and unethical behaviours and business practices. Therefore, all DSE employees shall at all times:

- (a) Respect and promote fundamental human rights without discrimination.
- (b) Treat all with whom we work fairly and with respect, courtesy, dignity.
- (c) Promote the implementation of the Code of Conduct by contributing towards the creation and

maintenance of an environment that prevents sexual exploitation and abuse, abuse of power and corruption.

- (d) Report immediately any knowledge, concerns or substantial suspicions of breaches of the Code of Conduct to her/his line manager/ supervisor and/ or senior management team
- (e) Be aware that failure to disclose information about any reports, concerns or substantial suspicions constitutes grounds for disciplinary actions.
- (f) Feel protected by Dar Es Salaam Stock Exchange Plc's commitment to providing a safe environment without fear of reprisal or unfair treatment.
- (g) Uphold the highest standards of accountability, efficiency, competency, integrity and transparency in the execution of their job.

Conflicts of interest

The board is committed to acting in the best interest of the exchange, in good faith and without undue personal conflicts of interest. Board members owe their fiduciary duties to the exchange, and all board decisions are consistently based on ethical foundations in line with our values.

At the beginning of each board meeting, all board members are required to declare any conflicts of interest in respect of matters on the agenda. Any such conflicts are proactively managed as determined by the board and subject to legal

provisions. Additionally, directors have a duty to avoid situations that could lead to conflicts of interest, such as appointment to positions.

0 cases

In 2025, there was not any incidence of conflict of interest that was reported during the year



Raising concerns and whistleblowing

The DSE is committed to maintaining an environment in which employees, investors, and other stakeholders can raise concerns regarding unethical conduct, breaches of policy, or non-compliance with applicable laws and regulations.

Concerns may be raised through a range of available channels, including confidential and anonymous means where appropriate, such as suggestion boxes and email

communication. This supports a culture of openness, accountability, and responsible conduct across the organisation.

0 cases

In 2025, there was not any incidence of conflict of interest that was reported during the year

Promoting Sustainable Practices in the Market

DSE continues to play an important role in promoting a more transparent, resilient, and sustainability-focused capital market in Tanzania. As a market institution, the Exchange supports improved sustainability disclosure, stronger ESG awareness, and the development of products and practices that contribute to long-term value creation.

Under the DSE Rules, listed companies are required to disclose ESG-related information as part of their reporting obligations. In the latest reporting cycle, 21 out of 28 listed companies submitted sustainability reports, reflecting continued progress in market adoption.

To support market readiness, DSE continued to provide guidance, engagement, and capacity-building initiatives for issuers and market participants. In 2025, the DSE Enterprise Acceleration Programme (DEAP) trained 65 SMEs, supporting improvements in governance, financial reporting, transparency, and readiness for capital market participation.

Technology also remained an important enabler of sustainable market development. During the year, DSE continued to strengthen digital systems that support efficiency, accessibility, and paperless reporting processes, including electronic disclosure channels, broader mobile access, and the rollout of the e-Data Management System.

Fostering the Issuance of Sustainable Bonds

'Nurturing Sustainable Practices for Tomorrow'

The DSE continues to support the development and visibility of sustainable financial instruments within the Tanzanian capital market. This includes green, social, and other thematic instruments that help channel capital toward areas such as renewable energy, water infrastructure, climate resilience, and broader development priorities.

Through this role, the DSE contributes to the mobilisation of capital toward projects with positive environmental and social outcomes, while supporting the continued evolution of sustainable finance in Tanzania.

The Exchange also continued to support market awareness and issuer readiness for sustainable finance through engagement, training, and collaboration with regulators and market participants.

According to the CMSA quarterly report issued in December 2025, the total value of sustainability instruments issued in the market during the year amounted to TZS 914.39 billion (USD 352 million).



Active use of social media

We actively use various social media platforms to communicate on green finance and sustainable development actions. In 2025, we saw significant growth in our social media presence. Our Instagram followers increased by 21%, reaching 74,000 by the end of 2025, up from 61 thousand at the end of 2024. On Twitter, our reach increased and

we grew our followers to 14,000 by the end of 2025. On LinkedIn, the DSE is followed by more than 7,500 accounts. This expansion has enhanced our engagement with a broader audience, raised awareness about our sustainable finance initiatives, and fostered a stronger community connection among investors, companies, and stakeholders.

Sustainable supply chain

DSE recognises that procurement practices form part of its broader governance and sustainability approach. In managing its supply chain, the Exchange seeks to promote transparency, accountability, and support for local value creation, while ensuring that procurement decisions remain aligned with operational needs and applicable internal controls.

The Exchange continues to prioritise local sourcing where possible as part of its contribution to locally driven economic participation. In 2025, 93.5% of suppliers were sourced locally, reflecting continued support for domestic service providers and businesses.

Procurement processes are guided by established internal procedures and oversight mechanisms intended to support fair dealing, responsible decision-making, and value for money. In practice, this includes attention to supplier selection, internal approvals, documentation, and alignment with the Exchange's wider control environment.

As part of ongoing improvement, DSE continues to strengthen the way sustainability considerations are reflected in procurement processes. This includes encouraging transparency and integrity in supplier engagement and considering how environmental and social factors can increasingly be reflected in purchasing decisions over time.

Strategic Partnerships and Collaborations

Strategic partnerships remain an important part of DSE's efforts to advance sustainable finance, expand market participation, and strengthen capital market development in Tanzania. Through collaboration with public institutions, private sector organisations, and development partners, the Exchange continues to support initiatives that contribute to market growth, financial literacy, inclusion, and sustainability awareness.

In 2025, DSE continued to engage with a range of institutions through partnerships, memoranda of understanding, technical cooperation, and market development initiatives. These engagements supported areas such as SME development, women's economic participation, innovation, governance, and sustainable finance.

Partnerships during the year included collaboration with institutions such as TWCC, TRA, the Fintech Society of Tanzania, GOPA, and Amana Bank, among others,

depending on the purpose and scope of the initiative. These partnerships helped extend the reach of DSE's programmes and supported practical areas such as training, outreach, enterprise development, and market awareness.

The Exchange also continued to engage through regional and international platforms, including the World Federation of Exchanges (WFE), the UN Sustainable Stock Exchanges (SSE) Initiative, and the African Securities Exchanges Association (ASEA). These platforms support knowledge sharing, peer learning, market development, and continued alignment with evolving global sustainability and governance practices.

Through these strategic partnerships and collaborations, DSE continued to strengthen its role as a market institution that not only facilitates capital raising and investment, but also supports capacity-building, inclusion, innovation, and the long-term development of Tanzania's capital markets.



Environment

Climate Risks and Management

(GRI 2-12, 2-13, 201-2, 302, 305)

Climate change presents significant risks and opportunities for financial markets and economic development. As a key market infrastructure institution, the Dar es Salaam Stock Exchange (DSE) recognises its responsibility to support climate resilience and promote sustainable investment practices in Tanzania.

Our approach to climate risk management is embedded within our governance and enterprise risk management frameworks, ensuring that climate-related risks and opportunities are considered in strategic and operational decision-making.

Understanding Climate Risks

Transition Risks

(GRI 201-2)

These arise from regulatory, technological, and market changes linked to the transition to a low-carbon economy. Increasing investor demand for ESG integration and evolving disclosure requirements underscore the need for DSE to support issuers and investors in adapting to these shifts.

Physical Risks

(GRI 201-2)

Climate-related events such as flooding and changing weather patterns may disrupt operations and impact stakeholders. While DSE has limited exposure to physical assets, we maintain robust business continuity measures, including a disaster recovery site, to enhance operational resilience.

Our Response

To address climate risks, the DSE has implemented the following measures:

- Governance and Risk Integration (GRI 2-12):
- Climate risks are integrated into the Exchange's governance and risk management frameworks.
- Operational Sustainability (GRI 302, 305):
- Continued focus on digitalisation, energy efficiency, and reducing operational emissions.
- Market Development:

- Promotion of green and sustainable financial instruments, including green bonds, to channel capital toward climate-resilient investments.
- Transparency and Disclosure (GRI 2-3):
- Annual sustainability reporting to provide stakeholders with clear insights on ESG performance and climate-related progress.
- Capacity Building:
- Engagement with issuers, investors, and stakeholders through workshops and knowledge-sharing platforms to advance climate awareness and ESG adoption.
- Policy and Partnerships:
- Collaboration with regulators, policymakers, and international partners to support the development of climate-aligned market frameworks.
- Regulatory Compliance:

Adherence to applicable environmental laws and alignment with international sustainability standards.

The DSE remains committed to strengthening climate risk management, enhancing ESG integration, and supporting Tanzania's transition toward a low-carbon and climate-resilient economy.

Managing Our Environmental Footprint

“At the DSE, we believe that commitment to environmental protection begins within our own workplace.”

The Dar es Salaam Stock Exchange (DSE) is committed to managing its environmental footprint through responsible operational practices and by promoting sustainability across the broader market ecosystem. While our direct environmental impact is relatively limited compared to industrial sectors, we recognise our responsibility to lead by example and contribute to environmental stewardship in Tanzania.

Our approach focuses on minimising the environmental impact of our operations by embedding sustainable practices into our day-to-day activities. This includes reducing resource consumption, lowering our carbon footprint, and fostering awareness among employees, partners, and suppliers to adopt environmentally responsible behaviours.

We acknowledge that even small operational changes can collectively contribute to meaningful environmental outcomes. As such, we continue to prioritize the efficient use of energy, water, and materials, while encouraging our stakeholders to align with these principles.

Our Approach to Environmental Management

Energy Efficiency

DSE implements initiatives aimed at reducing energy consumption and improving efficiency within its operations. These include:

- Adoption of energy-efficient lighting systems
- Optimization of heating, ventilation, and cooling systems
- Encouraging responsible energy use across the workplace

These efforts support the reduction of indirect greenhouse gas emissions associated with our operations.

Managing Our Carbon Footprint

Understanding and managing our carbon footprint is a key component of our environmental strategy. A carbon footprint represents the total greenhouse gas emissions generated directly and indirectly by our operations.

In 2025, the DSE continued efforts to:

- Improve understanding of its emission sources
- Promote operational efficiencies that reduce energy consumption
- Advance digitalisation to minimise resource use

While our emissions profile remains relatively low, we are committed to strengthening measurement, monitoring, and reduction efforts over time, in line with evolving sustainability expectations.

The DSE remains dedicated to minimising its environmental impact while contributing to the broader sustainability agenda in Tanzania. By integrating responsible practices within our operations and leveraging our role in the capital markets, we aim to support a more environmentally sustainable and resilient future.



Greenhouse Gas (GHG) Emissions

Understanding and managing our carbon footprint is a key component of our environmental strategy. A carbon footprint represents the total greenhouse gas emissions generated directly and indirectly by our operations.

In 2025, the DSE continued efforts to:

- Improve understanding of its emission sources
- Promote operational efficiencies that reduce energy consumption
- Advance digitalisation to minimise resource use

While our emissions profile remains relatively low, we are committed to strengthening measurement, monitoring, and reduction efforts over time, in line with evolving sustainability expectations.

The DSE remains dedicated to minimising its environmental impact while contributing to the broader sustainability agenda in Tanzania. By integrating responsible practices within our operations and leveraging our role in the capital markets, we aim to support a more environmentally sustainable and resilient future.

FY2025 emissions performance

Scope	Source	Emissions (tCO ₂ e)
Scope 1	Fuel (vehicles)	29.65
Scope 2	Electricity (DSE & CSDR)	86.45
Total	Scope 1 + Scope 2	116.09

Key insight:

Emissions are primarily driven by electricity consumption (Scope 2).

Scope 3: Not yet calculated and disclosed. DSE will assess relevant Scope 3 categories (e.g. employee commuting, business travel, purchased goods and services) and expects to begin disclosing Scope 3 emissions from FY2026.

Methodology

- Based on GHG Protocol and GRI 305
- Data sourced from fuel records and electricity bills
- Emission factors applied: diesel and Tanzania grid electricity
- Estimates used where direct measurement is unavailable

Uncertainty and data improvement

Emissions include estimation due to limited metering and aggregated data. DSE is enhancing data systems to improve accuracy over time.

Targets and future focus

FY2025 is a baseline year, and no formal reduction targets have been set.

Focus areas include:

- Improving emissions data and tracking
- Enhancing energy efficiency, especially in ICT systems
- Assessing future GHG reduction targets
- Expanding reporting to include Scope 3 emissions

Waste and Resource Management

We have established practices to reduce, reuse, and recycle waste generated from our activities. Key focus areas include:

- Minimising paper usage through digital platforms
- Improving waste segregation and disposal practices
- Promoting responsible consumption of water and other resources

These measures contribute to reducing environmental impact while enhancing operational efficiency.

Promoting Sustainable Finance

Beyond our internal operations, the DSE plays a critical role in advancing environmental sustainability through the capital markets by:

- Supporting the issuance of green bonds and sustainability-linked financial instruments
- Facilitating investment in renewable energy, sustainable infrastructure, and climate adaptation projects

This market-level impact enables the mobilisation of capital towards environmentally beneficial initiatives.

Strengthening ESG Reporting

The DSE mandates ESG disclosures for listed companies, requiring transparency on environmental performance and sustainability initiatives. This encourages issuers to adopt practices that reduce their environmental footprint and align with global sustainability standards.

Water Management

(GRI 303-1, 303-2, 303-3, 303-5)

While the Dar es Salaam Stock Exchange (DSE)'s operations are not water-intensive, we recognise that water is an increasingly scarce and critical resource in Tanzania. As such, we are committed to managing water responsibly within our operations and contributing to broader water sustainability through market-based solutions. During 2025, total water consumption was 3,780 litres.

Approach to Water Stewardship

(GRI 303-1)

DSE's approach to water management focuses on minimizing consumption, preventing wastage, and promoting awareness among employees and stakeholders. Although our direct water use is limited, we recognise our responsibility to adopt efficient practices and support national efforts toward sustainable water resource management.

Operational Water Efficiency

(GRI 303-5)

During 2025, the DSE implemented several measures to improve water efficiency and reduce wastage within its operations:

- Installation of water-efficient fixtures, including low-flow faucets, toilets, and urinals

Stakeholder Engagement

We actively engage with investors, issuers, regulators, and partners to promote environmental sustainability and responsible investment practices. Through collaboration and dialogue, we aim to amplify the impact of sustainability initiatives across the market.

Continuous Improvement

DSE remains committed to continuously reviewing and enhancing its environmental policies and practices to reflect emerging trends and global best practices. This ensures we remain responsive to evolving sustainability challenges and opportunities.

- Conducting regular inspections and maintenance of plumbing systems to detect and repair leaks
- Ongoing collaboration with building management to identify further opportunities for improving water efficiency

These initiatives are designed to optimise resource use and support responsible environmental management.

Water Awareness and Employee Engagement

(GRI 303-1)

Behavioural change remains an important component of our water management strategy. In 2025, the DSE continued to promote water conservation through:

- Internal awareness campaigns on responsible water use
- Encouraging simple practices such as turning off taps when not in use
- Prompt reporting of leaks and inefficiencies

These efforts contribute to fostering a culture of environmental responsibility across the organisation.

Water-Related Impacts Through Market Activities

(GRI 303-2)

Beyond our internal operations, the DSE contributes to water sustainability by facilitating investments in water infrastructure and conservation projects through the capital markets.

A notable example is the listing of the Tanga Urban Water Supply and Sanitation Authority (Tanga UWASA) green bond, which finances projects aimed at improving access to clean water and strengthening water management systems.

Through such initiatives, the DSE supports the mobilisation of capital toward addressing water scarcity and enhancing climate resilience in Tanzania.

Looking ahead, the DSE remains committed to:

- Maintaining efficient water use within its operations
- Strengthening monitoring and awareness of water consumption
- Supporting sustainable water initiatives through market-based solutions

By integrating efficient operational practices with broader market influence, the DSE contributes to the sustainable management of water resources in Tanzania.

Energy Efficiency and Management

(GRI 302-1, 302-4, 302-5)

Energy consumption remains a key component of the Dar es Salaam Stock Exchange's (DSE) environmental footprint. Although our operations are not energy-intensive, we are committed to managing electricity use responsibly and improving energy efficiency across our facilities in line with our sustainability objectives.

Approach to Energy Management (GRI 302-1)

The DSE's approach focuses on monitoring energy use, promoting efficient consumption, and embedding responsible practices into daily operations. We aim to minimise electricity consumption through both technological improvements and behavioural change among employees.

Energy Efficiency Initiatives

(GRI 302-4, 302-5)

In 2025, the DSE implemented and continued several initiatives to improve energy efficiency and reduce consumption:

- Optimising the use of lighting and electrical systems within office premises
- Developing plans to upgrade equipment and appliances to energy-efficient alternatives
- Enhancing facility management practices to ensure resource-efficient premises
- Promoting responsible use of energy resources across all departments

We have also initiated the transition from paper-based processes to digital systems, reducing reliance on physical resources and indirectly lowering energy consumption associated with printing and document management.

Stakeholder Engagement and Awareness

(GRI 302-5)

The DSE continues to engage with stakeholders, including suppliers and market participants, to identify opportunities for adopting more sustainable and energy-efficient practices.

Internally, employees receive ongoing training and awareness on:

- Energy conservation practices
- Responsible resource usage
- Implementation of sustainability policies

These initiatives support a culture of efficiency and accountability across the organisation.

Continuous Improvement

(GRI 302-4)

DSE remains committed to continuously improving energy performance by:

- Reviewing energy use patterns and identifying reduction opportunities
- Investing in energy-efficient technologies and infrastructure
- Strengthening internal awareness and operational controls

Looking ahead, the DSE will continue to enhance energy efficiency within its operations, expand digital solutions to reduce resource consumption and promote sustainable practices across the market ecosystem.

Promoting Energy Efficiency in the Market

The Dar es Salaam Stock Exchange (DSE) continues to play an active role in encouraging energy efficiency across the capital market ecosystem. Recognising the interlinkages between energy efficiency, environmental sustainability, and economic development, the Exchange promotes initiatives that support responsible energy use among listed companies, investors, and other market participants.

Improving energy efficiency not only contributes to reduced greenhouse gas emissions and environmental conservation, but also enhances operational efficiency, supports public health outcomes, and drives long-term economic growth. In this context, DSE is committed to fostering a market environment that values sustainable resource management.

To achieve this, the DSE engages with key stakeholders, including government agencies, industry bodies, and development partners, to promote the adoption of energy-efficient technologies and practices. These collaborations help to amplify the reach and impact of energy efficiency

initiatives and ensure alignment with national and global sustainability priorities.

In addition, the Exchange conducts capacity-building and awareness programmes aimed at equipping market participants with the knowledge and tools required to improve energy efficiency in their operations. These programmes highlight best practices, emerging technologies, and practical strategies that support the transition toward more sustainable business models.

The DSE also reinforces energy efficiency through its sustainability disclosure requirements. Under the ESG reporting framework, listed companies are expected to disclose information on energy consumption, efficiency measures, and related initiatives. This enhances transparency, encourages accountability, and supports investors in making informed, sustainability-oriented decisions.



Paper Usage and Digital Transformation

In line with its commitment to environmental sustainability and operational efficiency, the DSE continued to advance its transition toward a paperless workplace in 2025. Digital transformation remains a key enabler in reducing resource consumption while improving service delivery and accessibility.

Employees continue to minimise paper usage by adopting digital communication tools such as email, virtual meetings, and electronic document management systems. These practices are now embedded within the organisation's culture and have contributed to a sustained reduction in paper consumption.



Key Digital Initiatives

The DSE has made significant progress in implementing digital solutions that reduce reliance on paper-based processes:

1. Electronic Results Submission System

Listed companies submit financial and sustainability disclosures electronically through the DSE platform, eliminating the need for physical documentation and improving efficiency.

2. Mobile Trading Platform

Investors are able to open accounts and execute trades through mobile devices, removing the need for physical paperwork and enhancing financial inclusion by increasing accessibility.

3. E-Data Management System (Launched in 2025)

The implementation of a comprehensive e-data management system has strengthened data processing, storage, and reporting capabilities. This system supports the Exchange's transition toward a fully digital and paperless operating environment.

Embedding Responsible Resource Use

To support these initiatives, the DSE has formalised internal policies and procedures on responsible resource usage. Staff training on digital tools and paperless workflows continues to drive adoption across all departments.

The DSE remains committed to further reducing its environmental footprint by:

- Expanding digital platforms and automation
- Enhancing resource efficiency across operations
- Promoting sustainable practices among market participants

The positive outcomes of these initiatives are evidenced by a significant reduction in paper consumption demonstrating tangible progress toward our environmental sustainability objectives.

Waste Management

(GRI 306-1, 306-2, 306-3)

The DSE is committed to responsible waste management as part of its broader environmental stewardship efforts. Although our operations generate relatively low volumes of waste, we recognise the importance of adopting sustainable waste management practices in compliance with applicable local regulations.

Approach to Waste Management

(GRI 306-1)

Our approach focuses on reducing waste generation, promoting responsible disposal practices, and fostering awareness among employees and stakeholders. We aim to minimise environmental impact by integrating waste management considerations into our daily operations and decision-making processes.

Waste Reduction Initiatives (GRI 306-2)

In 2025, the DSE continued to implement measures to reduce waste generation, particularly dry waste such as paper and cardboard. These include:

- Advancing digitisation and paperless processes to minimise reliance on physical documents
- Promoting efficient resource use across all departments
- Encouraging suppliers and partners to adopt sustainable practices where feasible



Waste Segregation and Disposal

(GRI 306-2, 306-3)

To enhance responsible waste handling, the DSE:

- Encourages employees to reduce, reuse, and segregate waste within office premises
- Is progressively introducing appropriate waste segregation facilities, including clearly labelled bins
- Works closely with building management and relevant stakeholders to ensure that waste, including wastewater, is properly managed and disposed of through approved municipal systems, in line with regulatory requirements

Promoting Awareness and Accountability

(GRI 306-2)

The DSE continues to promote awareness among employees on responsible waste management practices, including:

- Reducing unnecessary waste generation
- Proper segregation and disposal of waste
- Supporting a culture of environmental accountability within the workplace

Commitment to Continuous Improvement

The DSE remains committed to strengthening its waste management practices by:

- Enhancing monitoring and internal controls over waste generation
- Expanding recycling and waste reduction initiatives
- Promoting transparency and accountability in waste management processes

Through these efforts, the DSE continues to minimise its operational waste footprint while supporting broader environmental sustainability objectives in Tanzania.

Social

Investing in our communities

We recognise that broad-based participation in capital markets depends on public understanding, financial capability, and confidence in formal investment channels. For the Dar es Salaam Stock Exchange, community investment therefore centres on improving financial literacy, expanding awareness of capital market opportunities, and supporting more inclusive participation in the financial system.

In 2025, the DSE continued to invest in community-facing initiatives aimed at improving access to financial knowledge and strengthening the foundations for long-term investor participation. These efforts focused particularly on young people, students, women, and other groups that remain underrepresented in formal investment activity.

Financial literacy and public awareness

Financial literacy remains an important part of the DSE's contribution to inclusive economic participation. During the year, the Exchange continued to support public awareness initiatives aimed at improving understanding of saving, investing, budgeting, fraud awareness, and responsible financial decision-making.

These initiatives form part of the DSE's broader effort to strengthen public understanding of capital markets and support more informed participation in formal financial systems. Through community-facing education and awareness programmes, the Exchange continues to contribute to a stronger culture of financial preparedness and long-term investment awareness.



Global Money Week 2025

As part of its financial literacy efforts in 2025, the DSE participated in Global Money Week 2025, alongside other institutions involved in financial education and awareness in Tanzania. Activities associated with this initiative included public lectures, seminars, financial literacy sessions, and outreach engagements designed to improve financial capability among different segments of the public.

The initiative provided an additional platform for the DSE to promote understanding of personal finance, responsible borrowing, savings, fraud awareness, and the value of informed financial decision-making.

Youth and student engagement

Young people remain a key focus of the DSE's community engagement efforts. The Exchange continues to support youth-focused programmes that improve financial literacy, build awareness of investment opportunities, and expose students to the functioning of capital markets.

These efforts are intended not only to strengthen financial knowledge at an early stage, but also to help nurture future investors, professionals, and entrepreneurs with a better understanding of long-term saving, investing, and capital allocation.

DSE Scholar Investment Challenge

In 2025, the DSE continued to support the DSE Scholar Investment Challenge, one of its flagship youth-focused initiatives designed to build practical understanding of capital markets through simulated trading and market-based learning.

The initiative provides students with exposure to investment principles, market operations, and responsible financial decision-making through a simulated environment based on real market conditions. It also supports the development of analytical, practical, and career-relevant skills while encouraging an early culture of saving and investing.

The DSE Scholar Investment Challenge forms part of the Exchange's broader effort to equip future generations with the knowledge and confidence needed to participate in capital markets.

During the year 2025, the challenge was attended by 605 students from 56 institutions across 12 regions in Tanzania. The Regions represented includes Zanzibar, Dar es salaam, Moshi, Mbeya, dodoma, morogoro, Arusha, Mwanza, Kilimanjaro, Iringa, Musoma and Tabora.

Women-focused inclusion and awareness

In the Dar es Salaam Stock Exchange (DSE) partnered with the Tanzania Women Chamber of Commerce (TWCC) as part of its commitment to promoting inclusive growth and women's economic empowerment. Through this partnership, TWCC facilitated the participation of thirty (30) women-owned enterprises in the DEAP 2025 cohort.

These enterprises represented diverse sectors of the economy and brought valuable perspectives on the unique challenges and opportunities faced by women-led businesses. The inclusion of women-owned enterprises enhanced the diversity of the cohort and aligned the program with national and global priorities on gender inclusion, SME development, and sustainable economic growth.

Ring the Bell for Gender Equality 2025

As part of this broader effort, the DSE hosted the Ring the Bell for Gender Equality 2025 initiative under the theme "Ring the Bell for ALL Women and Girls: Rights. Equality. Empowerment."

The event formed part of the Exchange's contribution to raising awareness of gender equality, women's empowerment, and the importance of inclusive participation in economic and capital market activity. It also reflected the DSE's continued support for initiatives that connect financial market development with broader social inclusion goals.

Further detail on gender diversity and inclusion is provided in the Diversity and inclusion section of this report.



Community access through partnerships and outreach

The DSE's community-facing initiatives are strengthened through collaboration with regulators, educational institutions, and other stakeholders involved in public education and market development. Through these partnerships, the Exchange is able to extend the reach of its financial literacy efforts and contribute to broader public understanding of investment and capital market participation.

These collaborative efforts help create additional pathways for awareness-building, outreach, and public engagement, particularly in areas where capital market participation remains limited or still developing.

Further information on stakeholder partnerships and institutional engagement is provided in the Stakeholder Engagement and Strategic Partnerships and Collaborations sections of this report.

Promoting financial inclusion

The Dar es Salaam Stock Exchange recognises that financial inclusion is essential to building a more resilient, participatory, and sustainable capital market. Broadening access to investment opportunities helps ensure that individuals and businesses from different backgrounds are able to participate in formal financial markets, build wealth over time, and contribute to economic growth.

For the DSE, promoting financial inclusion means improving access to market information, reducing barriers to participation, supporting investor awareness, and encouraging products and platforms that serve a wider range of market participants. In 2025, the Exchange continued to advance this agenda through digital innovation, investor access channels, SME-focused participation pathways, and partnerships aimed at widening market inclusion.

Expanding access to capital markets

The DSE continues to support more accessible participation in capital markets by promoting practical and inclusive entry points for investors and issuers. This includes improving access to market information, supporting broader awareness of investment opportunities, and encouraging participation through structures that are more responsive to the needs of different investor groups.

The Exchange also continues to support market access for smaller businesses through platforms such as the Enterprise Growth Market (EGM) and the broader SME support ecosystem linked to DEAP, which are intended to improve readiness for capital raising and formal market participation.

This year, we had 6 companies in EGM

Digital inclusion and investor accessibility

Digital platforms remain an important enabler of financial inclusion. In 2025, the DSE continued to expand investor accessibility through digital channels that support more convenient participation in the capital market. By reducing geographical and procedural barriers, these platforms help extend market access to a broader range of participants, including retail investors and new entrants.

The DSE's wider digital transformation agenda has also supported inclusion by improving access to market information, public disclosures, and transaction channels. These developments contribute to a more accessible and efficient market environment while supporting broader participation beyond traditional physical access points.

In 2025, 123,547 new CDS accounts were opened, bringing the total number of unique CDS accounts to 740,639 at year end. This growth reflects continued expansion in access to capital market participation.



DSE Hisa Kiganjani

The DSE continues to leverage digital innovation to broaden participation in Tanzania's capital market through DSE Hisa Kiganjani, its mobile trading platform. The platform remains an important tool for improving investor access and enabling more convenient participation in the market through digital channels.

In 2025, uptake of the platform increased significantly. A total of 94,805 new Mobile Trading Platform accounts were onboarded during the year, bringing the total number of mobile trading accounts to 139,971 by the end of 2025. This represented substantial growth compared with the previous year and reflected increasing public awareness, broader accessibility, and continued investment in digital channels.

By year end, mobile trading accounts represented 18.89% of total unique CDS accounts, compared to 7.32% at the end of 2024. This growth reflects the increasing role of digital access channels in widening participation in the capital market.

DSE Hisa Kiganjani enables investors to access the market through mobile and digital channels, helping to reduce barriers associated with location, process, and convenience. Through its digital-first approach, the platform continues to support broader investor participation and improved accessibility, while contributing to a more inclusive capital market ecosystem.

The platform is accessible through a dedicated application, web portal, and USSD channels, allowing investors to open accounts and participate in the market more conveniently. By reducing reliance on physical paperwork and in-person visits, DSE Hisa Kiganjani continues to support a more accessible and user-friendly investment environment.

143,125 users have so far registered on the DSE Hisa Kiganjani application. This has grown from 45,179 users in 2024. The volume of daily transaction through is application is around TZS 50millions.

Mobile Trading Platform

Metric	2025	2024
New mobile trading accounts onboarded	94,805	27,211
Total mobile trading accounts at year end	139,971	45,166
Share of total unique CDS accounts	18.89%	7.32%

Supporting inclusive participation

The DSE also promotes financial inclusion by supporting participation channels that broaden access for different investor and issuer groups. This includes support for SME-focused market access platforms, investor education pathways, and initiatives that encourage wider participation by youth, women, and first-time investors.

Inclusive market development remains closely linked to the Exchange's wider sustainability agenda, particularly where capital markets can help support underserved groups and new participants through better access to information, literacy, and market opportunities.

Further detail on community-facing financial literacy and youth outreach initiatives is provided in the Investing in our communities' section of this report.

Partnerships for inclusive market growth

The DSE continues to work with regulators, educational institutions, development partners, and other stakeholders to support more inclusive market participation. These collaborations strengthen the reach of awareness initiatives, support market education, and help connect broader inclusion goals with practical capital market opportunities.

Through these partnerships, the Exchange continues to contribute to a more accessible and inclusive market ecosystem that supports wider investor participation and long-term market development.

Further detail on stakeholder and partnership-based initiatives is provided in the Stakeholder Engagement and Strategic Partnerships and Collaborations sections of this report.

Training and education

The DSE recognises that education is essential to the long-term development of an inclusive, well-functioning, and sustainable capital market. Building market knowledge among investors, students, professionals, issuers, and other stakeholders helps strengthen participation, improve decision-making, and support the broader growth of Tanzania's financial ecosystem.

In 2025, the Exchange continued to support training and education initiatives aimed at improving understanding of capital markets, strengthening professional capacity, and broadening access to practical market knowledge. These initiatives ranged from structured learning programmes and professional courses to investor education and wider stakeholder outreach.

DSE Academy

The DSE Academy is an educational initiative established by the Dar es Salaam Stock Exchange to enhance financial literacy, build stock market awareness, and support broader understanding of capital markets among individuals and businesses.

Launched in 2022, the Academy forms part of the DSE's wider effort to deepen market knowledge, promote sustainable finance, and support more inclusive participation in the market. It is designed to serve a diverse audience, including students, professionals, entrepreneurs, and businesses seeking to strengthen their understanding of market operations and investment opportunities.

The DSE Academy supports learning across a range of areas, including:

- listings, trading, and investment
- financial education

- risk management and compliance
- sustainability reporting and eco-business financing
- market data, fintech, and regulatory technology
- internal audit and related professional topics

By providing accessible learning opportunities, the Academy continues to support the development of knowledge and practical capability across different segments of the market. It also complements the Exchange's broader efforts to improve investor literacy, build confidence in formal financial markets, and strengthen market participation over time.

During 2025, the DSE Academy continued to support education and outreach through market-oriented learning initiatives and related engagement platforms.

A total of 65 participants were recorded during the year for the two programmes.

This year, we had 2 focused programmes: ACI Dealing Certificate attended by 16 participants and Securities Investment and Trading (SIT) attended by 49 participants.

Investor and market education programmes

In 2025, the DSE continued to support investor and market education through a range of public-facing and stakeholder-focused initiatives designed to improve understanding of capital market products, investment opportunities, and participation channels.

These efforts were aimed at strengthening public awareness of how the market works, improving familiarity with financial instruments, and encouraging more confident and informed participation by both new and existing market participants.

Community-facing financial literacy initiatives, including youth and public outreach activities, are discussed further in the Investing in our communities' section of this report.

Professional and technical training

The DSE also continued to support professional and technical market training in 2025. This included publicly promoted learning opportunities such as the Securities Investment and Trading (SIT) Course and the ACI Dealing Certificate Course, which contribute to strengthening technical market knowledge and professional competence among participants.

These programmes form part of the Exchange's broader effort to support a market ecosystem that is informed, capable, and responsive to evolving capital market practices.

They also contribute to professional development and help build a stronger base of market participants with relevant technical and practical skills.

During the year ACI Dealing Certificate Course, the following were topics covered; Financial market environment, FX, rates (money and interest rate markets), derivatives, and market applications. The program was attended by 16 participants

SIT was attended by 49 participants with topics covered being Topic Covered: how capital markets operate, including equity and bond trading at the DSE, Clearing, Settlement, and CSD operations, financial statement analysis and valuation, and investment and portfolio management. The course also covers Islamic Finance (Sukuk), ESG principles, DSE Rules and CMSA regulatory requirements, market conduct and investor protection, and practical use of the Hisa Kiganjani App for investor access and trade execution.

Educational partnerships and outreach

The DSE's education agenda is strengthened through collaboration with academic institutions, training bodies, and other stakeholders involved in market development and knowledge-building. These partnerships help extend the reach of financial literacy and market education programmes while contributing to the quality and relevance of the learning experience.

The Exchange also continues to engage with institutions that support research, professional development, and student-facing initiatives aligned with the broader objective of building future investors and market professionals.

Further information on partnership-based initiatives is provided in the Stakeholder Engagement and Strategic Partnerships and Collaborations sections of this report.



Product diversity

The DSE continues to promote broader participation in Tanzania's capital markets by supporting a range of products, platforms, and market segments that respond to the needs of different investor and issuer groups. Product diversity remains an important part of the Exchange's contribution to financial inclusion, sustainable market development, and long-term economic growth.

By supporting access for small and medium-sized enterprises, retail investors, and issuers seeking different financing pathways, the DSE helps broaden participation in the market while strengthening the depth and relevance of Tanzania's capital market ecosystem

Broadening access through market segments

The DSE continues to support different market segments that create pathways for participation by a broader range of issuers and investors. This includes platforms designed to support businesses at different stages of growth and readiness, particularly those that may not yet be positioned to access mainstream capital market channels directly.

Through this segmented approach, the Exchange is able to support a wider pipeline of enterprises while strengthening access to long-term financing and improving visibility for growth-oriented businesses.

DSE Enterprise Acceleration Program (DEAP)

The DSE Enterprise Acceleration Programme (DEAP) is a tailored initiative designed to support owners and managers of small and medium-sized enterprises with growth potential by strengthening the systems, structures, and business practices needed for sustainable growth and access to finance.

DEAP is intended to help participating businesses improve their readiness for different forms of capital raising, including commercial and development finance, private capital, and public offerings through the stock exchange. The programme also supports business sustainability by strengthening capacity in areas such as strategic planning, financial management, governance, regulatory awareness, and business growth.

In 2025, the DSE continued implementation of DEAP as part of its broader contribution to SME development and inclusive market participation. The 2025 programme

included structured learning sessions covering areas such as:

- legal and regulatory framework
- sales, branding, and marketing
- tax management and compliance
- business financing
- leadership and corporate governance
- financial management and debt management
- business management and growth readiness

By the end of the 2025 programme cycle, 65 participants had been trained through DEAP. The initiative also included participation facilitated through partnership channels, including support for women-owned enterprises

Supporting SME growth and readiness

The DSE recognises that many SMEs face challenges in accessing long-term finance, strengthening governance, and preparing for formal capital market participation. Through initiatives such as DEAP, the Enterprise Growth Market, and related market-readiness platforms, the Exchange continues to support SMEs in improving visibility, strengthening internal systems, and preparing for more structured financing opportunities.

This support contributes not only to business growth and resilience, but also to wider economic inclusion, entrepreneurship, and job creation.

We currently have 4 companies registered under EGM.

Digital Transformation and market access.

The Dar es Salaam Stock Exchange continues to advance its digital transformation agenda to enhance operational efficiency, improve market accessibility, and support broader participation in Tanzania's capital markets. Technology remains an important enabler of transparency, convenience, and inclusion, helping the Exchange strengthen market access for a wider range of participants.

In 2025, the DSE continued to invest in digital systems and user-facing platforms that improve access to market information, support more efficient processes, and make participation in capital markets more convenient for investors and other stakeholders.

Digital access and market efficiency

The DSE's digital transformation agenda is aimed at improving both the efficiency of market operations and the accessibility of market participation. Through digital channels, the Exchange continues to reduce barriers associated with location, physical paperwork, and process complexity, while also supporting faster and more convenient access to market-related information and services.

These efforts contribute to a more responsive and user-friendly capital market environment and support the Exchange's broader objective of deepening participation across different investor segments.

Inclusive and thematic market products

The DSE also continues to support financial instruments and market products that contribute to broader social and economic participation. This includes products and structures that expand access to finance, support underserved groups, and contribute to sustainable and inclusive development priorities.

In recent years, the Exchange has also supported increased visibility of thematic instruments linked to broader environmental and social outcomes. Further discussion of sustainable and thematic instruments is provided in the Fostering the issuance of sustainable bonds section of this report.



Investor-facing digital platforms

The DSE continues to strengthen investor-facing digital platforms that allow market participants to access information and services more conveniently. Through mobile and online channels, stakeholders are able to access market information, disclosures, listed company announcements, and other relevant market updates in a more timely and efficient manner.

Digital access channels also help broaden investor reach, support public awareness, and strengthen participation by reducing some of the procedural and geographical constraints traditionally associated with market access.

A more detailed discussion of DSE Hisa Kiganjani and its role in broadening investor participation is provided in the Promoting financial inclusion section of this report.

Technology, transparency and accessibility

The DSE's digital systems also contribute to greater transparency and accessibility by supporting more efficient information flows across the market. This includes improved access to public disclosures, regulatory announcements, listed company news, and broader market information through digital interfaces.

By continuing to strengthen technology infrastructure and user access channels, the DSE is helping to build a capital market that is more efficient, accessible, and responsive to the needs of modern market participants.

Business continuity and recovery

We recognise that the exchange is susceptible to operational disruptions caused by internal and external threats such as fire, flood, theft, data management, power outage, disease outbreak/ pandemic illness, earthquake, floods, terrorist attacks, system failures, unethical hackers etc. Such disasters may lead to severe operational disruptions and sometimes threaten the business continuity which could adversely impact the capital market space. To manage or minimizing the operational, financial, reputational, and other material consequences arising from these disruptions the DSE has developed business continuity and recovery Policy.

The policy aims to provide the information and procedures necessary to:

- Rapidly respond to a disaster or emergency situation.
- Notify necessary trained personnel.
- Rapidly recover services to members; and
- Rapidly resume normal business functions.

DSE has established a Crisis Control Team (CCT) for the purpose of managing the Business Continuity and Recovery Policy. The CCT is headed by the Risk and Compliance Officer. Major roles and responsibilities of the CCT include the following:

- a. To develop Business Continuity and Recovery process and policy

- b. To periodically conduct Business Impact Analysis (at least once a year), an institution-wide risk assessment and monitoring to identify the mission critical activities and vulnerability for major disruptions.
- c. To ensure that the BCP is updated to reflect the changes in the risk profile of the DSE.
- d. Report on the status of business continuity management to the Board on a regular basis, highlighting where gaps are identified.
- e. To facilitate testing of policy to ensure that team members are aware of their roles and responsibilities in the event of a disruption; and
- f. To ensure that DSE response to a disruption is communicated internally and externally to applicable parties.

Regular tests need to be conducted with regard to each disaster scenario. This includes:

1. Testing the ability to recreate the computer centre configurations at DRS. (IT DR Test).
2. Testing the ability to restore data and software from back up media.
3. Testing the recovery procedures regarding the loss of a critical telecommunications link.
4. Testing the ability to switch networks and telecommunications links to DRS.
5. Testing the recovery process related to the prolonged loss of power.
6. Testing the recovery process related to the loss of the Internet, E-Mail etc.; and
7. Testing the ability of the business unit to continue functionality by using concise and detailed procedural documentation.

Data Security and Privacy

We are committed to protecting the data we hold and process, and our approach is based on having the right talent, technology, systems and controls, to help ensure appropriate management of privacy risk. DSE collects sensitive data from employees, customers, suppliers and companies that enlist with the exchange. This information consists of records such as customers' names and contact details, company details that are necessary in performance of the Exchange obligations. We therefore take the utmost care in ensuring data is collected in the most transparent manner, and stored in a fair, ethical and lawful way as this is essential in building trust in the society, we operate in.

Data Security and Privacy measures

Every employee is required to sign a Confidentiality Declaration undertaking to keep in strict confidence, any information regarding any client, listed securities, employee or business of the DSE or any other organization that comes to his attention while at the DSE. We also conduct regular employee training and awareness sessions on data privacy and security issues to ensure that our people are up to date with the evolving threats around data security.

Our privacy team conduct regular privacy risk assessments and continue to develop solutions to strengthen our data privacy controls. They report to the highest level of management on data privacy risks and data security issues.

The DSE has a robust data protection policy that ensures that data is:

- Communicated/transferred using the appropriate channels.
- Not stored for more than the required period of time
- Only transferred to companies or countries that meet the data protection requirements of the DSE.
- Not distributed to any party other than to those agreed upon by the data's owner (save for legitimate requests from law enforcement authorities)
- Protected adequately in cases of lost, corrupted or compromised data.
- Available to authorised personnel only, with their rights to modify, erase, reduce or correct data managed closely.

Cyber security

As part of its digital transformation, DSE is implementing robust cybersecurity measures to protect sensitive data and ensure the integrity of its trading systems. This includes adopting best practices in data encryption, access control, and threat detection.

In today's digital environment, it is critical to safeguard sensitive data by managing risks relating to cyber security. Safeguarding data and ensuring information security helps to protect them against the risk of financial crime, bribery and corruption and reputational risk. We place significant emphasis on cyber security, through communications to employees to raise awareness around cyber threats and emerging hacking techniques such as email phishing and encourage employees to actively report any potential incidents or suspicious messages.

DSE has implemented various digital tools to enhance cyber security. These include Sophos XG 2100 (used for cybersecurity). Furthermore, DSE is in the process of changing most of the systems to cloud based platforms. This will help to enhance security and reduce maintenance costs.

Zero cases

Of data breach/loss/leaks and cyber security threats reported in the year.

Human rights

The Dar es Salaam Stock Exchange (DSE) is committed to upholding and promoting human rights within its operations and the broader financial market. To date, we already have a number of policies and processes to identify the risks associated with human rights. The effective management of human rights and modern slavery issues relies on the integration of our various company policies such as the code of conduct, grievance and dispute settlement, procurement and outsourcing, and data protection.

Given our role as a regulator, we have identified potential human right risks not only within our organisation, but across our value chain which we intend to take into consideration when interacting with these stakeholders.



Here are some key initiatives and strategies DSE implements to support human rights:

Ethical Labor Practices.

DSE ensures fair labor practices and safe working conditions for all employees. This includes adhering to local labor laws and international standards, such as the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work

Non-Discrimination and Inclusion.

DSE promotes a diverse and inclusive workplace where all employees are treated with respect and dignity. The exchange has policies in place to prevent discrimination based on race, gender, religion, or any other characteristic

Stakeholder Engagement.

DSE actively engages with stakeholders, including investors, issuers, and regulators, to promote human rights across the financial market. This includes encouraging listed companies to adopt and report on human rights practices

Transparency and Accountability.

DSE is committed to transparency and accountability in its operations. The exchange requires comprehensive reporting on environmental, social, and governance (ESG) metrics, including human rights practices, from all listed companies

Community Support.

DSE supports community development initiatives that promote human rights and social equity. This includes investing in projects that enhance access to education, healthcare, and economic opportunities for underrepresented groups

Compliance with International Standards.

DSE aligns its policies and practices with international human rights standards, such as the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights

This ensures that the exchange operates in a manner that respects and promotes human rights globally.

Through these initiatives, the DSE demonstrates its commitment to upholding human rights and fostering a fair and equitable financial market.

Our people

Diversity and inclusion

At DSE, we aim to create a culture of belonging, a workplace that is a true representation of all sections of society, that is fair and inclusive for all, and where diverse perspectives are valued throughout the organisation. The Dar es Salaam Stock Exchange (DSE) is committed to fostering a diverse and inclusive environment.

DSE implements various initiatives to promote diversity and inclusion. These include:

Diverse Recruitment Practices.

DSE actively seeks to recruit individuals from various backgrounds, ensuring that the workforce reflects the diversity of the community it serves. This includes implementing fair hiring practices and providing equal opportunities for all candidates.

Inclusive Workplace Culture.

DSE promotes an inclusive workplace culture where all employees feel valued and respected. This involves creating a supportive environment that encourages open communication, collaboration, and mutual respect among employees.

Training and Development Programs.

DSE offers training and development programs focused on diversity, equity, and inclusion (DEI). These programs aim to raise awareness about the importance of DEI, educate employees on best practices, and provide tools for fostering an inclusive workplace.

Employee Resource Groups (ERGs).

DSE supports the formation of Employee Resource Groups (ERGs) that provide a platform for employees to connect, share experiences, and advocate for diversity and inclusion within the organization. ERGs play a crucial role in promoting a sense of belonging and community.

Leadership Commitment.

The leadership at DSE is committed to advancing diversity and inclusion. This includes setting clear goals, monitoring progress, and holding leaders accountable for promoting DEI within their teams.

Community Engagement.

DSE engages with the broader community to promote diversity and inclusion. This includes partnerships with local organizations, participation in community events, and support for initiatives that advance social equity.

Regular Assessment and Improvement.

DSE regularly assesses its diversity and inclusion initiatives to ensure they are effective and aligned with best practices. This involves collecting feedback from employees, analyzing data, and making necessary adjustments to improve DEI efforts.



At DSE, we aim to create a culture of belonging, a workplace that is a true representation of all sections of society, that is fair and inclusive for all, and where diverse perspectives are valued throughout the organisation. By doing this, we can leverage on the unique expertise, capabilities, breadth and perspectives of our colleagues to help us achieve our mission

- Our commitment to this is evident at senior management level, where we have a 40% women representation by 2024.
- At board level, we have a 43% female representation. We aim to achieve a 40% representation of women in entire organisation by 2027.

One of our key goals for the upcoming year is to:

1. develop an internal women's network that provides mentoring and growth opportunities to our female colleagues.
2. Offer training courses for women to prepare them for board and senior management roles.

Our inclusivity strategy is focused on three key priorities to help us advance the competitive strength of our workforce:

- Continuous innovation in recruiting, development, compensation, promotion and engagement of colleagues
- Actively seeking out and listening to diverse perspectives at all levels of the organization
- Optimizing transparency to promote accountability, credibility and effectiveness in achieving our goals.

61%

Satisfied with the fair treatment for all employees regardless of gender, age, race, religion, tribe or disability.

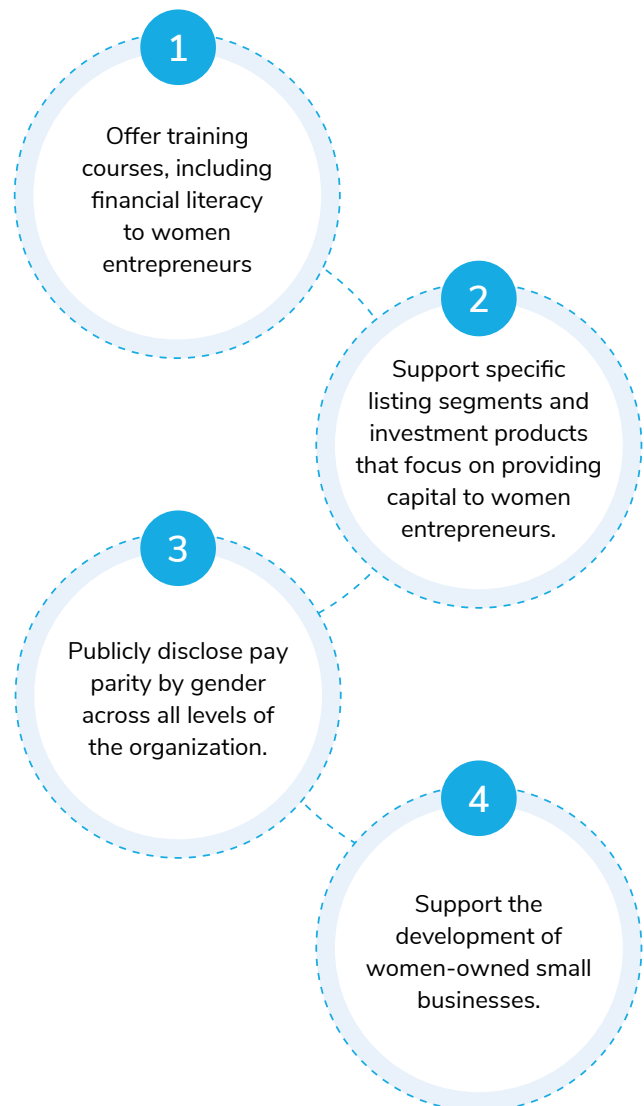
68%

Satisfied that the organisation is supportive of expression of different opinions, styles and perceptions.

Whilst majority of our people are satisfied with firms' diversity and inclusion efforts, the leadership is committed to achieving a higher satisfaction score by closely monitoring functions such as the remuneration and promotions, creating bottom-up communication opportunities through quarterly staff meetings, and recognizing and celebrating religious diversity in the workplace in order to create a culture where all colleagues feel empowered to bring their authentic selves to work.

Promoting fairness, equality and respect

As part of our sustainability development goals, we've established the below women inclusivity goals set to be implemented in the next financial year:



We consider gender equality to be area of priority, not only internally, but also in our community and beyond. We focus to ensure there is an awareness on diversity and gender equality among our members through various forums and initiatives such as the Ring the Bell for Gender Equality that is conducted annually (for the past 8 years) in collaboration with UN-Women, UN-SSE, UN-Global Compact, and WFE. Through these initiatives, the DSE is able to communicate the importance and relevance of gender equality in business and its continuity.

Our ambition to promote gender diversity on boards and management of listed companies:

As part of the DSE Rules for listed companies, entities are required to publicly disclose targets for female representation in leadership and continuously report on the progress to achieve this. We have set a target of ensuring that all listed companies attain at least 40% women representation on all decision-making roles by 2027. We continue work closely with our members, partners and stakeholders to promote gender equality in the market.

As at the end of 2025, 8 of the 28 listed companies in Dar es Salaam Stock Exchange had at least 30% of women representation at Board level and 3 companies listed have female CEOs.

Employee wellbeing and benefits

The Dar es Salaam Stock Exchange (DSE) is dedicated to ensuring the wellbeing of its employees through a comprehensive range of benefits and initiatives. Our goal is to create a healthy and resilient organisation where our colleagues are motivated to perform at their best and contribute to organisational success. We do this by empowering our employees to do what's right by setting clear expectations, providing tools and resources to reinforce ethical decision-making, and consistently providing information about the various ways available to escalate concerns.

Supporting our peoples' mental and physical health remains a top priority, and we have continued to provide private medical insurance, including their immediate family members, and life insurance.

The exchange also offers a top-tier retirement savings programs, which is an employer match program, and all employees are eligible for paid time off, including parental leave, and other types of leave in line with industry and local norms. In addition to this, employees are also entitled to housing allowance and burial assistance.

We spent the following on employee benefits:

	2025	2024
	Group	Group
	TZS'000	
Staff costs (Group)		
Salary and wages	2,934,612	2,970,034
Skills and development levy	135,718	97,131
Employer contribution to pension funds (defined contribution plan)		
	530,741	561,012
Leave cost	168,556	186,835
Medical expenses	133,143	156,486
Life Insurance Expenses	30,044	30,344
Training and workshops	248,813	219,451
Other staff cost; special, acting and furniture allowances	52,657	171,074
Extra Responsibility Allowances	10,428	-
Workers' Compensation Fund	17,685	18,027
Fuel allowance	165	165,640
Long Service & Golden Handshake expenses	13,468	11,994
Totals	4,276,030	4,588,028

Talent management and succession planning

We recognize that diverse, talented teams, across all levels of the organisation are critical to our success. We continue to strengthen our talent pipelines and hone our hiring processes, and we're committed to paying equitably and competitively to attract and retain talent. We conduct comprehensive workforce planning to identify current and future talent needs. This involves assessing the skills and capabilities required to achieve organizational goals and addressing any gaps through targeted recruitment and development

Furthermore, our succession planning includes an assessment of gender diversity across all roles deemed most critical in the organisation, and we also offer a wide range of career development initiatives such as on-job mentoring and networking programs which is aimed at creating the next generation of leaders within our organisation.

We offer mobility between posts and secondment programs to other exchanges to ensure we maximise the opportunities available for our people to further their careers at the exchange.

79%

Employees satisfied with company's effort in creating room for employees to advance in the organization.

65%

Satisfaction with training opportunities for advancement into other higher opportunities within the firm.

We also promote a culture of continuous learning by offering various training and development opportunities. Employees are encouraged to pursue professional development courses, attend workshops, and participate in industry conferences to stay updated with the latest trends and best practices. DSE fosters a supportive environment through mentorship and coaching programs. Experienced leaders mentor emerging talent, providing guidance, sharing knowledge, and helping them navigate their career paths

We will continue to focus on creating a culture and working environment where our employees can thrive.

All colleagues have performance goals aligned to their job roles, so they are clear on what they need to achieve, and how to achieve it. This provides clarity on their contribution to DSE's overall purpose.

We engage in regular performance conversations with our colleagues and have midyear check-ins on annual goals to ensure a culture of continuous learning and development. This is all documented on the performance management system and reviewed at the end of the year during the annual appraisal process. This approach positions line managers as coaches and encourages colleagues to own their own performance and development, helping them to thrive and reach their full potential.

DSE prioritizes employee engagement and retention by creating a positive work environment, recognizing and rewarding achievements, and offering competitive benefits. Engaged employees are more likely to stay with the organization and contribute to its success.

Training and education

All new joiners undergo an orientation program and are provided with an information package containing essential details such as the organisations business profile, structure, guidelines, standards, procedures and employee's expectations. For departments where specific training is required this is managed through training needs analysis for key positions.

We're committed to helping our colleagues gain the skills and experience they need to achieve their professional goals and deliver the best for our company and our stakeholders. Our commitment is evident by a 70% increase in spending on training in 2024 compared to the previous year, and in response to our employee survey feedback on providing more training opportunities.

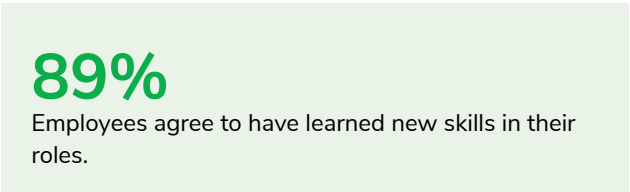
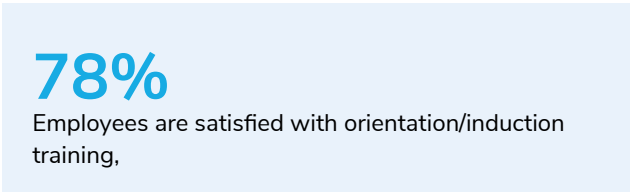
Employees training costs

2025 TSH	2026 TSH
248.8 million	219.5 million

The DSE provide a broad spectrum of training methods to ensure a holistic development of our colleagues across all levels. These include:

Training	Aim
Induction course	To familiarize new entrants with strategic goals, the functions of the Exchange and with the tasks to be carried out.
Professional development training	To develop technical skills, and for keeping employees up to date with policy changes and management initiatives.
Workshops and seminars	To help employees enhance their soft skills in the workplace.
Management training	To equip senior staff with core management skills and practices.
Performance improvement courses	To constantly upgrade key skills and to keep employees abreast with changes in technology.
Planned tours.	For management to gain experience in other countries for application in the management of the Exchange.

This is what our employees think about training and education policy:



Employee engagement

We listen to our colleagues and solicit their views and sentiment at different stages of their employment lifecycle, from employee engagement surveys to exit interviews. Staff satisfaction surveys are conducted every two years. The most recent general survey was conducted in 2025. In September 2025, a targeted survey on DSE staff satisfaction was conducted. The survey targeted all 27 employees as of 30th September, 2025

81%

Overall satisfaction

Employee satisfaction Survey: Key Highlights

85%

Employees agree that the work environment is good at DSE.

74%

Employees have experienced good culture and inclusion



Employees express satisfaction with the work environment and collaboration but highlight the need for improved recognition, leadership engagement and equitable compensation.

The above results underline the belief our people have in our entity, its goals and values. From the survey we also noted areas for improvement, for which the leadership have taken active measures to address. The key areas for improvement include:

Areas for Improvement	Action Plan
Competitiveness of compensation and benefits	DSE continues with a review of its benefits framework to ensure market competitiveness, enhancement of employee benefits and continued implementation of performance-based rewards subject to organizational performance and Board approval.
Fairness and consistency in Company policy application	Management continues to strengthen governance through regular review of HR policies and procedures, improved communication of policies to all employees, training for managers on consistent policy implementation and enhanced grievance handling mechanisms to promote transparency, fairness and accountability across the organization.
Need for continued digital transformation	DSE continues to invest in digital transformation initiatives aimed at improving operational efficiency and employee experience. These include further automation of HR and administrative processes, implementation of electronic document management systems, expansion of paperless operations, enhancement of cybersecurity and continuous investment in digital platforms that improve service delivery and operational resilience.

Occupational Health and safety

85%

Employee satisfaction on the general work area conditions..

We committed to protecting our employees, customers, visitors and contractors from the risk of injury and ill-health. It aims to promote a healthy and safe working environment at workplaces. We continue to put in place measures to promote and safeguard the safety and health of our employees in the workplace.

All DSE employees undergo training on health and safety. In addition, our Human Resource Policy Manual containing detailed guidelines on health and safety, employee code of conduct, and employee safeguarding measures amongst other guidelines. The health and safety manual contain guidelines on hazard identification, risk assessment, and the prevention and mitigation of occupational health and safety impacts such as:

- Fires and Other Emergencies
- General Safety Rules
- On-the-job Injuries/Illnesses
- Emergency Evacuation and Re-entry
- Smoking

The guidelines also contain responsibilities of personnel in relation to health and safety.

Mental Health Support

Recognizing the importance of mental health, DSE provides access to counselling services and mental health resources. This support helps employees manage stress and maintain a healthy work-life balance

Employee Engagement

DSE fosters a positive workplace culture by encouraging employee engagement and participation in various activities. Regular team-building events, social gatherings, and recognition programs help build a sense of community and boost morale

CSD & Registry Company Limited (CSDR): ESG Impact and Sustainability Performance

The CSD & Registry Company Limited (CSDR) is a critical financial market infrastructure provider, supporting the efficiency, transparency, and integrity of Tanzania's capital markets. Its ESG impact is primarily driven through digital operations, investor access, and strong governance frameworks, with relatively low direct environmental impact.

Environmental Impact and Climate Considerations (GRI 302, 305)

CSDR maintains a low environmental footprint due to its technology-driven business model. In FY2025, its emissions were limited to Scope 2 emissions from electricity consumption (approximately 10.8 tCO₂e), with no material Scope 1 emissions. Energy use is primarily associated with data processing, ICT systems, and office operations.

Environmental risks are largely indirect, arising from exposure to disruptions in power and telecommunications infrastructure caused by climate-related events such as floods, droughts, and storms. To mitigate these risks, CSDR has implemented business continuity, disaster recovery systems, and ICT resilience measures to ensure uninterrupted operations.

At the same time, CSDR contributes to climate transition by:

- Enabling paperless and automated securities processing
- Supporting sustainable finance instruments, including green and social bonds
- Reducing resource intensity through digitalisation

These initiatives position CSDR as an enabler of low-carbon financial markets, while establishing a baseline for future climate targets.

Social and Economic Contribution

(GRI 203, 413, 404)

CSDR's most significant social impact is its contribution to capital market development and financial inclusion. By providing secure depository and registry services, the company enhances investor confidence, transaction efficiency, and market accessibility.

During FY2025, CSDR maintained:

- ~99% settlement accuracy and system uptime
- Registry services for a majority share of listed securities
- Reliable processing of IPOs, bonds, and other instruments

Through integration with digital platforms such as mobile-based trading solutions, CSDR supports broader retail investor participation, promoting inclusive economic growth.

Internally, CSDR demonstrates strong human capital practices:

- Small, stable workforce with no employee turnover
- Full compliance with Code of Conduct training
- Provision of health insurance and performance-based remuneration
- Commitment to diversity and equal opportunity

While no standalone CSR programs were implemented in FY2025, CSDR's indirect contribution to economic empowerment and financial access represents its primary community impact.

Governance, Risk Management and Ethics

(GRI 2, 205, 418)

CSDR operates under a robust governance framework aligned with DSE Group policies and international standards. Oversight is provided through:

- A Board of Directors with defined responsibilities
- Audit, Risk, and Compliance structures
- Clear separation of leadership roles

The organization maintains high standards of:

- Ethical conduct and transparency
- Regulatory compliance
- Conflict-of-interest management

In FY2025, there were no reported incidents of corruption, legal breaches, or data privacy violations, reflecting strong governance discipline.

Given its reliance on digital systems, CSDR places significant emphasis on technology governance and cybersecurity, including:

- Alignment with international information security standards
- Continuous system upgrades and resilience investments
- Comprehensive vendor risk assessments

Operational resilience is further supported by:

- Business continuity and disaster recovery frameworks
- Regular system testing and risk monitoring

These measures ensure the security, integrity, and continuity of market infrastructure, which is critical to investor protection and market stability.

CSDR's ESG profile reflects a low environmental impact, strong social contribution through financial infrastructure, and well-established governance practices. While environmental metrics are still evolving, the organization has established a solid baseline for future sustainability enhancements.

Looking ahead, CSDR is expected to:

- Expand ESG disclosures and introduce measurable sustainability targets
- Strengthen its role in green and sustainable capital market instruments
- Enhance integration of sustainability across operations and reporting

Overall, CSDR remains a key enabler of sustainable financial market development in Tanzania, aligning its operations with global ESG expectations and GRI reporting principles.



Report and Financial Statements





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List of Abbreviations

ACPA	Associate Certified Public Accountant
AGM	Annual General Meeting
ASEA	African Securities Exchanges Association
ATS	Automated Trading System
BIST	Basic Investment Securities Trading Course
CEO	Chief Executive Officer
CMI	Capital Market Infrastructure
CMSA	Capital Market and Securities Authority
CoSSE	Committee of SADC Stock Exchanges
CPA	Certified Public Accountant
CPB	Certified Professional Banker
CSDR	CSD & Registry Company Limited
DSE	Dar es Salaam Stock Exchange Public Limited Company (Plc)
DRS	Disaster Recovery Site
ECL	Expected Credit Losses
EASEA	East Africa Stock Exchange Association
EPS	Earnings Per Share
FVOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
GDP	Gross Domestic Product
GLN	Global Leaders Network
IAS	International Accounting Standards
ICT	Information and Communication Technology
IFC	International Finance Corporation
IFRS	International Financial Reporting Standard
IPO	Initial Public Offering
ISIN	International Security Identification Number
IT	Information Technology
LTC	Listing and Trading Committee
MTP	Mobile Trading Platform
NIDA	National Identification Agency
NMB	National Microfinance Bank
NSSF	National Social Security Fund
PAYE	Pay As You Earn
PSSSF	Public Service Social Security Fund
SASB	The Sustainability Accounting Standards Board
SDL	Skill Development Levy
SPPI	Solely Payment of Principal and Interest
SRO	Self-Regulatory Organization
TFRS	Tanzania Financial Reporting Standard
TZS	Tanzanian Shilling
UN	United Nations
UN SSE	United Nations Sustainable Stock Exchanges Initiative
USD	United State Dollar
VAT	Value Added Tax
WFE	World Federation of Exchanges

General Information

Principal place of activities

Dar es Salaam Stock Exchange Public Limited Company
2nd Floor, Exchange Tower, NHC Morocco Square
Plot 1-3/44, Mwai Kibaki/Ursino Street
P.O. Box 70081
Dar es Salaam
Tanzania

Bankers

CRDB Bank Plc
P. O. Box 268
Dar es Salaam, Tanzania
Akiba Commercial Bank Plc
P. O. Box 669
Dar es Salaam, Tanzania

Auditor

KPMG
2nd Floor, The Luminary
Plot No. 574 Haile Selassie Road, Masaki
Registration No. 107992
Tax Identification No. 100-144-921
NBAA PF No. PF020
P.O. Box 1160
Dar es Salaam
Tanzania

Chairman's Statement

for the year ended 31 December 2025

Introduction

It is with great pleasure and deep gratitude that I present to you the Annual Report and Financial Statements for Dar es Salaam Stock Exchange PLC (DSE) for the year ended 31 December 2025. Reflecting on the past year, I am pleased to report that the Exchange delivered strong performance, underpinned by improved market activity, resilience in the operating environment, and continued execution of our strategic priorities. The 2025 results reaffirm DSE's central role in Tanzania's capital markets as a platform for investment, capital raising, and economic growth.

Operating Environment and Strategic Delivery

In 2025, Tanzania's economy maintained a solid growth trajectory supported by prudent macroeconomic management and sustained investment in key sectors. According to estimates from the National Bureau of Statistics (NBS), Bank of Tanzania (BoT), and international financial institutions such as the World Bank and IMF, real GDP growth is estimated at approximately 5.6% to 5.8%, driven largely by strong performance in services, construction, and financial intermediation. Inflation remained within the medium-term target band, averaging around 3.5%, reflecting effective monetary policy measures and relative stability in global commodity prices. The external sector also improved, supported by increased export earnings, particularly from tourism, gold, and agriculture. The capital markets experienced notable improvement during the year, characterized by significant growth in equity and bond turnover, increased participation from both domestic and foreign investors, and continued diversification of financial instruments. During the year, the Exchange continued to implement its strategic initiatives, including enhancing market infrastructure, strengthening stakeholder engagement, and promoting product development, all of which contributed to increased trading volumes and reinforced DSE's role in capital formation.

Financial Performance

The Group recorded a profit before tax of TZS 2.634 billion in 2025 compared to TZS 4.318 billion in 2024, representing a decrease of 39%. The decline was mainly attributable to an additional VAT assessment raised by the Tanzania Revenue Authority (TRA) following differences in interpretation of the VAT treatment on transaction and listing fees. While the DSE treated these items as exempt supplies, TRA considered them to be taxable supplies, resulting in additional VAT expenses amounting to TZS 4.9 billion, which significantly impacted the profitability for the year.

Despite the decline in profit, 2025 was operationally a stronger year compared to 2024, with improved market turnover in both equity and bond markets as well as increased revenue generated from these business lines, reflecting continued growth in trading activities and market participation. Consequently, return on equity decreased to 8% (2024: 13%) while return on assets declined to 6% (2024: 12%). Investor confidence, however, remained strong, with the Company's share price increasing by 202% to TZS 7,150 as at 31 December 2025 (2024: TZS 2,361), reflecting sustained demand and positive market sentiment.

Corporate Governance

Strong corporate governance remains fundamental to the sustainability and success of the Exchange. The Board continues to uphold high standards of transparency, accountability, and effective oversight in line with regulatory requirements and international best practices. During 2025, the Board was strengthened through the appointment of Professor Shubi Kaijage, who brings extensive academic and professional expertise in ICT and governance.

In addition, Abdiel Abayo and Fadhili Manongi were re-appointed to the Board, ensuring continuity and retention of valuable institutional knowledge.

During the year, Ms Beng'i Issa retired from serving as a Board Member of the DSE. The Board would like to express its sincere appreciation for her commitment, dedication, and valuable contribution towards delivering the mission of the DSE during her tenure, and wishes her every success in her future endeavours.

The Board continues to operate effectively through its committees, providing oversight on strategy, financial reporting, risk management, and compliance.

ESG and sustainability

During the year, the Group began aligning with the new sustainability reporting standards, IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures), reinforcing its commitment to enhanced transparency and global best practices in non-financial reporting. These standards enhance disclosure of sustainability and climate-related risks and opportunities, supporting better integration into strategy, risk management, and long-term value creation.

Outlook and Sustainability

Looking ahead, the Board remains optimistic about the future of the Exchange and Tanzania's capital markets. Building on the strong performance achieved in 2025, DSE plans to implement several strategic initiatives aimed at driving growth and innovation. These include revamping the existing Master Trading Platform (MTP) and developing a new, more robust system, expanding product offerings through increased listings of corporate bonds and introduction of new instruments such as Exchange Traded Funds (ETFs), enhancing liquidity in both equity and fixed income markets, and growing the overall size of the market, including increasing the ratio of market capitalization to GDP. The Exchange will also continue to strengthen regional integration efforts and participate in capital market inter-linkage initiatives to promote cross-border trading and investment.

Dividend recommendation

In line with the Company's dividend policy and commitment to delivering shareholder value, the Board recommends an ordinary dividend equivalent to 60% of profit after tax for the year ended 31 December 2025. Based on the revised profit after tax of TZS 2.348 billion, this translates into an ordinary dividend pay-out of TZS 1.409 billion and a dividend of TZS 59.14 per share. The Board further recommends a special dividend of TZS 2.029 billion, equivalent to TZS 85.17 per share. Accordingly, the total proposed dividend amounts to TZS 3.439 billion, equivalent to TZS 144.31 per share, representing an increase of 15% over the previous year.

This recommendation reflects the Company's continued commitment to maximizing shareholder value while maintaining sufficient resources to support future growth and strategic initiatives

Acknowledgement

The Board extends its sincere appreciation to all stakeholders for their continued support and confidence in the Exchange. We thank our shareholders, investors, listed companies, stockbrokers, custodians, and development partners for their contributions to the growth of the market. We also acknowledge the continued support from the Government of the United Republic of Tanzania and the Capital Markets and Securities Authority (CMSA) for fostering an enabling regulatory environment. Finally, I wish to express my gratitude to my fellow Board members, Management, and staff for their dedication, professionalism, and commitment to excellence. As we look to the future, we remain confident in our strategy and committed to driving sustainable growth, innovation, and long-term value creation.



Board Chairman

Daniel Wilson Ole Sumayan

Date: 12 June 2026

Chief Executive Officer's Report

for the year ended 31 December 2025

Introduction

I am pleased to present the operational and financial performance of the Dar es Salaam Stock Exchange (DSE) for the year ended 31 December 2025, marking continued progress in the implementation of our Five-Year Strategic Plan III (2023–2027). The year was characterized by strong market activity, improved investor participation, and solid financial results, positioning the Exchange on a sustained growth trajectory.

Market Performance

During 2025, the DSE recorded significant improvement in overall market performance, supported by increased trading activity in both equity and bond markets. This growth was driven by enhanced investor confidence, improved liquidity, and continued diversification of products. The bond market remained a key pillar, supported by sustained Government issuance and growing corporate participation, while the equity market benefited from increased participation and price appreciation across several counters.

Financial Performance

The Exchange recorded strong revenue performance in 2025. Revenue from contracts with customers increased significantly to TZS 13.73 billion from TZS 7.81 billion in 2024, increase of 76%, driven by higher trading volumes and increased market activity. Other income also rose substantially to TZS 684.1 million from TZS 151.9 million, supported by gains from disposal of debt-instruments and fixed assets.

Administrative expenses increased markedly to TZS 15.11 billion from TZS 7.16 billion in 2024. The increase was largely attributable to a one-off VAT-related expense of TZS 4.9 billion, which significantly impacted costs during the year. As this was a non-recurring item, no similar expense is expected in future periods. Additional cost increases were associated with business development initiatives, system enhancements, regulatory and license-related expenses, and depreciation associated with new assets including the new office building at Morocco square.

However, strong finance income of TZS 3.31 billion enabled the Group to achieve a profit before tax of TZS 2.63 billion, compared to TZS 4.32 billion in 2024. After accounting for income tax expense of TZS 285.5 million, profit after tax amounted to TZS 2.35 billion, down from TZS 4.27 billion in the previous year. Total comprehensive income stood at TZS 2.43 billion, supported by a revaluation surplus of TZS 83.5 million.

Basic earnings per share declined to TZS 98.57 from TZS 179.33 recorded in 2024, reflecting the lower profitability for the year. Despite the decline in earnings, the Exchange continued to demonstrate resilience and maintain investor confidence through sustained market activity and strategic investments aimed at supporting long-term growth.

Key Activities and Strategic Initiatives in 2025

In line with our strategic objectives, 2025 was marked by the successful implementation of several key initiatives aimed at expanding market depth and product diversity. The Exchange facilitated the listing of new corporate bonds, contributing to the growth of the fixed income segment. In addition, significant progress was made in introducing innovative financial instruments, including Sukuk and Exchange Traded Funds (ETFs), broadening investment opportunities and enhancing market inclusivity. These developments underscore DSE's commitment to product innovation and its role in supporting sustainable and diversified capital market growth.

Future Outlook

Looking ahead to 2026, the Exchange remains focused on accelerating market growth and improving efficiency. Key targets include achieving equity turnover equivalent to 6% of domestic market capitalization and bond turnover of 23% of outstanding Government bonds, reflecting our commitment to enhancing liquidity across market segments. We also aim to grow data vending services to contribute at least 8% of DSE's core revenue, as part of efforts to diversify income streams. Furthermore, the Exchange will prioritize attracting new listings across equities, ETFs, and Real Estate Investment Trusts (REITs), while continuing to strengthen investor participation and deepen the market.

Appreciation

As we move forward, we remain confident in the resilience and potential of Tanzania's capital markets. Our focus will continue to be on innovation, operational excellence, and strategic partnerships to unlock new opportunities for growth. I extend my sincere appreciation to our stakeholders, investors, listed companies, regulators, partners, and employees, for their continued support and trust. Together, we will continue to build a vibrant, inclusive, and sustainable capital market.



Chief Executive Officer

Peter Nalitoela

Date: 12 June 2026

The Report by those Charged With Governance

for the year ended 31 December 2025

1. INTRODUCTION

The Board of Directors of the Dar es Salaam Stock Exchange Public Limited Company ("DSE" or "Exchange") has the pleasure to present its report together with the audited financial statements for the year ended 31 December 2025 which discloses the state of affairs of DSE and its subsidiary, CSD & Registry Company Limited (CSDR) (together "Group") as at that date.

2. INCORPORATION

The Dar es Salaam Stock Exchange Public Limited Company was incorporated in 1996 under the Tanzania Companies Act, Cap 212 as a limited liability company by guarantee. DSE started its operations in April 1998. On 26 June 2015, the Company changed its registration from a mutual status to a company owned by shareholders (Public Limited Company) and subsequently changing its name from Dar es Salaam Stock Exchange Limited to Dar es Salaam Stock Exchange Public Limited Company and subsequently issued shares to the public and self-listed on 12 July 2016.

3. VISION

To be a preferred avenue for capital raising and sustainable investment.

4. MISSION

To maximize stakeholders' value by providing sustainable investment opportunities and an efficient allocation of capital.

5. PRINCIPAL ACTIVITIES

The principal activity of DSE is to provide securities market to investors who intend to invest in listed companies. The Exchange provides a platform that assists companies to raise capital through the issuance of equities and debt securities and subsequently list into the Exchange.

6. RESULTS AND DIVIDENDS

For the year ended 31 December 2025, the Group reported a profit before tax of TZS 2.633 billion compared to TZS 4.318 billion in 2024, while profit after tax amounted to TZS 2.348 billion compared to TZS 4.272 billion in the prior year. The decline in profitability was primarily driven by a one-off VAT-

related expense incurred during the year, which significantly increased operating costs. Excluding this non-recurring item, the Group's underlying performance remained resilient, supported by strong revenue growth and robust finance income.

In line with the Company's dividend policy and commitment to delivering shareholder value, the Board recommends an ordinary dividend equivalent to 60% of profit after tax for the year ended 31 December 2025. Based on the revised profit after tax of TZS 2.348 billion, this translates into an ordinary dividend pay-out of TZS 1.409 billion and a dividend of TZS 59.14 per share. The Board further recommends a special dividend of TZS 2.029 billion, equivalent to TZS 85.17 per share. Accordingly, the total proposed dividend amounts to TZS 3.439 billion, equivalent to TZS 144.31 per share, representing an increase of 15% over the previous year.

The proposed dividend reflects the Group's confidence in its financial position and continued commitment to maximizing shareholder value while retaining sufficient resources to support future growth and strategic initiatives.

7. FINANCIAL PERFORMANCE FOR THE YEAR

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2025, the Group recorded total income of TZS 17.72 billion, compared to TZS 11.48 billion in 2024, representing an increase of 55%. Total income comprised revenue from contracts with customers, other income, finance income from investments, and impairment gains. The growth was primarily driven by increased equity and bond market activity, higher local investor participation, enhanced public awareness, and the continued adoption of digital trading channels, particularly the DSE mobile trading platform. Increased issuance of corporate and treasury bonds, including the introduction of the Sovereign Sukuk, also contributed positively to listing and related income streams.

During the year, the total value of bonds traded rose to TZS 5.85 trillion (2024: TZS 3.143 trillion), representing an 86% increase representing an 86% increase, while equity turnover reached approximately TZS 663 billion (2024: TZS 229 billion), a 190% increase compared

to 2024, reflecting improved market liquidity and expanded trading activity across listed shares.

For the year ended 31 December 2025, total expenses amounted to TZS 15.11 billion compared to TZS 7.16 billion in 2024, representing an increase of 111%. The increase was primarily driven by the recognition of a one-off VAT-related expense of TZS 3.994 billion arising from prior years' uncollected VAT due to differing interpretations of the VAT Act. In addition, expenses increased as a result of higher ATS license costs linked to the significant growth in equity and bond turnover during the year, with turnover levels more than tripling compared to 2024.

Further increases in operating costs were attributable to continued strategic investments in ICT infrastructure, staff salary adjustments and expansion of headcount to strengthen operational capacity, depreciation of the newly acquired office building, and enhanced business development initiatives, including engagement with policymakers and participation in regional and international initiatives aimed at supporting the Group's long-term growth objectives. Excluding the non-recurring VAT-related expense, the Group's cost growth would have remained within normal operational expansion levels.

For the year ended 31 December 2025, the Group achieved a profit before tax of TZS 2.63 billion compared to TZS 4.32 billion recorded in 2024. The decline in profitability was primarily attributable to a one-off VAT-related expense recognized during the year following differing interpretations of the VAT Act on prior years' transactions.

Despite this, the Group recorded strong growth in market activity, supported by improved liquidity across both equity and bond market segments following the implementation of the revised DSE Rules approved by the CMSA in June 2025. Enhanced investor engagement through public awareness initiatives conducted by DSE and other Certified Financial

Educators (CFEs), together with increased adoption of the DSE digital trading platform, particularly the DSE Hisa Kiganjani App, which recorded turnover of TZS 18.42 billion, contributed positively to revenue performance.

In addition, increased issuance of new bonds by the Bank of Tanzania in the primary market resulted in higher transaction and listing fees for the Exchange, compared to 2024 when market activity was largely concentrated on reopened bond issuances that generate relatively lower fees. Excluding the non-recurring VAT-related expense, the Group's underlying financial performance remained strong and reflective of the continued growth in Tanzania's capital markets.

Statement of financial position

- (i) During the year ended 31 December 2025, the Group's total assets increased to TZS 41.822 billion (2024: TZS 35.885 billion), representing a growth of 17%. The increase was primarily attributable to the accumulation of retained earnings and prudent financial management, including strategic investment of surplus funds and expansion in non-current assets, which collectively contributed to the overall growth in the Group's asset base.
- (ii) During the year ended 31 December 2025, the Group's non-current assets increased to TZS 21.766 billion (2024: TZS 20.392 billion), representing a growth of 7%. This increase was mainly driven by significant investment in property and equipment, including the acquisition of office space and related fit-out works.
- (iii) Conversely, current assets increased to TZS 20.056 billion (2024: TZS 15.493 billion), reflecting a growth of 29%. The increase in current assets was largely attributable to higher placements in short-term deposits and growth in trade receivables, due to improved liquidity and enhanced market activity during the year.

The Group financial performance highlights from the year 2021 to year 2025

	2021	2022	2023	2024	2025
Market Closing Price	1,300	1700	1800	2,361	7,150
Number of Shares in Issue	23,824,020	23,824,020	23,824,020	23,824,020	23,824,020

Summary of Key Ratios						
Performance Indicator	Calculate Method	2021	2022	2023	2024	2025
Return on Equity	PAT/Equity	15%	16%	18%	13%	8%
Return on Assets	PAT/ Total Assets	14%	14%	16%	12%	6%
Cost to Income	Total cost/Total Income	54%	55%	52%	63%	65%

Share performance ratio							
Calculated Method			2021	2022	2023	2024	2025
Earnings per share	PAT/Number of Shares	TZS	167	188	239	179	99
Dividend Per Share	Dividend/Number of Shares	TZS	101	116	145	126	144
Dividend (Cover times)	EPS/Dividend per share	Times	1.4	1.9	2	1.4	0.7
Dividend Yield	Dividend Per share/Closing Price	%	8.9%	7.8%	6%	5%	2%
Price Earnings Ratio	Closing share Price/EPS	Times	7.8	8.8	6.6	13.2	72.5
Net asset value per share (NAV)	Net Assets/ Number of shares in issue	TZS	1,096	1,181	1,304	1,338	1,315
Price to Book Value	Closing share price/Net asset value per share	Times	1.2	1.4	1.4	1.8	5.4
Market Capitalization	Closing share price times, number of shares in issue	Millions	30,971	40,500	42,912	56,248	170,342

During the year ended 31 December 2025, the Group recorded an earnings per share (EPS) of TZS 98.54 (2024: TZS 179.33), reflecting decline in profitability compared to the prior year. Dividend per share (DPS) increased to TZS 144.31 (2024: TZS 126), consistent with the Group's dividend policy and strong earnings performance.

The dividend cover stood at 0.68 times (2024: 1.4 times), indicating a balanced approach between profit retention and shareholder distribution. However, the dividend yield declined to 2% (2024: 5%), primarily due to a significant increase in the market share price during the year.

The price-to-earnings (P/E) ratio rose to 72.5 times (2024: 13.2 times), reflecting heightened investor confidence and strong market valuation of the Group's shares. Similarly, the net asset value (NAV) per share increased to TZS 1,315 (2024: TZS 1,338), supported by growth in retained earnings.

The price-to-book value ratio remained stable at 5.4 times (2024: 1.8 times), indicating that the market continues to value the Group above its book value. Notably, the Group's market capitalization increased significantly to TZS 170,342 million (2024: TZS

56,248 million), driven by a substantial appreciation in the share price.

Statement of cash flows

- During the year, the group had positive cash flow generated from the operating activities of TZS 5.088 billion (2024: TZS 1.227 billion), this was attributed by the increase in the profit during the year.
- The Group had also the negative cash flow from its fund generated in the investing activities of TZS 1.85 billion (2024: Positive TZS 2.356 billion), this was due to the investment in the ICT and building.
- The Group used the funds that was generated from the operating and investing activities to pay for the dividends to shareholders, the net amount of outflow from the financing activities for year 2025 was TZS 2.990 billion (2024: TZS 3.454 billion).

8. VALUE ADDED

Value added results for the Group during 2025 for its operations and serving as well as servicing its various stakeholders are

Details	2025	2024
Value added	TZS' Million	TZS' Million
Income realised from Exchange operations	17,723	11,535
Value allocated to different Stakeholders		
To Human Capital		
Salaries and wages	5,895	2,970
To Government		
Taxes to Government	3,446	2,130
To Shareholders		
Dividend to shareholders (excluding government)	2,990	3,454
Dividend to Government	449	518

Taxes to Governments includes PAYE, SDL, Corporate Tax, VAT, and other taxes that were paid by the Group.

9. MARKET PERFORMANCE

The Market Operational performance of the Exchange during the year 2021 to 2025 was highlighted on the table below as:

Particular		2025	2024	2023	2022	2021
Total Market capitalization	TZS (trillions)	23.995	17.868	14.611	15.685	15.809
Domestic Market capitalization	TZS (trillions)	15.581	12.243	11.401	10.280	9.426
Value of shares traded	TZS (billions)	663	229	225	134	104
ETF Market capitalisation	TZS (billions)	22	-	-	-	-
Value of bonds Government traded	TZS (trillions)	5.847	3.143	3.930	3.045	2.562
Value of bonds Corporate traded	TZS (millions)	12,336	6,871	1,169	710	1,565
Value of outstanding listed Government bonds	TZS (trillion)	32.725	25.398	20.181	17.088	15.243
Value of outstanding listed corporate bonds	TZS (billions)	1,171	582	538	144	129
Outstanding Subnational bonds	TZS (billions)	53	53	-	-	-
Outstanding Sukuk bonds	TZS (billions)	291	11	-	-	-
Value of Outstanding Sustainable Bonds	USD (millions)	186	73	73	-	-
Value of Outstanding Sustainable Bonds	TZS (billions)	531	459	-	-	-
All shares index	DSEI (Points)	2,762	2,140	1,750	1,882	1,897
Tanzania Share Index	TSI (Points)	5,759	4,619	4,304	3,889	3,565

10. INVESTMENT MANAGEMENT POLICY (TREASURY MANAGEMENT)

The investment policy of Dar es Salaam Stock Exchange Public Limited Company (DSE) Group is designed to ensure prudent management of our financial resources while maximizing returns within an acceptable level of risk. Key aspects of Group investment policy include;

i) Objectives

The Group primary objective is to preserve capital while achieving competitive returns to support the Group's strategic initiatives, growth, and shareholder value.

ii) Risk Management

The Exchange employs a disciplined approach to risk management, diversifying investments across asset classes, sectors to mitigate potential losses. We regularly assess risk tolerance and adjust investment strategies accordingly.

iii) Liquidity Management

The Exchange maintains sufficient liquidity to meet operational needs and unexpected contingencies, while also considering opportunities for strategic investments that may arise.

iv) Assets Allocation

The Exchange investment strategy emphasizes a balanced and diversified portfolio, blending fixed-income securities, short term deposits, alternative investments, and cash equivalents to optimize risk-adjusted returns.

v) Due Diligence

Prior to making any investment, thorough due diligence is conducted to assess the financial stability, performance track record, management quality, and regulatory compliance of potential investments.

vi) Compliance and Governance

The Exchange investment decisions adhere to all relevant laws, regulations, and internal policies. We prioritize transparency, accountability, and ethical conduct in our investment practices.

vii) Monitoring and Evaluation

The Exchange continuously monitors the performance of our investment portfolio, regularly reviewing asset allocation, performance metrics, and market conditions to identify opportunities for optimization or rebalancing.

Overall, DSE Group investment policy reflects a commitment to responsible stewardship of our Group's assets, aligning investment decisions with our long-term strategic objectives and risk appetite while maintaining flexibility to adapt to changing market conditions.

The Group current has 58% of its investment in the short-term deposits with Banks and 42% invested in Government Securities (Treasury-Bonds); hence credit risk is a major principal risk. Other risks faced by the DSE from its treasury management activities are liquidity, inflation, and market risks.

The following are mitigation measure for the above-mentioned risks that are covered under Group investment management policy:

Type of Risk	Mitigation Measure
Credit Risk	DSE Investment Management Committee will ensure placement of fixed deposits is made with commercial banks approved by the Board.
Interest Risk	Ensure investment maturities are staggered to avoid maturities concentrations; Ensure investment allocation to investment types as prescribed by this Policy to maximize interest return; and Have a portfolio diversification as prescribed by the Policy.
Inflation Risk	Ensure investments are made in assets class that gives a return of 1% above inflation rate as prescribed by the Policy.
Liquidity Risk	Ensure investment maturities coincide with operational and strategic cash requirement. Also ensure investment is made to commercial banks that have sufficient liquidity ratios as prescribed by the Bank of Tanzania.

11. BUSINESS OBJECTIVES AND STRATEGIES

The Exchange objective is to facilitate efficient and transparent trading of securities while fostering market integrity and investor confidence through a combination of regulatory compliance, technological innovation, and market development initiatives.

In order to enhance values to our shareholders and stakeholders, the Exchange has set goals and strategies to deliver sustainable profitable growth and during the year the Board has been able to achieve the below strategic objectives set out in the new five-year strategic plan III 2023 to 2027:

- (i) In 2025, the DSE successfully achieved listing of the CRDB Bank Plc – Samia Infrastructure Bond, Azania Bank Plc – Bondi Yangu Bond, National Microfinance Bank (NMB) Plc – Jamii Bond, Tanzania Commercial Bank (TCB) – STAWI Bond, Revolutionary Government of Zanzibar – Sukuk Bond (TZS & USD tranches), anga Urban Water Supply & Sanitation Authority – Sub-National Bond
- (ii) Growth in the total market Capitalization by 22%, from TZS 17.868 trillion to TZS 23.995 trillion
- (iii) Enhancement of the HISA Kiganjani, the app for trading platform;
- (iv) Achieved Return on equity of 17% and return on assets of 14%
- (v) Successful integration of DSE HISA Kiganjani with banks
- (vi) DSE, entered into several strategic partnerships aimed at enhancing financial inclusion, expanding market access, and fostering regional integration. These includes partnership with Tanzania Commercial Bank (TCB) – Digital Trading

Integration, Insurance Regulatory Authority (TIRA) – Capital Market Collaboration.

In the year 2026, the exchange is planning to accomplish the following strategic objectives in order to enhance the shareholders values:

- (i) Improve market liquidity by achieving equity turnover as percentage of domestic market capitalization of 6.3% and Government bond turnover of 23% of outstanding Government bonds,
- (ii) Expand market access by strengthening cross-border partnerships, promoting the use of the DSE Digital Trading Platform, and integrating the DSE platform with other potential platforms;
- (iii) Maximize multiple income streams and optimize resource utilization;
- (iv) Upgrade systems and processes through improvements to digital platforms and systems and
- (v) Increase number of products in the market.

12. FUTURE PROSPECTS AND DEVELOPMENTS

DSE expects to exert more efforts on liquidity creation and or liquidity enhancements on the understanding that market liquidity is a major factor that hinders levels of developments at both primary and secondary market activities. For the primary market, market illiquidity is causing high cost of capital to potential issuers, while also hindering innovations for introduction of other non-traditional products like derivative and indexed products.

The level of market liquidity is a prerequisite to any initiative on the introduction of derivatives products. These efforts on liquidity enhancements expect to increase market liquidity over the five-year period.

13. CORPORATE GOVERNANCE

The Group has demonstrated a strong commitment to corporate governance, focusing on various areas to ensure transparency, accountability, and ethical conduct throughout its operations. Here's a summary of the key areas in which the exchange has performed well in terms of corporate governance:

(i) Board Structure and Composition

The Group has established a robust Board structure with appropriate composition, including diverse expertise, experience, and independence. All Board members, except the Chief Executive Officer (CEO), are Non-Executive Directors. The positions of Chairman and Chief Executive Officer (CEO) are held by two different people.

(ii) Board Oversight and Committees

The Board exercises diligent oversight over the organization's activities through the establishment of various substantive and ad hoc committees. These committees, such as the Audit Risk and Compliance Committee, provide specialized expertise and scrutiny in key areas, including financial reporting, risk management, and compliance.

(iii) Risk Management and Compliance

The organization places a strong emphasis on risk management and compliance, proactively identifying, assessing, and mitigating risks that may impact its operations. Through robust risk management frameworks and compliance programs, the organization adheres to regulatory requirements and industry best practices, safeguarding its reputation and integrity.

(iv) Transparency and Disclosure

The Exchange prioritizes transparency and disclosure, providing stakeholders with timely, accurate, and comprehensive information about its performance, governance practices, and financial position. Regular communication through annual reports, financial statements, and investor communications fosters trusts and confidence among stakeholders.

(v) Ethical Conduct and Corporate Culture

The Exchange fosters a culture of integrity, ethical conduct, and accountability at all levels. By promoting values such as honesty, fairness, and respect, the organization cultivates a positive work environment and ensures that employees adhere to high ethical standards in their interactions with stakeholders.

(vi) Stakeholder Engagement

The Exchange actively engages with stakeholders, including shareholders, employees, customers, regulators, and the community. By soliciting feedback, addressing concerns, and fostering open dialogue, the organization enhances trust, builds relationships, and aligns its activities with stakeholder expectations.

Overall, the Group's performance in the area of corporate governance reflects a strong commitment to upholding principles of good governance, safeguarding stakeholders' interests, and promoting sustainable long-term value creation.

14. BOARD OF DIRECTORS OF THE EXCHANGE

The Board of directors who held office during the period up to the date of this report were as follows:

Name	Position	Qualifications	Nationality	Age	Date Appointed	Date Resigned
Dr. Elinami Minja	Chairman	PhD. (Economics), CPA (T), MBA, B. Com (Accounting)	Tanzanian	60	20 March 2019	28 February 2025
Daniel Wilson Olesumayan	Chairman	MSc in Finance, B. Com in Accounting and CPA (T)	Tanzanian	58	1 March 2025	-
Lilian Msingi	Non-Ex. Director	L.L.M in Commercial laws, LL. B	Tanzanian	47	25 June 2024	-
Fadhili J. Manongi	Non-Ex. Director	BA (Economics and Finance), MA-Development Economics	Tanzanian	70	11 July 2019	18 August 2025
Fadhili J. Manongi	Non-Ex. Director	BA (Economics and Finance), MA-Development Economics	Tanzanian	70	November 2025	-
Beng'i Mazana Issa	Non-Ex. Director	ACPA, MSC. In Financial Management, Adv. Diploma in Certified Accountancy	Tanzanian	58	9 August 2019	25 June 2025

Name	Position	Qualifications	Nationality	Age	Date Appointed	Date Resigned
Selestine J. Some	Non-Ex. Director	MBA – Finance, B. Com (Accounting), ACPA, Certified Professional Banker (CPB)	Tanzanian	48	9 August 2019	-
Dr. Abdiel Abayo	Non-Ex. Director	PhD. (Accounting and Finance), MBA, B. Com	Tanzanian	71	9 August 2019	25 June 2025
Dr. Abdiel Abayo	Non-Ex. Director	PhD. (Accounting and Finance), MBA, B. Com	Tanzanian	71	25 June 2025	-
Mary Kinabo	Non-Ex. Director	Msc. Finance & Investment, Post Graduate Diploma in Financial Risk Management, BA majoring in accounting	Tanzania	40	25 June 2024	-
Peter Nalitoleta	CEO-Executive Director	MSc, Modelling, Financial Mathematics	Tanzanian	43	1 August, 2024	-

The Group paid a total of TZS 213,314,000 as Directors' fees (2024: TZS 189,205,750).

15. MEETINGS AND ACTIVITIES OF THE BOARDS

The Board met 10 times during the period 1 January 2025 to 31 December 2025 as indicated below.

Name	3 Jan	28 Feb	10 March	7 April	15 May	26 May	11 June	2 September	3 October	21 November
Dr. Elinami Minja	√	√	√	-	-	-	-	-	-	-
Mr. Daniel Olesumayan	-	-	-	√	√	√	√	√	√	√
Mr. Peter Nalitoleta	√	√	√	√	√	-	√	√	√	√
Dr. Abdiel Abayo	√	√	√	√	-	√	√	√	√	√
Ms. Beng'i M. Issa	√	-	-	√	-	-	√	-	-	-
Ms. Lilian Musingi	-	√	√	√	√	√	√	-	√	√
Ms. Mary Kinabo	-	√	√	√	√	√	√	-	√	-
Ms. Mary S. Mniwasa	√	√	√	√	√	√	√	√	√	√
Mr. Fadhihi Manongi	√	√	√	√	√	√	√	-	-	√
Mr. Selestine J. Some	√	√	-	√	√	-	-	√	√	√
Prof. Shubi F. Kaijage	-	-	-	-	-	-	-	√	√	√

* Dr. Elinami Minja resigned on 28 February 2025

* Ms. Beng'i M. Issa resigned on 25 June 2025.

The Board discussed and resolved matters recommended by its standing committees and provided directives to management on operational matters. The Board is supported by the following Committees as at 31 December 2025.

(a) Listing and Trading Committee (LTC)

Name	Position	Qualifications	Nationality
Dr. Abdiel Abayo	Chairman	PhD. (Accounting and Finance), MBA, B. Com.	Tanzanian
Mr. Selestine J. Some	Member	MBA – Finance, B. Com (Accounting), ACPA, Certified Professional Banker (CPB).	Tanzanian
Ms. Lilian Musingi	Member	L.L.M in Commercial laws, LL. B.	Tanzanian
Mr. Peter Nalitoleta	CEO	MSc, Modelling, Financial Mathematics.	Tanzanian
Ms. Mary S. Mniwasa	Company Secretary	LL. B, LL. M (Banking & Corporate Law), Advocate.	Tanzanian

The LTC Committee reports to the DSE Board. The LTC Committee met Eight (8) times during the period. The committee deliberated on different applications for listing.

(b) Finance and Administration Committee

Name	Position	Qualifications	Nationality
Ms. Beng'i Mazana Issa	Chairperson	ACPA, MSC. - in Financial Management, Adv. Diploma in Certified Accountancy.	Tanzanian
Dr. Abdiel Abayo	Member	PhD. (Accounting and Finance), MBA, B. Com.	Tanzanian
Mr. Selestine J. Some	Member	MBA – Finance, B. Com (Accounting), ACPA, Certified Professional Banker (CPB).	Tanzanian
Mr. Peter Nalitolela	Member	MSc, Modelling, Financial Mathematics.	Tanzanian
Ms. Mary S. Mniwasa	Company Secretary	LL. B, LL.M (Banking & Corporate Law), Advocate.	Tanzanian

*Ms. Beng'i Issa resigned on 25 June 2025

The Finance and Administration Committee reports to the DSE Board. The Committee met five (5) times to discuss various issues on staff matters and application of the new associate members.

(c) Audit, Risk and Compliance Committee

Sal	Name	Position	Qualifications	Nationality
Mr.	Ms. Mary Kinabo	Chairperson	Msc. Finance & Investment, Post Graduate Diploma in Financial Risk Management, BA majoring in accounting.	Tanzanian
Ms.	Beng'i Mazana Issa*	Member	ACPA, MSC. In Financial Management, Adv. Diploma in Certified Accountancy.	Tanzanian
Mr.	Fadhili Manongi	Member	BA (Economics and Finance), MA in Development Economics.	Tanzanian
Mr.	Peter Nalitolela	CEO	MSc, Modelling, Financial Mathematics.	Tanzanian
Ms.	Mary S. Mniwasa	Company Secretary	LL. B, LL. M (Banking & Corporate Law), Advocate.	Tanzanian

*Ms. Beng'i Issa resigned on 25 June 2025

Audit, Risk and Compliance Committee reports to the Board. ARC Committee met four (4) times during the period to discuss on various matters such as DSE Quarterly Financial Reports, Internal Audit Reports and DSE External Audit for the period ended 31 December 2025.

16. DIRECTORS EVALUATION AND TRAINING

The Board itself regularly undergoes self-assessment and evaluation in order to improve the internal Governance of the Board.

Training is provided in order to ensure the Board keeps abreast with current developments in the market.

17. MANAGEMENT

The management of the DSE is under the Chief Executive Officer and organized on the following departments and units:

- (i) Finance Department;
- (ii) Legal and Company Secretariat Department;
- (iii) Business Development Department;
- (iv) Trading and Market Operation Department;
- (v) ICT Department;
- (vi) Internal Audit Unit;
- (vii) Human Resources and Administration Unit;

(viii) Risk and Compliance Unit; and

(ix) Training and Information unit.

18. SOLVENCY

DSE Public Limited Company's is financed solely from its shareholder's funds and internally generated income from the operation and investments. These funds are used to run DSE's operations with a view to generate profits and distribution to shareholders in term of dividends payments. As at 31 December 2025, these stood at issued share capital of TZS 9,530 million, share premium of TZS 1,850 million and retained earnings of TZS 19.730 billion.

Financial resources are required to meet the DSE objectives that includes to operate the business, support growth, expansion, and innovation.

The Board of Directors of the DSE confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The Board Members consider the DSE to be solvent within the meaning ascribed by the Tanzanian Companies Act, 2002.

19. SCOPE OF BUSINESS

The DSE is a duly approved Exchange under Capital Markets and Securities Act, 1994 (Cap 79). It is a modern securities exchange providing full electronic trading, clearing and settlement of securities (shares and bonds). It is also a Self-Regulatory Organization (SRO) for the purpose for maintaining the integrity of the market and plays a role of educator on matters relating to capital markets.

20. CAPITAL STRUCTURE

Dar es Salaam Stock Exchange Public Limited Company (DSE) was incorporated in 1996 under

DSE's shareholding structure as of 31 December 2025 is as below;

S/N	Shareholder	Number of Shares	Percentage of Share holding
1	The Government of Tanzania through Treasury Registrar	3,574,000	15.00%
2	Bnym Re the Miri Strategic Emerging Markets Fund LP	3,085,931	12.95%
3	Zanzibar Social Security Fund	2,812,396	11.80%
4	National Investments Company Limited	1,285,831	5.40%
5	Stanbic Nominees Ltd A/C R4455217	1,188,810	4.99%
6	General Public	12,689,448	49.85%
Total		23,824,020	100%

21. STAKEHOLDERS RELATIONSHIP

DSE actively engages with its key stakeholder groups. In 2024 engaged in signing MOU with Vodacom Tanzania, DSE collaborated with Vodacom Tanzania to launch the DSE Mini App on the M-Pesa Super App platform. This initiative enables Tanzanians to open investor accounts, trade shares, access real-time market data, and receive brokerage services directly via mobile phones, significantly advancing financial inclusion and digital access to capital markets.

In August 2024, DSE signed a Memorandum of Understanding (MoU) with TanzanianInvest, a leading online platform for investors in Tanzania. This partnership aims to enhance the visibility and accessibility of Tanzania's capital markets by leveraging TanzanianInvest's online presence to amplify developments and opportunities within the markets. In return, DSE provides comprehensive data and insights to enrich the content shared on TanzanianInvest.com

DSE signed a Memorandum of Understanding with the CFA East Africa Society to promote professional excellence and investor education in Tanzania's capital market. This partnership focuses on enhancing

the Tanzanian Companies Act, as a body corporate (limited by guarantee). The Exchange was created, among other things, to facilitate the Government's implementation of the economic reforms and enabling the private sector to raise long term capital. DSE changed its legal status from a company limited by guarantee to a company limited by shares and its name to Dar es Salaam Stock Exchange Public Limited Company and subsequently issued shares to the public and thereafter self-listed its shares on its own Exchange on 12 July 2016.

The principal objective of the Exchange is to provide a securities market to investors who intend to invest in the listed companies.

investment knowledge through public awareness campaigns, training, and mentorship programs.

The United Nations Sustainable Stock Exchanges Initiative (UN SSE) to encourage sustainable running of stock exchanges and work closely with Committee of SADC Stock Exchanges (CoSSE).

The African Securities Exchanges Association (ASEA) and sits in several working groups of the World Federation of Exchanges (WFE), influencing global policies affecting world exchanges.

22. RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control systems of the Exchange. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an on-going basis to provide reasonable assurance regarding:

- (i) The effectiveness and efficiency of operations;
- (ii) The safeguarding of the Exchange's assets;

- (iii) Compliance with applicable laws and regulations;
- (iv) The reliability of accounting records;
- (v) Business sustainability under normal as well as adverse conditions; and
- (vi) Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Exchange system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Board assessed the internal control systems throughout the financial year ended 31 December 2025 and is of the opinion that they met the accepted criteria.

The Board carries risk and internal control assessment through the Audit, Risk and Compliance Committee.

A summary of the risk management procedures is disclosed in Note 6.

23. TECHNOLOGY AND INNOVATION

The DSE core operations has the robust ICT infrastructures that comprises the Automated Trading System (ATS), the CSD System, Registry Services System, Accounting System, and the Human Resources Management System coupled with comprehensive software, hardware, and disaster recovery resources.

DSE in year 2024 was able to Introduce APIs for Market Intermediaries, to foster fintech innovation and deepen market services, DSE introduced Application Programming Interfaces (APIs). Brokers, banks, and financial service providers can now integrate directly with the DSE systems to offer their clients seamless trading experiences.

DSE is working on cross-border integration initiatives to link its systems with regional exchanges under the African Exchanges Linkage Project (AELP). This paves the way for cross-listing, remote membership, and inter-exchange trading, enhancing liquidity and investor access.

Cyber security and data protection enhancement, a comprehensive cyber security framework was adopted, including Intrusion Prevention Systems

(IPS), advanced encryption protocols, regular vulnerability assessments, and penetration testing. DSE also implemented multi-factor authentication and enhanced backup protocols to protect sensitive data and maintain system integrity.

24. ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

DSE remains conscious of Environmental, Social and Governance issues and in so doing the DSE partner with the other stakeholders like World Federation of Exchange (WFE), UN-Women and women - GLN in promoting gender equality and women empowerment in the society. The DSE partnered with the UN Global Compact Network Tanzania, IFC, and UN Women to host the bell-ringing ceremony. This collaboration underscores a unified commitment to promoting gender equality within Tanzania's financial sector. The 2024 theme was **"Invest in Women: Accelerate Progress"**, Ambassador John Ulanga, Director of the Department of Economic Diplomacy at the Ministry of Foreign Affairs and East African Cooperation graced the event.

25. CORPORATE SOCIAL RESPONSIBILITY

The DSE conscious of encouraging good corporate citizenship, DSE enabled students from schools, universities, and other learning institutions to access its actual data and virtual trading platform to learning practically on how to save and invest via a stock exchange, and this was executed as part of the public education campaign through its DSE Scholar Investment Challenge Programme. The DSE also allocated its resources in building financial capacity and financial literacy to students and the public at large.

26. EMPLOYEES WELFARE

Health and Medical Care

The DSE provides medical insurance to staff and their families through Strategis Insurance (Tanzania) Limited. This is a renewable one-year contract. During the period, services received from the service providers were generally satisfactory.

Pensions Contributions

The employee and employer contribute to NSSF. The Group does not contribute to any other Pension Fund.

Staff Complement

As at 31 December 2025, the DSE Group had 32 employees, out of which 9 were female and 23 were male. In 2024 a total 32 staff; 9 staff were female and 23 were male. The number of staff increased during the year due to recruitment of Chief Executive Officer.

27. SUSTAINABILITY REPORTING

The IASB issued new IFRS Sustainability Disclosure Standards which were effective from 1 January 2024. The adoption of these sustainability standards was left to be a decision of the on local jurisdictions.

In Tanzania, the National Board of Auditors and Accountants (NBAA) issued a technical pronouncement number 1 of 2024 which mandated all Public Interest Entities (PIEs) (including listed entities) to adopt these standards effective from 1 January 2025.

Below is a brief summary of the standards and their expected disclosure requirements.

IFRS S1

IFRS S1 requires companies to consider the SASB Standards to identify sustainability-related risks and opportunities and disclose related information.

IFRS S2

IFRS S2 provides accompanying guidance derived from the climate-related topics and metrics in the SASB Standards. DSE will be required to disclose climate related activities in line with pre-established metrics.

The Group is currently evaluating the potential impact of the new standard on the Group's and Company's financial statements.

27.1 Basis of preparation

27.1.1 Compliance with IFRS Sustainability Disclosure Standards

The sustainability report of Dar es Salaam Stock Exchange Plc (DSE) and its subsidiary CSD & Registry Company Ltd (CSDR) (together, "the Group") has been prepared in accordance with IFRS Sustainability Disclosure Standards as issued by the International Sustainability Standards Board (ISSB), specifically:

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information; and
- IFRS S2 Climate-related Disclosures.

In addition, when preparing this report, the Group has referred to the disclosure topics in the Sustainability Accounting Standards Board (SASB) standard for security and commodity exchanges and to its existing GRI-based sustainability reporting framework to extent applicable. These frameworks have been considered in determining relevant social and governance-related topics and metrics. See Note 5, Note 8 and Note 9.

27.1.2 Connectivity with financial statements (reporting period, reporting entity and presentation currency)

The climate-related information in this sustainability report relates to the DSE Group, comprising Dar es Salaam Stock Exchange Plc and its subsidiary CSD & Registry Company Ltd, and is prepared for the period from 1 January 2025 to 31 December 2025. The reporting period, reporting entity and presentation currency are the same as those used in the Group's consolidated financial statements prepared in accordance with IFRS Accounting Standards.

The sustainability report should be read together with the Group's consolidated financial statements for the year ended 31 December 2025.

The Group defines its time horizons based on when climate-related risks and opportunities could reasonably be expected to affect its business model, strategy and financial position and performance. These time horizons are aligned with the Group's strategic planning and risk management processes and are defined as follows:

- **Short term:** 0 to 12 months;
- **Medium term:** 1 to 3 years;
- **Long term:** more than 3 years.

These time horizons are applied consistently across the identification, assessment and disclosure of climate-related risks and opportunities in Note 5 and Note 7.

27.1.3 First-time adoption of IFRS Sustainability Disclosure Standards and transition reliefs

The Group is reporting under IFRS Sustainability Disclosure Standards for the first time in respect of the year ended 31 December 2025. In accordance with the transition provisions in IFRS S1 and IFRS S2, the Group has applied the following transition reliefs:

- **Relief from comparative information:** The Group does not present comparative climate-related information for prior periods in this first year of reporting. Comparative information will be presented from the second year of application onwards.
- **Relief from disclosure of Scope 3 GHG emissions:** For the year ended 31 December 2025, the Group discloses Scope 1 and Scope 2 greenhouse gas (GHG) emissions only. Scope 3 emissions are not disclosed in this first reporting period in accordance with IFRS S2.C4(b). The Group is developing methodologies and data

systems to enable the future disclosure of Scope 3 emissions in subsequent reporting periods.

The Group expects that, as its climate-related capabilities, data and systems develop, the scope and depth of disclosures will increase, including the provision of comparative information and additional metrics and targets.

27.2 Overview of the group and value chain

27.2.1 Overview of the group

Key business activities

Dar es Salaam Stock Exchange Plc is the licensed securities exchange in Tanzania. Its core activities include:

- Operating the securities exchange platform, providing a regulated marketplace for the listing and trading of equity, debt and other securities;
- Setting and enforcing listing, disclosure and trading rules for issuers and market intermediaries;
- Supporting the development of Tanzania's capital markets through market education, product development and stakeholder engagement.

CSD & Registry Company Ltd (CSDR) is a wholly-owned subsidiary of DSE. CSDR operates the central securities depository and registry for the market. Its core activities include:

- Providing post-trade services including clearing, settlement and custody of securities;

- Maintaining ownership records and registry services for listed and unlisted instruments;
- Supporting corporate actions processing (for example, dividend and interest payments), pledging of securities and private transfers;
- Providing infrastructure and services that enable market participants and issuers to meet regulatory and operational requirements.

DSE and CSDR together form the backbone of the Tanzanian capital markets infrastructure. DSE focuses on primary and secondary market trading and market development, while CSDR provides the critical post-trade, depository and registry services that ensure the integrity of ownership records and settlement processes.

The Group's primary focus is on the Tanzanian market. Strategic plans for 2023–2027 for both DSE and CSDR emphasise:

- deepening domestic capital markets and product diversification;
- digitalisation of trading, clearing and registry services;
- strengthening governance, risk management and sustainability practices; and
- aligning with regional and international standards for exchanges and central securities depositories.

Key business activities and locations

TABLE 2.1 – Key business activities and locations

Business activity	Additional information	Geographical locations
Operation of securities exchange (DSE)	Listing and trading of equity and debt securities; market data	Tanzania (Dar es Salaam and electronic platforms nationwide)
CSD and registry services (CSDR)	Clearing, settlement, custody, registry and corporate actions	Tanzania
Other services	Training, market education, events, consultancy and related services	Tanzania

27.2.2 Overview of the Group's value chain

The Group relies on a network of stakeholders and service providers across its value chain to deliver secure, transparent and efficient securities trading and post-trade services. Climate-related risks and opportunities can arise at different points in this value chain.

TABLE 2.2 – Summary of the Group's key value chain relationships; Own operations

Segment	Category	Description	Geographical location
Own operations	Exchange operations (DSE)	Trading, market surveillance, listing oversight, market data services; head office and exchange infrastructure (including the new headquarters).	Tanzania (Dar es Salaam)
	CSD and registry operations (CSDR)	Central securities depository, clearing and settlement systems, registry operations and corporate actions processing.	Tanzania
	ICT and data centres	Shared ICT infrastructure, trading and depository systems, data centres and disaster recovery site(s).	Tanzania
	Office facilities and support	Office premises, support services, internal operations and administration.	Tanzania
Upstream	Technology and infrastructure	Providers of trading, clearing, depository and registry systems; hardware, software and cybersecurity services.	Primarily Tanzania and selected regional/international vendors
	Utilities and telecommunications	Electricity, water and telecommunications services that support trading, CSDR systems and offices.	Tanzania
	Professional services and advisors	Audit, legal, consultancy and sustainability advisory services that support governance, reporting and projects.	Tanzania and international
Intermediaries	Licensed dealing members and brokers	Members that access the exchange and depository systems, execute trades and service investors.	Tanzania
	Custodians and settlement banks	Institutions managing client assets and facilitating settlement and cash movements.	Tanzania
Downstream	Issuers	Companies, financial institutions and government entities listing equity and debt securities.	Tanzania (with regional and international investor base)
	Investors	Institutional and retail investors accessing Tanzanian securities via brokers, custodians and other intermediaries.	Tanzania and international
	Market and community stakeholders	Regulators, policy makers, industry associations, training partners and civil society organisations.	Tanzania and regional/international

The Group's climate-related risks and opportunities are influenced by:

- the resilience of its own operations (for example, robustness of ICT systems, data centres and office facilities to power disruptions, heat and extreme weather);
- the reliability of upstream providers such as utilities and ICT vendors; and
- the expectations and practices of downstream stakeholders – regulators, issuers, intermediaries and investors – regarding sustainable finance, climate transparency and green products.

These value chain relationships are taken into account in the materiality assessment in Note 5 and the climate-related risk and opportunity disclosures in Note 7.

27.3 Reporting boundary

27.3.1 Reporting boundary (excluding GHG emissions)

Reporting entity

The climate-related financial disclosures in this report are prepared for the DSE Group, comprising:

- Dar es Salaam Stock Exchange Plc (DSE) – the licensed securities exchange in Tanzania; and
- CSD & Registry Company Ltd (CSDR) – the Group's wholly-owned subsidiary that operates the central securities depository and registry.

The sustainability reporting boundary is aligned with the Group's consolidated financial statements prepared in accordance with IFRS Accounting Standards for the year ended 31 December 2025. The Group has not

identified any subsidiaries, joint ventures or associates that are excluded from the climate-related disclosures.

The Group's climate-related information covers its own operations and the key interactions with its value chain as described in Note 2, including:

- the trading, listing and regulatory activities of DSE;
- the clearing, settlement, custody and registry activities of CSDR; and
- relevant upstream and downstream relationships with technology providers, utilities, intermediaries, issuers, investors and regulators.

If there are any changes in the Group's structure (for example, acquisitions or disposals of subsidiaries) in future years, the Group will explain how these changes affect the sustainability reporting boundary at that time.

Treatment of leases and shared services

The Group operates from owned premises. For purposes of climate-related disclosures:

- leased offices and ICT facilities where the Group has the right to direct the use of the asset and receives substantially all economic benefits are included within the reporting boundary;
- Shared ICT infrastructure and services managed at Group level (for example, trading platforms, depository systems and disaster recovery sites) are included, regardless of whether they are used by DSE, CSDR or both.

All metrics presented in this report, other than GHG emissions, relate to the Group's own operations within this reporting boundary unless otherwise indicated.

27.3.2 Reporting boundary for GHG emissions

For FY25, the Group discloses Scope 1 and Scope 2 GHG emissions in accordance with IFRS S2, applying the transition relief in IFRS S2.C4(b) not to disclose Scope 3 emissions in the first year of reporting. The Group is developing methodologies and data systems for Scope 3 emissions, including value-chain-related impacts, for future reporting periods.

The Group expects to apply the GHG Protocol Corporate Accounting and Reporting Standard (2004) as the primary framework for measuring and reporting GHG emissions, unless required to use a different method by regulation.

27.3.3 (a) Organisational boundaries

For the purpose of measuring Scope 1 and Scope 2 GHG emissions, the Group uses the operational control approach under the GHG Protocol. Under this approach, the Group consolidates 100% of the emissions from operations over which it has operational control.

This means that the organisational boundary for GHG emissions includes:

- all sites and operations of DSE where DSE controls how the assets are operated (for example, headquarters, trading floor and any other controlled premises);
- all sites and operations of CSDR where CSDR operates under the Group's ICT and operational policies; and
- shared ICT infrastructure and disaster recovery facilities over which DSE, as the parent, has operational control.

The organisational boundary used for GHG reporting is therefore consistent with the Group reporting entity described in Note 3.1 and will be applied consistently across reporting periods, subject to any future changes in the Group's structure or operating model.

27.3.3 (b) Operational boundary

Under the GHG Protocol, the Group's operational boundary distinguishes between direct and indirect emissions:

• Scope 1 – Direct GHG emissions

Direct emissions from sources that are owned or controlled by DSE or CSDR. For FY25, the Group expects Scope 1 includes primarily:

- fuel combustion in backup generators at offices and ICT locations; and
- fuel used in company vehicles, where applicable.

• Scope 2 – Indirect GHG emissions from purchased energy

Indirect emissions from the generation of purchased electricity consumed by the Group's operations. For FY25, Scope 2 covers electricity used in:

- DSE's head office, trading floor and associated office premises; and
- CSDR's offices and ICT facilities, including data centres and disaster recovery sites.

- **Scope 3 – Other indirect GHG emissions**

Scope 3 emissions are not disclosed for FY25 in accordance with the transition relief in IFRS S2.C4(b). The Group is assessing the relevance and materiality of different Scope 3 categories and developing an approach to measuring them for future reporting periods.

The Group will provide further detail on the categories, activity data and emission factors used to calculate Scope 1 and Scope 2 emissions in Note 7.5, once the necessary FY25 data and methodological choices are finalised.

and has used estimates and assumptions for certain amounts that cannot be measured directly. This section outlines:

- the most significant judgements made in identifying and presenting climate-related information; and
- the amounts that are subject to a high degree of measurement uncertainty, together with the related disclosures.

The detailed implications of these judgements and sources of measurement uncertainty are explained in the relevant notes referenced below.

27.4 Judgements and measurement uncertainties

In preparing this climate-related information, management has applied judgement in several areas

27.4.1 Significant judgements

Management's key judgements in preparing the FY25 climate-related disclosures include:

TABLE 4.1 – Significant judgements

Description	Note reference
Climate materiality process – Management has applied judgement to identify the climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects (cash flows, access to finance or cost of capital), and to determine which disclosures are necessary to provide material information to users. This process builds on the ESG materiality assessment previously used for the Group's GRI-based sustainability reporting and has been refined to focus on climate-related matters in line with IFRS S1 and IFRS S2.	Note 5
Identification and classification of climate-related risks and opportunities – Management has used judgement to identify which climate-related risks and opportunities are material for the Group and to classify them as primarily physical, transition or opportunity-driven. These judgements consider the Group's business model as an exchange and CSD, the Tanzanian market context, and the Group's strategic plans.	Notes 5.2 and 7.1
Determination of the organisational boundary for GHG emissions – Management has applied judgement in deciding to use the operational control approach for measuring Scope 1 and Scope 2 emissions and in identifying which operations fall within this boundary (including shared ICT infrastructure and disaster recovery sites).	Note 3.2

Where these judgements intersect with those made in preparing the consolidated financial statements (for example, regarding the definition of the reporting entity or the control of CSDR), the sustainability reporting follows the same conclusions as the financial reporting.

27.4.2 Measurement uncertainty

Certain amounts disclosed in this report are subject to a high degree of measurement uncertainty because they are based on estimates and assumptions rather than direct measurement. The main areas of measurement uncertainty currently relate to the Group's climate-related metrics and, potentially, any quantified financial effects.

TABLE 4.2 – Amounts with high measurement uncertainty

Description	Note reference
GHG-related metrics (Scope 1 and Scope 2 emissions) – The Group's Scope 1 and Scope 2 GHG emissions are measured using activity data (for example, fuel usage and electricity consumption) and emission factors derived from recognised national or international sources. These metrics are inherently subject to estimation uncertainty due to limitations in metering, data granularity at some sites, and the use of assumptions when deriving consumption from financial records (for example, where a cost-based approach is used). Changes in emission factors or improvements in data quality in future periods may result in revisions to these metrics.	Note 7.5

As data availability and systems improve over time, the Group expects the level of measurement uncertainty in its climate-related metrics to reduce.

27.5 Materiality assessment

27.5.1 Materiality process

This is the first year that the Group has prepared a climate-focused sustainability report under IFRS S1 and IFRS S2. The Group has therefore updated and refined its existing ESG materiality process (used for GRI-based reporting) to identify climate-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital over the short, medium and long term.

The materiality process was coordinated by management and the Risk and Compliance function, with input from senior management and relevant functions across DSE and CSDR. The outcome was reviewed with the Audit, Risk and Compliance Committee and the Board.

The process followed two main steps, consistent with IFRS S1:

Step 1 – Identify climate-related risks and opportunities

The Group identified climate-related risks and opportunities by:

- reviewing existing ESG material topics and stakeholder feedback from prior GRI-based sustainability reports;
- analysing DSE's and CSDR's strategic plans for 2023–2027, including references to digitalisation, business continuity and sustainable finance;
- considering sector-specific guidance for securities and commodity exchanges and emerging regulatory expectations (including IFRS S1 and IFRS S2); and
- drawing on internal discussions with management and subject-matter experts (for example, risk, ICT, operations and listing/issuer relations).

This step considered both the Group's own operations and key elements of its value chain, including issuers, intermediaries, investors, technology providers and regulators.

Step 2 – Identify material information for disclosure

From the set of climate-related themes identified in Step 1, management determined which information is material for disclosure in this first IFRS S1/S2 climate report by considering:

- the potential magnitude and likelihood of effects on the Group's business model, operations and financial position and performance;
- the time horizons over which these effects could arise (short, medium or long term);
- the information needs and expectations of key stakeholders, including regulators, issuers, licensed dealing members, investors and development partners; and
- the feasibility of providing decision-useful information in FY25 without incurring undue cost or effort, applying the proportionality principle in IFRS S1.

The Group concluded that a focused set of three climate-related topics is material at this stage for IFRS S1/S2 climate reporting:

1. Climate-related physical risk;
2. Climate-related transition risk; and
3. Climate-related opportunities.

These topics are described in more detail below and in Note 7.

The Group expects to reassess its climate materiality judgement at least annually, and more frequently if there are significant changes in the external environment, regulatory expectations or the Group's strategy.

27.5.2 Outcome of the process – summary of material climate-related risks and opportunities

The table below summarises the material climate-related topics identified, the rationale for their materiality, the current management approach and the main components of the reporting boundary affected. Detailed disclosures are provided in the notes referenced.

TABLE 5.1 – Material climate-related risks and opportunities

Pillar	Material topic	Rationale for materiality	Summary of management approach	Affected component of the reporting boundary	Note reference
Environmental	Climate-related physical risk	Physical climate hazards such as droughts, intense rainfall, flooding and storms can disrupt electricity, telecommunications and transport infrastructure in Tanzania. This can directly affect DSE and CSDR's ICT systems and offices and, more significantly, can disrupt the operations of listed companies and members (brokers, custodians and settlement banks) in sectors that are sensitive to physical risk (for example, infrastructure-linked services, transport, manufacturing and agriculture-linked activities). Prolonged disruptions could reduce trading activity, delay settlements or corporate actions and affect market confidence.	Integration of disruption scenarios, including climate-exacerbated events, into the Business Continuity and Recovery Policy and ICT disaster-recovery planning; use of backup power and alternative connectivity for critical systems; monitoring of operational incidents and sector-level disruptions; ongoing dialogue with members and key service providers on operational resilience.	- Listed companies in more physically exposed sectors (for example, infrastructure-linked services, transport, manufacturing and agriculture-linked activities); - Members (licensed dealing members, custodians and settlement banks) whose operations and ICT systems depend on power and connectivity. - Own operations (DSE trading platform, CSDR depository and registry systems, offices and ICT facilities).	Note 7.1.1, Note 7.3
Environmental	Climate-related transition risk	The DSE list includes banks and other financial institutions, cement and industrial companies, tobacco and other consumer businesses and service providers. These issuers, and the members that service them, face increasing expectations on climate-related disclosure, emissions management and product offerings as IFRS S1/S2, DSE Rules and wider market practices evolve. If issuers and members in higher-emitting or slower-transition sectors do not adapt, DSE faces risks related to compliance, market relevance and reputation, including perceptions that the Exchange is dominated by companies that are not environmentally friendly.	Alignment of DSE and CSDR Sustainability Policies, DSE Rules and guidance with evolving regulatory and market expectations; incorporation of sustainability reporting requirements into the DSE Rules 2022 and promotion of good-quality ESG and climate disclosures by listed companies; engagement and capacity building for issuers and members (for example, training programmes and DEAP activities); monitoring of domestic and international regulatory developments and sector practices; consideration of climate themes in product development and market positioning.	- Listed companies across sectors, particularly financials and industrial/manufacturing issuers exposed to higher transition risk; - Members whose product mix, research and distribution focus influence the Exchange's climate profile; - Own operations (Group strategy, rule-making, compliance and engagement with investors and development partners).	Note 7.1.2, Note 7.3

Pillar	Material topic	Rationale for materiality	Summary of management approach	Affected component of the reporting boundary	Note reference
Environmental	Climate-related opportunities	The transition to a lower-carbon and climate-resilient economy creates opportunities for the Group to support and benefit from sustainable finance. These include facilitating listings of green, social, sustainability and sustainability-linked instruments, supporting climate-aligned indices and market segments, using digital platforms such as Hisa Kiganjani to broaden access to sustainable products and improving the efficiency and resilience of the Group's own ICT and infrastructure. These opportunities are material because they can support revenue growth, market development and the Group's reputation, while contributing to national climate and development objectives.	Implementation of the DSE and CSDR Five-Year Strategic Plans with a focus on sustainable finance and market development; promotion and facilitation of sustainable instruments within the existing regulatory framework; collaboration with regulators, development partners and market participants on green and sustainability-linked bonds and other products; delivery of training and awareness programmes on sustainability reporting and ESG; investment in modern, digital and energy-efficient infrastructure and platforms, including Hisa Kiganjani.	- Listed companies and prospective issuers seeking to raise capital through sustainable products; - Members and intermediaries distributing or advising on sustainable instruments and using digital channels; - Own operations (product development, digital platforms and infrastructure).	Note 7.1.3, Note 7.4
Social	Social-related opportunities: promoting transparent and efficient capital markets	Promoting transparent and efficient capital markets is fundamental for fostering investor confidence, supporting liquidity and market integrity, and contributing to Tanzania's economic development. The Group promotes inclusive access through digital platforms such as Hisa Kiganjani whereas of 31 December 2025 there were 143,000 investors using the platform (2024: 45,200), increase of 216%, broadens financial literacy through the DSE Scholar Investment Challenge, around 76,000 students have been reached since DSE started conducting the DSE scholar investment challenge. the Women's Investment Bootcamp, the Ring the Bell for Gender Equality and Ring the Bell for Financial Literacy campaigns and supports SME capital-raising readiness through the DSE Enterprise Acceleration Programme (DEAP) and the ENDELEZA market segment.	DSE enhances market transparency and efficiency through reliable trading, clearing, settlement and registry services. The Group invests in system digitalisation, linking registry services to national identity systems, and expanding product offerings to meet market demands. Training and capacity building are provided to stakeholders to improve market functioning and disclosure quality.	Own operations: trading platform, post-trade and registry infrastructure. Downstream: market participants including issuers, intermediaries, investors and regulators relying on continuous, transparent and efficient market operations.	Note 8

Pillar	Material topic	Rationale for materiality	Summary of management approach	Affected component of the reporting boundary	Note reference
	Social-related risks and opportunities: employee diversity and inclusion	A diverse and inclusive workforce supports the Group's ability to serve a wide range of market participants, attract and retain skilled staff and respond to changing stakeholder expectations. Lack of progress on diversity and inclusion could affect staff engagement, talent attraction and the Group's reputation with issuers, investors, regulators and development partners that place increasing emphasis on ESG practices.	The Group applies HR policies and practices that cover equal opportunity, non-discrimination and fair treatment, and provides training and development opportunities for staff. Management monitors key workforce indicators, such as gender representation at different levels, and uses recruitment and performance processes to support diversity and inclusion objectives over time.	Own operations: employees and management across DSE and CSDR. Downstream: stakeholders that assess the Group's governance and social practices as part of their ESG expectations.	Note 8.2
Governance	Governance -related risks: managing conflicts of interest	Managing conflicts of interest effectively is important for DSE to maintain transparency, fairness and integrity within Tanzania's capital markets. As a market operator and infrastructure provider, DSE is expected to act impartially and ensure that no stakeholder gains undue advantage. Effective conflict-of-interest management supports the trust of investors, regulators and other market participants and reduces legal and reputational risks that could undermine the market's development and DSE's standing as a reliable exchange.	DSE applies governance policies covering the identification, disclosure, mitigation and prevention of conflicts of interest, with oversight from the Board and relevant committees to support compliance with regulatory and ethical standards.	Own operations: governance frameworks, risk management and compliance systems, ICT infrastructure and business continuity arrangements. Downstream: issuers, investors, intermediaries and regulators dependent on stable and transparent market systems.	Note 9.1.1, Note 9.2
	Governance -related risks: managing business continuity and technology risks	Given the critical reliance on ICT infrastructure and continuous operations, managing risks related to technology failures, cyber threats and operational disruptions is important for sustaining market confidence and avoiding financial and reputational losses.	DSE manages business continuity and technology risks through disaster recovery and business continuity plans, supported by ICT policies and cybersecurity measures. The organisation conducts risk assessments, system testing and staff training to strengthen its ability to prevent, respond to and recover from potential disruptions, thereby maintaining stable and reliable market operations.	Own operations: ICT infrastructure, trading, clearing, settlement and registry systems; Business Continuity and Recovery Policy and ICT Policy. Downstream: market participants relying on uninterrupted access to market infrastructure.	Note 9.1.2, Note 9.2

Pillar	Material topic	Rationale for materiality	Summary of management approach	Affected component of the reporting boundary	Note reference
	Governance -related risks: data security and cyber resilience	The Group's business model relies on the secure processing and storage of trading, settlement and registry data, including personal and confidential information. Weaknesses in data security or cyber resilience could lead to unauthorised access, data loss or service disruption, resulting in regulatory sanctions, legal claims, financial losses and reputational damage. As reliance on digital platforms increases, expectations from regulators and market participants on data protection and cyber security are also rising.	DSE and CSDR apply ICT and information-security policies, access controls and monitoring processes designed to safeguard data and systems. The Group invests in cyber-security tools, conducts regular system maintenance and upgrades, and carries out disaster recovery and business continuity testing. Data security and cyber risks are considered within the broader ICT and operational risk framework overseen by management and the Board.	Own operations: ICT infrastructure, trading, clearing, settlement and registry systems, and related data repositories. Downstream: issuers, intermediaries and investors who depend on secure and reliable market infrastructure.	Note 9.3

The Group has not identified any additional climate-related risks or opportunities that meet its materiality threshold for IFRS S1/S2 in FY25. The materiality assessment will be updated in future reporting periods to reflect changes in the Group's business, regulatory environment, stakeholder expectations and climate-related data and analysis.

27.6 Sustainability governance

27.6.1 Board oversight

Board of directors

The Board of Directors of Dar es Salaam Stock Exchange Plc (the Board) has overall responsibility for the Group's strategic direction and oversight of its risks and opportunities, including sustainability and climate-related matters.

In relation to sustainability and climate-related risks and opportunities, the Board:

- approves the Group's overall strategy and business plans, including the five-year strategic plans for DSE and CSDR, and considers how sustainability and climate themes affect these plans;
- approves key policies related to governance, risk, compliance and sustainability, such as the DSE Sustainability Policy, CSDR Sustainability Policy, Risk Management Policy, Business Continuity and Recovery Policy, ICT policies and relevant HR policies;
- oversees the implementation of the DSE Rules 2022, including sustainability reporting requirements for listed companies and members;

- reviews reports from Board committees on risk, compliance, financial reporting and other matters that may be affected by sustainability and climate-related issues; and
- approves this climate-focused sustainability report and monitors progress in aligning with IFRS S1 and IFRS S2.

The Board is supported by Board committees, including the Audit, Risk and Compliance Committee (ARCC) and the Finance and Administration Committee (FAC). Their charters define their roles in relation to governance, risk and compliance. These committees review relevant policies, reports and management proposals before recommending them to the Board for approval.

In particular:

- **ARCC** oversees the Group's risk management and internal control frameworks, including compliance with laws, regulations and internal policies, and recommends appropriate risk management and internal control strategies to the Board.
- **FAC** oversees financial performance, budgeting and certain operational matters, and considers the resource implications of sustainability-related initiatives where relevant.

Through these committees and regular Board reporting, sustainability and climate-related risks and opportunities are integrated into the Board's overall oversight of the Group.

27.6.2 Management's role in governance

Management is responsible for implementing the Board's strategic direction and policies and for managing sustainability-related and climate-related risks and opportunities on a day-to-day basis.

Key elements of management's sustainability governance include:

Chief Executive Officer (CEO) – DSE Group

The CEO has overall accountability for the execution of the Group's strategy, performance and risk management, including the integration of sustainability and climate-related considerations into operations, products and stakeholder engagement. The CEO reviews and endorses sustainability and risk policies, oversees implementation and reports to the Board and its committees on relevant matters.

Managing Director – CSDR

The CSDR Managing Director is responsible for implementing the Group's strategy and policies within CSDR's operations, including the CSDR Sustainability Policy and ICT Policy. The Managing Director works closely with the DSE CEO and Group functions to ensure alignment and to escalate significant risks and issues.

Risk and Compliance function

The Risk and Compliance Manager coordinates the development and implementation of key governance and risk policies, including the Compliance Policy, Risk Management Policy, Business Continuity and Recovery Policy, and the DSE and CSDR Sustainability Policies. This role supports the identification and monitoring of emerging risks, including climate-related risks, and reports to management and the ARCC.

Heads of Department

Heads of Department across DSE and CSDR implement sustainability and climate-related policies within their functional areas. In line with the Sustainability Policies, they:

- incorporate relevant sustainability and climate-related considerations into planning and operations;
- develop departmental targets aligned to the Group's sustainability goals and selected SDGs; and

- report periodically on progress and challenges.

Sustainability Champion

A Sustainability Champion role has been established, in line with the DSE and CSDR Sustainability Policies, to support coordination of sustainability-related activities across the Group. The Sustainability Champion:

- follows up with Heads of Department on the status of sustainability-related activities and targets;
- maintains a sustainability checklist tracking progress against selected SDGs and policy commitments; and
- supports the preparation of sustainability reporting and stakeholder engagement on sustainability matters.

ICT and operations management

ICT and operations teams, under the Group's ICT policies and shared services model, are responsible for the resilience and security of trading, registry and support systems, including disaster recovery and business continuity arrangements that are relevant to climate-related physical risk.

Through these roles and structures, sustainability and climate-related topics are integrated into the Group's management processes and regular reporting to the Board and its committees.

27.6.3 Impact of sustainability on remuneration policies

The Group has HR and performance management processes that link remuneration to the achievement of strategic and operational objectives. In line with the DSE and CSDR Sustainability Policies, selected sustainability-related responsibilities are incorporated into the roles of relevant senior management and Heads of Department, including responsibility for implementing sustainability initiatives and meeting agreed targets.

For senior management, sustainability-related objectives are embedded within the agreed Annual Performance Plan (KPIs) and performance appraisals. These objectives include, for example:

- implementation of sustainability policies;
- support for SDG-related initiatives;
- participation in sustainability and climate-related training and reporting; and
- contributions to market development on ESG and sustainable finance.

Performance against these responsibilities forms part of the overall assessment that informs decisions on salary adjustments, bonuses and, where relevant, promotion.

At the date of this first IFRS S1/S2 climate report:

- sustainability and climate-related objectives are reflected primarily through these embedded qualitative responsibilities rather than through standalone, quantified climate scorecards; and
- there is no separate quantitative climate-specific bonus scheme for which performance is directly measured and disclosed in this report.

As the Group's sustainability and climate-related governance matures and climate-related metrics and targets become more clearly defined, the Group will consider whether to formalise any linkage between specific climate-related performance measures and remuneration and will provide further disclosure where this becomes material.

27.6.4 Risk management (sustainability and climate)

The Group's overall risk management framework is set out in the Risk Management Policy, the Compliance Policy, the Business Continuity and Recovery Policy, and related charters. The Board, through the ARCC, is responsible for overseeing the effectiveness of the risk management framework, while management is responsible for identifying, assessing, managing and monitoring risks in line with approved policies.

The Group's risk management framework.

- establishes processes for identifying and assessing risks across key categories (for example, strategic, operational, financial, legal and compliance, and reputational risks).
- sets out responsibilities for risk owners and for the aggregation and escalation of risk information to management and the ARCC.
- integrates risk assessment into strategic planning, budgeting and business decision-making and
- is supported by internal controls, Business Continuity and Recovery and ICT disaster recovery arrangements disaster recovery arrangements and compliance monitoring.

Integration of sustainability and climate-related risks

Sustainability and climate-related risks are being integrated into this broader risk framework as part of

the Group's ongoing governance and risk management enhancement. In this first IFRS S1/S2 climate reporting period:

- Climate-related physical risks (for example, disruption to operations due to extreme weather events, power outages or infrastructure failures) are considered within operational risk and business continuity planning. In addition:
 - i. **Financial performance risks** – listed companies and members exposed to physical risks (for example, agriculture, infrastructure, energy) may suffer losses, lower valuations and increasing volatility across the Exchange; and
 - ii. **Systemic and market risks** – widespread physical events can trigger defaults, impair collateral values and reduce investor confidence, leading to market instability and reputational risks for the DSE.
- Climate-related transition risks (for example, regulatory change, evolving sustainability reporting expectations, and shifts in investor and issuer behaviour) are considered within strategic and compliance risk, particularly through the implementation of the DSE Rules 2022 and sustainability reporting guidelines;
- The Risk and Compliance function and relevant management committees monitor regulatory and market developments, support the implementation of sustainability policies and advise the ARCC and Board on emerging sustainability-related risk themes.

Climate-related physical and transition risks are captured within the Group's Enterprise Risk Management framework and risk register primarily under strategic, operational and reputational risk categories, with oversight by the Audit, Risk and Compliance Committee (ARCC).

The Group expects to continue strengthening the explicit identification, assessment and monitoring of climate-related risks within its risk register and ERM processes over the 2026–2027 period, including clarifying risk ownership and reporting for material physical and transition climate risks identified in Note 5 and described further in Note 7. Any significant changes to the risk management approach will be reflected in future reporting periods.

27.7 Environment-related (climate) risks and opportunities

27.7.1 Climate-related risks and opportunities

(a) Description

Climate risks to the DSE arise primarily from its listed companies and members operating in vulnerable sectors such as agriculture, tourism, and manufacturing.

- (i) Physical events like floods, droughts, and storms can impair the financial performance of these entities, lower valuations, and increase volatility across the Exchange. Widespread events may also trigger defaults, reduce collateral values,

and erode investor confidence, creating systemic instability and reputational risks.

- (ii) In addition, transition risks—such as new climate policies, carbon pricing, and shifts in investor preferences toward low-carbon assets, can affect sector profitability and market dynamics, further increasing volatility.

Beyond market participants, climate risks may directly disrupt the DSE's own operations through infrastructure damage, technology interruptions, and business continuity challenges, underscoring the need for resilience and disclosure in line with ISSB standards.

TABLE 7.1 – DSE's exposure to physical risk

As noted above, physical risk to the Dar es Salaam Stock Exchange (DSE) arises mainly from its listed companies and members exposed to climate-related events such as floods, droughts, and storms. Entities operating or those relying on vulnerable sectors—including agriculture, tourism, and manufacturing, are particularly at risk, as these events can disrupt operations, weaken financial performance, lower valuations, and heighten volatility across the Exchange. DSE's exposures to physical risks as of 31 December 2025, is summarised below:

Sector (internal grouping)	Approximate number of listed companies	Examples of typical activities	Exposure (Market Cap)	Climate-related relevance
Financials (banks, MFIs, insurance and investment holdings)	10	Banks, microfinance banks (including Yetu Microfinance and MUCOBA), insurance companies and financial holding companies	13,214	Lending and investment portfolios exposed to transition risk through financing of higher-emitting sectors; loan and collateral portfolios exposed to borrowers in agriculture, infrastructure and transport affected by physical events; branch and ICT networks exposed to power and connectivity disruptions.
Telecoms & ICT	1	Mobile and fixed telecommunications	1,467	High dependence on reliable power and network infrastructure; important enabler of digitalisation that can support low-carbon ways of accessing markets
Industrial & materials / energy	5	Cement, industrial gases, energy exploration and related manufacturing	1,676	Energy-intensive processes and potential process emissions; direct exposure to carbon pricing, changing regulation and shifting investor preferences; production facilities and logistics exposed to flooding and power disruptions
Consumer (staples and discretionary, including retail, beverages, tobacco and agri-linked activities)	7	Breweries, tobacco, retail and agriculture-linked businesses	6,863	Supply chains directly dependent on agricultural inputs affected by drought, flooding and rainfall variability; shifting consumer preferences towards sustainable products; health and environmental regulation
Services and transport	5	Airlines, ground handling, media and other service businesses	776	Operations directly disrupted by extreme weather events, flooding at airports and coastal infrastructure; decarbonisation pressure on aviation, ground transport and logistics

(b) Effects on business model and value chain

Climate risks to the Dar es Salaam Stock Exchange (DSE) stem largely from listed companies in vulnerable sectors such as agriculture, tourism, and manufacturing. Physical events like floods, droughts, and storms can disrupt operations, weaken financial performance, lower valuations, and trigger defaults, while transition risks, such as new climate policies, carbon pricing, and investor shifts toward low-carbon assets, further affect profitability and market dynamics. Beyond market participants, climate risks may also disrupt DSE's own infrastructure and continuity, underscoring the need for resilience and ISSB-aligned disclosure.

(c) Effects on strategy and decision-making

Physical climate-related risks are addressed through a combination of the Group's operational resilience measures and its engagement with listed companies, members and other market participants. Key elements include:

- **Disclosure and transparency** – the DSE Rules 2022 require listed companies to submit annual sustainability reports, which include disclosure of material climate risk exposures. This supports investor confidence and enables market participants to make informed decisions. As at the end of 2024, 21 out of 28 listed companies had submitted sustainability reports;
- **Capacity building** – the Group designs and delivers training and awareness programmes for issuers, members and other stakeholders on climate risk management, sustainability reporting and ESG practices, including through the DSE Enterprise Acceleration Programme (DEAP), through which 65 SMEs were trained in 2025 with a focus on ESG principles and sustainable financing;
- **Promoting sustainability practices** – the Group encourages listed companies and members to adopt ESG and sustainability practices aligned with Bank of Tanzania (BOT), NBAA and international guidelines, including through the sustainability reporting requirements in the DSE Rules and the DSE and CSDR Sustainability Policies;

- **Data and risk monitoring** – the Group monitors operational incidents, sector-level disruptions and climate-related data from members and listed companies to identify vulnerabilities and exposures. This monitoring informs engagement priorities and risk management;
- **Resilient infrastructure and continuity** – the Group implements the Business Continuity and Recovery Policy and ICT policies, maintains and tests backup power solutions and alternative network connectivity for critical trading, clearing and registry systems, and reflects resilience considerations in infrastructure and ICT investment decisions, including the new headquarters;
- **Due diligence** – the Group is considering how to incorporate climate risk assessments into listing, trading and membership requirements over time to safeguard market integrity;
- **Partnerships** – the Group engages with regulators (CMSA, Bank of Tanzania), development partners and international organisations (UN SSE, WFE, IFC, ASEA, EASEA, CoSSE, WFC) to share expertise, enhance resilience and align with global best practices; and
- **Promoting sustainable finance** – the Group supports green bonds, sustainability-linked instruments and climate-aligned investment products, including the NMB Jamii sustainability bond, the CRDB Kijani green bond and the Tanga UWASA green bond.

Note: Some of these actions are established (for example, sustainability reporting requirements and BCP arrangements), while others are at earlier stages of development (for example, formal climate risk due diligence in listing requirements). The Group intends to progress these over the 2026–2027 period.

(d) Financial effects

Current financial effects

For the year ended 31 December 2025, the Group has not identified separately quantifiable financial effects that can be directly attributed to climate-related physical risk. Expenditure on ICT infrastructure, backup power, connectivity,

disaster-recovery and business-continuity capabilities is part of normal operating costs and is not currently disaggregated as a climate-specific cost category.

More significantly, the principal channel through which physical climate risk could affect the Group's financial position is through its listed companies and members. If climate-related events cause financial losses for issuers in physically exposed sectors (for example, agriculture, infrastructure, energy and transport), this could reduce trading volumes, listing fee income and settlement activity, and could increase the risk of delisting or suspension of affected companies. The indicative sector exposure by market capitalisation is set out in the table above.

Anticipated financial effects

Looking ahead, potential financial effects are expected to arise mainly through:

- **indirect effects through clients** – listed companies and members in vulnerable sectors (agriculture, energy, transport, manufacturing) may face operational disruptions and financial losses from physical climate events, which could reduce trading volumes, listing and transaction fee income, settlement activity and corporate actions processed by the Group;
- ongoing investment in ICT resilience, backup power and connectivity; and
- additional operational effort to manage disruptions affecting issuers or members.

These effects are currently assessed qualitatively. The Group does not yet estimate financial impacts

specifically attributable to climate-related physical risk.

27.7.2 Climate-related transition risk: evolving regulation, disclosure and market expectations

(a) Description of risk

The regulatory and market environment for sustainability and climate-related disclosures is evolving. Key transition drivers for the Group include:

- the introduction of IFRS S1 and IFRS S2 and other international standards and guidance;
- increasing expectations from regulators, investors and development partners for high-quality sustainability and climate disclosures by listed companies, intermediaries and market infrastructures;
- growing demand for sustainable and climate-aligned financial products and services; and
- potential future policy changes and incentives supporting green and transition finance.

The DSE list includes banks and other financial institutions, cement and industrial companies, tobacco and other consumer businesses and service providers. These sectors face differing degrees of transition pressure arising from emissions profiles, regulatory developments and changing investor and consumer expectations. If issuers and members in higher-emitting or slower-transition sectors do not adapt, the Group may face risks related to regulatory compliance, market relevance and reputation, including perceptions that the Exchange is dominated by companies that are not environmentally friendly.

TABLE 7.1.2a – DSE's exposure to transition risk by sector

Sector	Approximate number of listed companies	Approximate market capitalisation (TZS bn)	Key transition risk drivers
Industrial & materials / energy	5	1,675.58	Energy-intensive processes and potential process emissions; direct exposure to carbon pricing, changing regulation and shifting investor preferences away from carbon-intensive assets
Financials	10	13,213.88	Indirect exposure through lending and investment portfolios concentrated in carbon-intensive sectors; evolving regulatory expectations on climate-related financial disclosures, green finance and portfolio alignment
Consumer (tobacco, beverages, agri-linked)	7	6,862.90	Shifting consumer preferences towards sustainable products; increasing health and environmental regulation; supply chain sustainability requirements

Sector	Approximate number of listed companies	Approximate market capitalisation (TZS bn)	Key transition risk drivers
Services and transport	5	775.76	Decarbonisation pressure on aviation, ground transport and logistics; changes in travel patterns as economies pursue lower-carbon pathways
Telecoms & ICT	1	1,467.20	Growing expectations on energy efficiency of network infrastructure and data centres; opportunities to enable lower-carbon market access through digitalisation

(b) Effects on business model and value chain

Current and anticipated effects of transition risk on the Group's business model and value chain include:

- **Listed companies (issuers by sector)** – issuers exposed to carbon-intensive activities (for example, cement, certain industrials and tobacco), or with significant financing or supply-chain links to such activities, may face increased regulatory requirements, higher operating costs, changing consumer preferences and pressure to decarbonise. Banks and other financial institutions whose lending and investment portfolios are concentrated in these sectors carry indirect transition exposure through their borrowers and investees. If such issuers lag on climate-related disclosure and transition planning, investor demand for their securities, and for the market as a whole, may be affected. As at the end of 2025, 21 out of 28 listed companies had submitted sustainability reports, indicating growing but uneven adoption of sustainability practices across the listing universe
- **Members (intermediaries)** – brokers, custodians and settlement banks are expected over time to integrate climate-related considerations into research, product design and client engagement. Members that continue to focus primarily on high-emitting sectors without improving disclosure or client communication could contribute to reputational risk for the Exchange and may be less able to support the development and distribution of sustainable products. Members' readiness to adopt digital channels, including platforms such as Hisa Kiganjani, for distributing sustainable instruments will also influence the pace of market transition.
- **Own operations (DSE and CSDR)** – the Group continues to align its rules, policies

and market-development activities with evolving standards and expectations on climate and sustainability. Failure to keep pace could lead to compliance risk and limit the Group's ability to attract new listings, sustainable products or partnerships with development partners and international investors.

(c) Effects on strategy and decision-making

Climate-related transition themes are incorporated into the Group's strategic planning and market-development activities. Examples include:

- integrating sustainability and climate disclosure requirements into the DSE Rules 2022 and related listing guidance, including the requirement for listed companies to submit sustainability reports;
- using the DSE and CSDR Sustainability Policies to frame the Group's approach to SDG-aligned themes, including SDG 13 (Climate Action);
- designing and delivering capacity-building programmes on sustainability and climate disclosure for issuers, members and other stakeholders, including the DSE Enterprise Acceleration Programme (DEAP), through which 65 SMEs were trained in 2025 with a focus on ESG principles and sustainable financing;
- promoting the use of digital platforms, including Hisa Kiganjani (27,000 registered users), as channels for broadening retail participation, which supports the transition by enabling wider distribution of sustainable and climate-aligned products over time and by reducing the environmental footprint of market access (for example, through reduced reliance on physical paperwork and in-person processes);

- considering opportunities to develop and promote sustainable finance products (for example, green, social or sustainability-linked instruments) as part of the Group's product roadmap and engagement with regulators and development partners; and
- monitoring sector-level transition trends among listed companies and members to inform rule-making, engagement priorities and market-development initiatives.

Strategic decisions regarding new products, rule changes and stakeholder engagement are increasingly informed by climate-related transition trends and expectations from investors, regulators and international partners.

Overall decarbonisation targets and Climate Transition Plan

As at 31 December 2025, the Group has not yet adopted a formal climate transition plan or Group-level GHG emission reduction targets. FY25 is treated as a baseline year for Scope 1 and Scope 2 emissions (see Note 7.5.2).

While a formal transition plan has not yet been adopted, the Group is already undertaking a number of actions that support the broader transition to a lower-carbon and climate-resilient economy across its listed companies, members and own operations:

- **Training and capacity building** – the Group designs and delivers training and awareness programmes for issuers, members and other stakeholders on sustainability, climate disclosure and ESG practices, including through DEAP (65 SMEs trained in 2025), the ENDELEZA segment and stakeholder engagement programmes;
- **Sustainable finance** – the Group facilitates sustainable bonds, green equity products and climate-aligned investment instruments, including the NMB Jamii sustainability bond (TZS 212.9 billion and USD 73 million), the CRDB Kijani green bond and the Tanga UWASA sub-national green bond;
- **Collaboration and partnerships** – the Group engages with CMSA, Bank of Tanzania, UN SSE, WFE, IFC, ASEA and other partners to share expertise, enhance resilience and align with emerging standards for exchanges and market infrastructures;
- **Sustainability reporting** – the DSE Rules 2022 require listed companies to submit

annual sustainability reports, which include disclosure of GHG emissions and climate-related information. In 2021, DSE mandated sustainability reporting by listed companies, supporting transparency for investors. As at the end of 2025, 21 out of 28 listed companies had submitted sustainability reports; and

- **Promoting sustainable practices among listed companies** – the Group encourages listed companies and members to adopt ESG and sustainability practices aligned with Bank of Tanzania (BOT), NBAA and international guidelines, and is considering how to incorporate transition risk assessments into listing requirements and member evaluations over time

In line with its Sustainability Policies and strategic plans, the Group intends over the coming years to:

- use the FY25 GHG inventory and subsequent data to understand the main emission sources within its operations;
- identify practical measures to improve energy efficiency and resilience, particularly in ICT and building operations;
- develop measurable sustainability and climate-related targets, including potential GHG or energy-related targets, with the aim of formalising these by around 2026, subject to Board approval;
- monitor and report the coverage and quality of sustainability and climate-related disclosures by listed companies;
- provide guidance to issuers on best practices for transition planning and GHG disclosure; and
- continue to facilitate sustainable finance products and promote the adoption of green finance standards among issuers and investors.

Once any climate transition plan or quantitative GHG targets are formally approved, the Group will disclose the key elements of that plan and the related targets in future reporting periods.

(d) Financial effects

Current financial effects

For the year ended 31 December 2025, the Group has not identified material financial effects that can be separately and directly attributed

to climate-related transition risk. Expenditure associated with:

- implementing IFRS S1 and IFRS S2;
- updating rules and policies;
- delivering sustainability and climate-related training and engagement (including DEAP); and
- maintaining and developing digital platforms such as Hisa Kiganjani,

has been absorbed within normal operating budgets and is not currently tracked as a separate climate-specific cost category.

Anticipated financial effects

Over the medium to long term, potential financial effects of transition risk may include:

- incremental costs to maintain compliance with evolving sustainability and climate-related regulations and standards;
- resource needs for continued training, systems enhancements and product development;
- potential impacts on listing and trading revenues if issuers in higher-emitting sectors face financial difficulty or if investor preferences shift towards markets perceived as more climate-aligned; and
- opportunities for new revenue streams from sustainable and climate-aligned products and services, and from broadening market participation through digital channels.

These anticipated effects are currently assessed qualitatively. The Group does not yet quantify the financial impact of climate-related transition risk separately from other strategic and regulatory drivers.

27.7.3 Climate-related opportunities

(a) Description of opportunities and strategic response

The transition to a lower-carbon and climate-resilient economy creates opportunities for the Group to facilitate sustainable finance, broaden market access and improve operational efficiency. These include facilitating the listing and trading of green, social and sustainability-linked instruments (for example, the NMB Jamii sustainability bond, the CRDB Kijani green bond and the Tanga UWASA sub-national green bond), developing ESG or climate-themed

indices, broadening retail and SME participation, strengthening the quality of sustainability disclosures across the market and enhancing the Group's own operational resilience through digitalisation and energy-efficient infrastructure.

The Group pursues these opportunities through the DSE and CSDR Five-Year Strategic Plans 2023–2027. Key actions include:

- facilitating sustainable instruments within the existing regulatory framework and engaging with regulators, development partners and industry associations (CMSA, Bank of Tanzania, UN SSE, WFE, IFC, ASEA) to support green and sustainable bond markets;
- supporting members in aligning their practices with sustainability expectations, which enhances the Exchange's reputation, promotes compliance and builds investor trust;
- using DEAP, ENDELEZA and related programmes to build a pipeline of SME and emerging issuers better prepared for sustainability disclosure;
- investing in the Hisa Kiganjani platform and its integration with mobile money and banking partners (Airtel Money, Mwangi Hakika Bank, AzamPay) to broaden retail access to sustainable products;
- exploring opportunities to enhance data and information services related to sustainability and climate indicators;
- leveraging the Ring the Bell for Gender Equality and similar initiatives to raise awareness of sustainability themes in capital markets; and
- considering sustainability, efficiency and resilience benefits when planning infrastructure and ICT investments, including the new headquarters.

Management uses these opportunities as inputs when prioritising initiatives, allocating resources and engaging with regulators and partners on market development.

(b) Effects on business model and value chain

Potential effects of climate-related opportunities on the Group's business model and value chain include:

- **Listed companies and prospective issuers** – issuers gaining access to new sources of capital through sustainable and climate-aligned instruments; prospective issuers in sectors such as renewable energy, green infrastructure and sustainable agriculture being attracted to the DSE as a venue for capital raising; existing issuers in transition-exposed sectors (for example, banks, industrials) using green or sustainability-linked instruments to finance their own transition activities.
- **Members (intermediaries)** – members strengthening their alignment with sustainability practices, which enhances the Exchange's overall reputation and supports investor confidence; members using digital channels, including Hisa Kiganjani, to distribute sustainable products to a broader investor base, including retail investors; intermediaries benefiting from training and capacity building offered through DSE programmes.
- **Own operations (DSE and CSDR)** – evolution of the product offering and listing framework to accommodate sustainable and climate-aligned instruments; increased focus on digital solutions and data services related to ESG and climate indicators; potential cost savings and resilience benefits from energy-efficient buildings and ICT infrastructure, including decisions related to the new headquarters.

(c) Financial effects

Current financial effects

In FY25, the Group has not separately quantified financial benefits arising specifically from climate-related opportunities. Any effects are embedded within broader trends in listing, trading, data and service revenues and in the Group's cost base. Fee and commission income from services related to green and sustainability-linked instruments (for example, the NMB Jamii Bond and the CRDB Kijani Bond) is currently a modest but growing component of overall revenues.

Anticipated financial effects

Over time, potential financial effects from climate-related opportunities may include:

- additional listing and trading fee income from sustainable and climate-aligned instruments;

- revenue from ESG and climate-related data and information services;
- broadened retail participation and associated fee income through digital platforms such as Hisa Kiganjani;
- cost efficiencies and resilience benefits from energy-efficient and digital solutions; and
- enhanced access to funding or partnerships linked to the Group's role in promoting sustainable finance.

At present, these effects are assessed qualitatively. As climate-related products, services and metrics become more established, the Group will consider whether it is practicable and useful to quantify specific financial effects associated with climate-related opportunities.

27.7.4 Resilience of the group's strategy and business model in relation to climate-related risks

27.7.4.1 Climate scenario analysis

The Group is at an early stage of considering climate-related scenarios as part of its broader operational resilience and strategic planning.

As at 31 December 2025, the Group has not yet performed formal climate-specific scenario analysis or quantitative climate stress testing. Management plans to develop more formal climate-related scenario analysis over the 2026–2027 period, subject to the availability of suitable data, methodologies and regulatory guidance.

In the meantime, the Group uses high-level qualitative scenario thinking within existing business continuity, ICT disaster recovery and strategic planning processes to explore how climate-related risks could affect:

- the continuity and reliability of trading, clearing and registry services;
- the resilience of ICT infrastructure and dependencies on power and telecommunications; and
- the Group's role and positioning in relation to evolving climate-related regulation and sustainable finance.

This qualitative thinking draws on:

- the Business Continuity and Recovery Policy and ICT policies, including existing disruption and outage scenarios; and

- experience of power and network outages and other operational incidents, together with emerging regulatory and market expectations regarding climate-related resilience and disclosure.

The purpose of this qualitative approach is to highlight vulnerabilities and support Board and management discussions on resilience and strategic priorities, rather than to produce quantified stress-testing outputs. As the Group's scenario work develops and formal climate-related scenarios are prepared, the Group expects to enhance these disclosures in future reporting periods.

The table below provides a qualitative summary of how these climate-related scenarios could affect the Group's strategy and business model over the short, medium and long term.

TABLE 7.2 – Summary of climate-related scenarios and implications for the Group's strategy and business model

Climate scenario	Time horizon	Impact on the Group's strategy and business model
Scenario 1: Accelerated transition to net zero	Short term (0–1 years)	• Higher compliance and reporting effort as sustainability and climate disclosure rules tighten for listed companies, members and the Group. • Listed companies in transition-exposed sectors face higher disclosure and compliance costs, potentially affecting their financial performance and market activity.
	Medium term (1–3 years)	• Deeper integration of sustainability and climate factors into DSE Rules, listing/continuing obligations and market supervision. • Listed companies and members increasingly integrate climate factors into their reporting and business practices, with growing demand for sustainable and climate-aligned products.
	Long term (3+ years)	• The Group's business model increasingly centres on transparent, climate-aware markets and data services. • Listed companies with strong transition plans attract more investor demand, supporting market depth, liquidity and the Group's revenue base.
Scenario 2: Delayed transition with intensifying physical risks	Short term (0–1 years)	• More frequent extreme weather events increase the importance of robust BCP and ICT disaster recovery, with potential for short service disruptions. • Listed companies in physically exposed sectors (agriculture, infrastructure, transport) may experience disruptions that reduce their financial performance and trading activity.
	Medium term (1–3 years)	• Physical disruptions may require additional investment in ICT resilience, backup power and alternative connectivity, increasing operating costs. • Issuers and members in vulnerable sectors face growing financial pressure from repeated physical events, potentially affecting settlement volumes, corporate actions and fee income for the Group.
	Long term (3+ years)	• Persistent physical risks could drive strategic decisions on site location, data centre architecture and redundancy for trading and post-trade systems. • Persistent physical risks could affect the viability of certain listed companies in exposed sectors, with implications for overall market profile, liquidity and the Group's long-term revenue base.
Scenario 3: Disorderly transition with market volatility	Short term (0–1 years)	• Sudden policy or market shifts around climate and sustainability create volatility in issuer and investor behaviour; peaks and troughs in listing and trading activity. • Listed companies face unpredictable regulatory and policy changes affecting their operations, valuations and ability to raise capital.
	Medium term (1–3 years)	• Ongoing volatility and uneven policy implementation challenge planning for product development, market initiatives and ICT investments. • Issuers in carbon-intensive sectors face uncertain transition pathways, affecting investor confidence, trading volumes and the Group's fee income.

Climate scenario	Time horizon	Impact on the Group's strategy and business model
	Long term (3+ years)	- The Group plays an important coordinating role in supporting climate-aligned finance and disclosure while managing residual volatility risks. - Listed companies that have adapted to the new environment are better positioned to attract capital, supporting recovery in market depth and the Group's long-term revenue outlook.

As at 31 December 2025, this climate-related scenario work is qualitative and is used to inform management and Board discussions, rather than to produce quantified stress-testing outputs. The Group plans to strengthen and formalise its climate-related scenario analysis over time as data, methodologies and regulatory guidance evolve.

Significant areas of uncertainty

There are significant uncertainties in assessing the potential long-term effects of climate-related risks on the Group's strategy and business model. These include:

- uncertainty about the timing and severity of physical climate impacts (for example, more intense rainfall, flooding or heat events) on national infrastructure, utilities and ICT providers;
- the extent to which climate-related events or transition pressures could affect the financial performance, listing status or market activity of issuers and members in exposed sectors, and the resulting impact on the Group's fee income and market profile.
- the pace and direction of regulatory change, including how quickly climate-related disclosure and sustainable finance requirements will evolve for exchanges, CSDs and issuers; and
- the speed at which issuers, intermediaries and investors in the Tanzanian market adopt climate-related reporting practices and sustainable finance products.

Because of these uncertainties, the Group's current climate-related scenario analysis is qualitative and indicative rather than based on detailed climate or financial modelling. The Group expects its understanding of these uncertainties to improve over time as data, methodologies and regulatory guidance develop.

Capacity to adjust or adapt strategy and business model

Within this context, the Group considers that it has the capacity to adjust and adapt its strategy and business model over time. Factors supporting this capacity include:

- an established governance and risk management framework, with Board and ARC oversight of

sustainability and climate-related themes (see Note 6);

- existing Business Continuity and Recovery and ICT policies that provide a basis for strengthening operational resilience to physical disruptions;
- the ability to update DSE Rules, listing requirements and guidance to reflect evolving climate-related disclosure and sustainable finance expectations; and
- ongoing engagement with regulators, development partners and market participants, which helps the Group respond to transition trends and identify opportunities in sustainable finance.

As climate-related data and analysis mature, the Group expects to refine its scenario analysis and, if necessary, adjust strategic priorities, investment plans and product development to respond to emerging climate-related risks and opportunities.

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

The Group manages climate-related risks and opportunities through its existing governance, risk management and sustainability frameworks, rather than through a standalone climate risk framework.

Climate-related risks and opportunities are identified and assessed as part of the materiality assessment described in Note 5, and through the Group's wider risk processes under the Risk Management Policy, Compliance Policy, Business Continuity and Recovery Policy and ICT policies. These processes draw on:

- ongoing operational and strategic risk assessments, including consideration of physical disruption risks (for example, power and connectivity failures) and evolving regulatory and market expectations on sustainability and climate disclosure;

- business continuity and ICT resilience planning, which assess the impact of disruptive events – including those driven or exacerbated by climate – on trading, clearing and registry operations;
- monitoring of domestic and international regulatory developments and sector guidance relevant to exchanges and CSDs; and
- engagement with key stakeholders, including regulators, issuers, intermediaries, investors, development partners and service providers, on sustainability and climate-related themes.

Management, the Risk and Compliance function, Heads of Department and the Sustainability Champion coordinate these activities and escalate significant matters to the Audit, Risk and Compliance Committee (ARCC) and the Board.

The Group's key policies provide the control framework within which climate-related risks and opportunities are managed, including:

- the DSE Sustainability Policy and CSDR Sustainability Policy, which set out sustainability objectives, material topics (including environmental and climate themes) and roles and responsibilities.
- the Risk Management Policy and Compliance Policy, which define the enterprise-wide risk management and compliance approach overseen by the ARCC.
- the Business Continuity and Recovery Policy, which governs the Group's response to disruptive events affecting operations and ICT systems and is relevant to climate-related physical risk; and
- ICT policies for DSE and CSDR, including the shared ICT services framework, which support operational resilience, information security and disaster recovery.

Through these processes and policies, climate-related risks and opportunities identified as material (see Note 5) are considered in operational planning, business continuity, ICT and infrastructure decisions and market development initiatives. The Group expects to continue strengthening the explicit treatment of climate-related risks within its risk register, scenario thinking and policy framework over time.

27.9 Metrics and targets (non-GHG emissions)

In this first year of IFRS S1/S2 climate reporting, the Group's focus is on establishing a robust baseline for GHG emissions (Scope 1 and Scope 2) and on describing qualitatively its climate-related risks and opportunities. The Group does not yet have a set

of formal climate specific non-GHG targets (for example, quantitative targets for sustainable product volumes, energy efficiency metrics or climate specific operational KPIs) that meet the criteria for disclosure under IFRS S2.

However, several non-GHG climate-related metrics and activities are relevant to understanding how the Group is beginning to manage climate-related themes, including:

- the inclusion of sustainability reporting requirements in the DSE Rules 2022 for listed companies and members, and the tracking of adoption rates for sustainability reporting among issuers.
- the number of training and awareness activities delivered to issuers, intermediaries and other stakeholders on sustainability and climate-related reporting.
- ongoing progress in digitalisation and use of ICT solutions that may reduce the environmental footprint of operations (for example, reduced reliance on physical documentation and in-person processes); and
- qualitative indicators of the Group's role in promoting sustainable and climate-aligned products and practices in the market.

As data and processes become more mature, the Group may in future establish specific non-GHG climate-related targets, such as:

- targets for the number or value of sustainable or climate-aligned products listed;
- metrics related to the coverage and quality of climate-related disclosures by issuers; or
- operational efficiency or resilience indicators related to energy use or ICT performance.

Any such targets will be disclosed in future reporting periods once they are formally adopted and supported by reliable data.

In 2025, the Group trained 65 SMEs under the DSE Enterprise Acceleration Programme with a focus on ESG principles and sustainable financing, and 21 out of 28 listed companies submitted sustainability reports for the year ended 2024. These activities support the development of a pipeline of issuers that are better prepared to meet sustainability and climate-related disclosure expectations.

27.10 Greenhouse gas (GHG) emissions and GHG-related metrics and targets

In FY25, the Group discloses Scope 1 and Scope 2 GHG emissions in accordance with IFRS S2, applying the transition relief in IFRS S2.C4(b) not to disclose Scope 3 emissions in its first year of reporting. The Group uses the GHG Protocol Corporate Accounting and Reporting Standard as the primary framework for measuring emissions, unless otherwise required by regulation.

27.11 Summary of gross GHG emissions

Absolute gross GHG emissions (Scope 1 and Scope 2)

For the year ended 31 December 2025, the Group's gross GHG emissions relate to:

- **Scope 1** – direct emissions from fuel combustion in backup generators and company vehicles controlled by DSE and CSDR.

- **Scope 2** – indirect emissions from the generation of purchased electricity consumed in the Group's offices and ICT facilities (including trading and depository systems and disaster recovery sites).

The Group calculates Scope 1 and Scope 2 emissions by:

- obtaining activity data on fuel consumption and electricity usage from invoices, records and internal systems, with estimation where necessary; and
- applying emission factors from recognised sources (for example, the Tanzanian National Carbon Monitoring Centre for grid electricity, and international or national fuel emission factors for diesel and petrol).

TABLE 7.5.1 – Summary of gross Scope 1 and Scope 2 GHG emissions (FY25)

Scope	Entity	Emissions (tCO ₂ e)	% of total Group emissions
Scope 1 – fuel (vehicles)	DSE	29.65	25.51%
Scope 2 – purchased electricity	DSE	75.64	65.15%
Scope 2 – purchased electricity	CSDR	10.81	9.3%
Total Scope 1 + 2	DSE + CSDR	116.09	100%

The Group will disclose any notable year-on-year trends or changes in emissions in future periods once comparative data are available.

(a) Methodology, inputs and assumptions

The Group measures GHG emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (2004), using the operational control approach (see Note 3.2). Due to current limitations in metering at some locations, a cost-based approach is used to derive activity data where direct consumption data are not available.

(b) Activity data

- Scope 1: fuel volumes from supplier invoices and fuel receipts; estimated from costs where litres are not directly available.
- Scope 2: electricity consumption from TANESCO utility bills; estimated from financial records where bills are aggregated.

(c) Emission factors

- Scope 1 (diesel): 2.91 kg CO₂ per litre for mobile combustion, consistent with GHG Protocol guidance.

- Scope 2 (electricity): location-based grid emission factor of 0.34 kg CO₂e per kWh. This grid emission factor is derived from data published by an appropriate national source such as the National Carbon Monitoring Centre (NCMC) reflecting the estimated average emissions intensity of the Tanzanian power grid.

Emission factors are reviewed periodically to ensure ongoing relevance and consistency with the best available national or international data. Any material changes in emission factors or in the Group's GHG measurement methodology will be disclosed in future reporting periods.

27.12 GHG-related metrics and targets

At the date of this first IFRS S2 climate report, the Group has not yet set climate-related or GHG emission reduction targets at Group level or for individual entities. FY25 is therefore treated as a baseline year for Scope 1 and Scope 2 GHG emissions.

As part of the progressive implementation of its Sustainability Policies and strategic plans, the Group intends to:

- use the FY25 GHG inventory to understand the relative contribution of different sources (for example, offices vs ICT infrastructure);
- identify practical measures to improve energy efficiency and resilience, particularly in ICT and building operations; and
- consider whether to develop quantitative GHG or energy-related targets (for example, reducing Scope 1+2 emissions or improving energy intensity of operations) once data quality and internal capabilities are sufficiently mature.

Until such targets are defined, the Group will focus on:

- improving the accuracy and completeness of GHG data.
- integrating GHG and energy considerations into infrastructure and ICT investment decisions; and
- disclosing key Scope 1 and Scope 2 metrics to provide transparency over its operational climate footprint.

Any future GHG emissions targets, including baseline year, target year, scope coverage and methodology, will be disclosed in subsequent reporting periods in accordance with IFRS S2.

27.8 Social-related risks and opportunities

27.8.1 Promoting transparent and efficient capital markets

a) Description of the Opportunity and strategic response

DSE plays a central role in ensuring transparent and efficient capital markets in Tanzania, supporting investor confidence, market integrity, economic growth and financial inclusion. The DSE Five-Year Strategic Plan 2023–2027 prioritises initiatives that promote market transparency, efficiency and inclusion. Key activities and strategic decisions include:

- maintaining reliable trading, clearing, settlement and registry platforms;
- broadening market participation through digital innovation, including the Hisa Kiganjani mobile trading platform and its integration with mobile money and banking partners (Airtel Money, Mwanga Hakika Bank, AzamPay);

- facilitating sustainable and inclusive financial products, including the NMB Jamii sustainability bond (TZS 212.9 billion and USD 73 million – the largest sustainability bond in East Africa), the CRDB Kijani green bond and the Tanga UWASA sub-national green bond;
- supporting SME growth and capital access through the ENDELEZA market segment and the DSE Enterprise Acceleration Programme (DEAP), which trained 65 SMEs in 2025 with a focus on ESG principles and sustainable financing; and
- enhancing financial literacy through initiatives such as the DSE Scholar Investment Challenge (816 students in 2024), investment literacy bootcamps, the Women's Investment Bootcamp and the Ring the Bell campaigns.
- expanding registry services, including linkage with national identity systems; and
- collaboration with regulators (CMSA, Bank of Tanzania), development partners and international organisations (UN SSE, WFE, ASEA, COSSE, EASEA).

The Group monitors performance against these activities using operational data (trading system uptime, transaction volumes, settlement efficiency, Hisa Kiganjani registration and usage data) and stakeholder feedback. Governance mechanisms including Board oversight, risk and compliance functions and ICT governance support transparency and service quality.

b) Effects on Business Model and Value Chain

The opportunity to promote transparent and efficient capital markets is closely linked to the Group's business model and value chain:

- **Listed companies and issuers** – reliable market infrastructure supports existing issuers in meeting disclosure obligations and accessing capital, and attracts prospective issuers, including those seeking to raise capital through sustainable instruments. As at the end of 2024, 21 out of 28 listed companies had submitted sustainability reports, indicating growing adoption of sustainability practices across the listing universe.
- **Members (intermediaries)** – licensed dealing members, custodians and settlement banks benefit from efficient

trading and post-trade systems and from broadened retail participation through digital channels such as Hisa Kiganjani. Members also benefit from DSE's training and capacity-building activities and from the growing pipeline of SMEs being prepared for market participation through DEAP and ENDELEZA.

- Investors – institutional and retail investors gain fair, inclusive access to the Tanzanian capital markets. Digital platforms remove geographical barriers and reduce reliance on physical paperwork, supporting broader participation. The integration of Hisa Kiganjani with mobile money and banking partners (Airtel Money, Mwanga Hakika Bank, AzamPay) further reduces barriers to entry.
- Own operations – fee-based revenues from trading, clearing, settlement, listing and registry services depend on the reliability, efficiency and accessibility of market infrastructure. Digitalisation and process automation improve efficiency and reduce operational risk.

c) Financial Effects

Current Financial Effects

DSE has maintained stable revenues primarily through transaction fees on trading, clearing

and custody services. The phased introduction of new services (for example, the automated registry system) and approved fee adjustments (for example, for bond trading) have contributed to operational efficiency and revenue stability. Fee income from services related to green and sustainability-linked instruments is currently modest but expected to grow as these products develop.

Anticipated Financial Effects

Over the medium to long term, market growth in line with GDP expansion is expected to increase transaction volumes and capital raisings, driving fee-income growth. Expanding sustainable finance products and broadening retail participation through Hisa Kiganjani may diversify revenue streams further. Continued investment in system upgrades, cybersecurity and compliance, while adding to operating costs, is necessary to preserve trust and service quality.

27.8.2 Metrics and targets

DSE has not yet set formal quantitative social targets directly linked to the opportunity of promoting transparent and efficient capital markets. However, in line with the SASB standard for security and commodity exchanges, the following metrics are disclosed:

Topic	Required metrics	Details (FY25)
Promoting transparent and efficient capital markets	(1) Number and (2) average duration of (a) halts related to public release of information and (b) pauses related to volatility	0%
	Percentage of trades generated from automated trading systems	100%
	Description of alert policy regarding timing and nature of public release of information	Management to update
	Description of policy to encourage or require listed entities to publicly disclose ESG information	DSE Rules 2022 require listed companies to submit annual sustainability reports; 21 out of 28 issuers submitted sustainability reports for the year ended 2024

In addition to the SASB metrics above, management monitors several operational and market-development indicators relevant to this opportunity. As at the end of 2024, the Hisa Kiganjani mobile trading platform had approximately 27,200 registered users. Three green and sustainability-linked bonds are listed on DSE: the NMB Jamii Bond, the CRDB Kijani Bond and the Tanga UWASA Bond. In 2025, 65 SMEs were trained through the DSE Enterprise Acceleration Programme (DEAP) with a focus on ESG principles and sustainable financing, and 816 students participated in the Scholar Investment Challenge in 2024. For the year ended 2024, 21 out of 28 listed companies submitted sustainability reports. These indicators will be refined as data and systems develop and formal targets may be established in future reporting periods.

27.8.2.1 Employee engagement, diversity & inclusion

(a) Description

Employee engagement, diversity and inclusion (EDI) are material topics for the Group because they influence its ability to attract, retain and motivate talent, which in turn affects long-term value creation. Strong employee engagement supports operational resilience and service quality, while diversity and inclusion broaden perspectives, reduce bias in decision-making and enhance adaptability in a changing market and regulatory environment.

The Group has set a target of ensuring that all listed companies attain at least 40% women representation in all decision-making roles by 2027 and applies this ambition to its own operations as well.

(b) Effects on business model and value chain

- **Own operations** – the ability to attract and retain skilled employees, particularly in specialised areas such as ICT, risk and market regulation; staff engagement and productivity; and succession planning for critical roles. A lack of progress on diversity could affect staff morale, limit the talent pool and create reputational risk if practices are perceived as inconsistent with stakeholder expectations.
- **Listed companies and members** – DSE's promotion of gender diversity extends to its listed companies and members through the DSE Rules. As at the end of 2024, 3 listed companies had at least 40% women representation at Board level and 6 companies had at least 40% women representation at top management level.
- **Wider ecosystem** – DSE's collaboration with GOPA on Gender Diversity Management services (agreement signed December 2024), its partnership with UN Women through the Ring the Bell for Gender Equality initiative (held annually for the past 8 years, with over 300 participants in 2024), the Women's Investment Bootcamp and the WIMA Gender Diversity Scorecard (now in its fifth edition) demonstrate a commitment that extends beyond internal operations.

(c) Effects on strategy and decision-making

The Group addresses EDI through its HR policies, the DSE and CSDR Sustainability Policies and its broader stakeholder engagement strategy. Key strategic actions include:

- applying recruitment practices that seek to ensure candidates of both genders are given equal consideration for available positions;
- providing career development opportunities afforded to both women and men, including formal mentoring and coaching;
- reviewing existing policies, procedures and systems to ensure they support a gender-sensitive work environment;
- promoting gender equality listing criteria and gender data disclosure among listed companies through the DSE Rules;
- hosting the annual Ring the Bell for Gender Equality event and delivering the Women's Investment Bootcamp to promote women's economic participation and investment literacy;
- partnering with GOPA to implement Gender Diversity Management services as part of a broader action plan to promote gender equality and sustainability; and
- publishing the WIMA Gender Diversity Scorecard to track and publicly benchmark gender diversity among DSE-listed companies.

When establishing its EDI approach, the Group has considered potential trade-offs, including the time and cost required to broaden candidate pools and adapt processes. Management believes that the expected benefits in terms of diverse thinking, better representation of the market participant base and enhanced reputation outweigh these costs.

The Group monitors EDI through workforce composition data, the WIMA Gender Diversity Scorecard, the DSE Employee Engagement Survey and periodic HR policy reviews. Feedback from staff and stakeholder initiatives (Ring the Bell, Women's Investment Bootcamp, GOPA partnership) informs continuous improvement.

(d) Financial effects

The Group concluded that it is not practicable to provide quantitative information on current and anticipated financial effects of the diversity risk separately, because the effects are not separately identifiable from broader HR and operational costs. From a qualitative perspective, management considers that the main financial channels through which EDI affects the Group are:

- recruitment and retention costs, which could increase if the Group is unable to attract diverse, skilled candidates;
- productivity and service quality, which are supported by engaged and motivated staff; and
- reputation and stakeholder confidence, which underpin the Group's ability to attract listings, members, partnerships and development-partner support.

No monetary losses arising from legal proceedings related to diversity or inclusion have been recognised in the financial statements for the year ended 31 December 2025.

At the date of this report, the Group has not yet set formal quantitative diversity targets under IFRS S1/S2. However, the Group discloses the following diversity and engagement metrics to provide transparency over its workforce profile and to establish a baseline for measuring progress in future periods.

Metric	Metrics descriptions	Details
Workforce Diversity	Gender, age, and representation of under-represented groups across total workforce and leadership.	Total Workforce - Women = 23% Leadership - Women 31%
Employee Engagement	Results of engagement/satisfaction surveys; turnover and retention rates.	DSE EMPLOYEE ENGAGEMENT SURVEY 2025 1 Favourable of less 2 Favourable 3 More Favourable 4 Most Favourable Overall Company Satisfaction = 81% (x) Understanding of company objectives = 71% (x) Line Manager treatment = 68%% (x) Job Motivation = 65%% (x)
Training & Development	% of employees completing diversity, inclusion, and ethics training; average training hours.	Code of Conduct (Induction) –78%
Leadership Diversity	% of women and under-represented groups in management and executive positions.	Executive Female: 25% Management Female: 31%
Health & Wellbeing	Programs supporting employee wellbeing; absenteeism rates.	Breast Cancer Awareness Session – 0% attendance Men's Mental Health Session – 0% attendance Emotional Intelligence Session – 100% attendance Diabetes Awareness Session – 0% attendance

27.9 Governance-related risks and opportunities

27.9.1 Managing Conflicts of Interest

a) Description of the risk

Managing conflicts of interest effectively is vital for DSE to maintain transparency, fairness and integrity within Tanzania's capital markets. As a market operator and infrastructure provider, DSE has a responsibility to act impartially and ensure that no stakeholder gains undue advantage. Effective conflict-of-interest management safeguards the trust of investors, regulators and other market participants. It also reduces legal and reputational risks that could undermine the market's development and DSE's standing as a reliable exchange. Failure to manage these risks could disrupt market integrity and deter

participation, undermining financial market stability.

This risk is relevant across the short, medium and long term, because market confidence depends on the ongoing perception that DSE operates without favour to any particular issuer, member or stakeholder group.

b) Effects on Business Model and Value Chain

DSE's business model depends heavily on trusted and transparent operations, which foster active market participation and generate fee-based revenues from trading, clearing, settlement and listing services. If conflicts of interest are not effectively identified and managed, potential effects include:

- **Listed companies (issuers)** – issuers could lose confidence in the fairness of listing, disclosure and market-surveillance processes if they perceive that DSE favours certain participants, potentially discouraging new listings or capital raisings.
- **Members (intermediaries)** – brokers, custodians and settlement banks rely on DSE to provide a level playing field. If members perceive unequal treatment, this could weaken engagement, reduce trading volumes and damage DSE's ability to enforce rules consistently across its membership.
- **Own operations** – unmanaged conflicts at Board or staff level could lead to regulatory penalties from CMSA, legal proceedings and reputational damage that would directly affect DSE's financial position and operational credibility.

The value chain also encompasses upstream suppliers of technology and services that support the exchange infrastructure. Effective governance of conflicts ensures continuity and stability across this ecosystem.

(c) Effects on Strategy and Decision Making

Governance risk management, including conflicts of interest, is incorporated into DSE's strategic governance frameworks as detailed in the Audit, Risk and Compliance Charter and the Board Charter. The Board and its committees provide oversight, ensuring transparent procedures for identifying and managing potential conflicts. Key measures include:

- policies and procedures to identify, declare and manage conflicts of interest at Board and staff level, including annual declarations of interests and a register reviewed by the Risk and Compliance function and reported to the ARCC;
- requirements for Board members and staff to disclose interests that could give rise to conflicts and to recuse themselves from

decisions where appropriate, in line with the Board Charter and Code of Conduct;

- oversight through the Board, the ARCC and relevant DSE Group committees;
- alignment with regulatory requirements from CMSA and the Bank of Tanzania and with international best practices including the Principles for Financial Market Infrastructures (PFMI); and
- periodic training and reminders on ethical conduct and conflict-of-interest obligations.

Strategic decisions, including those relating to market product development, rule changes and regulatory compliance, are informed by stakeholder consultations, risk assessments and evolving regulatory demands.

(d) Financial Effects

Current Financial Effects

For the year ended 31 December 2025, DSE has not identified separately quantifiable financial effects that can be directly attributed to conflicts of interest. No monetary losses arising from legal proceedings related to conflicts of interest have been recognised in the financial statements for the period.

Anticipated Financial Effects:

DSE management recognises that failure to effectively manage conflicts could, over time, result in significant financial penalties, reduced market participation and loss of competitiveness, all adversely affecting DSE's financial position. While these potential effects are currently assessed qualitatively and have not been quantified, they are considered in DSE's approach to governance and risk management.

27.9.2 Metrics and targets

The Group uses the following metrics to monitor the conflict-of-interest risk. Because this is the first year of reporting under IFRS S1/S2, FY25 will be used as a baseline to measure progress in future years.

Metric	Metric description	Details (FY25)
Monetary losses from legal proceedings	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice or other related financial industry laws or regulations	Nil
Conflict-of-interest management	Discussion of processes for identifying and assessing conflicts of interest	Narrative provided in Note 9.1.1 and Note 9.1.2

The metric on monetary losses is consistent with the SASB standard for security and commodity exchanges. The Group has not yet set formal quantitative targets for this governance topic but will consider doing so as its governance metrics framework matures.

27.9.3 Managing Business Continuity & Technology Risks

a) Description of the risk

Managing business continuity and technology-related risks is critical for DSE to maintain uninterrupted operations of its trading, clearing, settlement and registry systems, which are crucial to Tanzania's capital markets. Given the dependence on ICT infrastructure, power supply, telecommunications and cybersecurity, proactive risk management protects against operational disruptions caused by technical failures, natural hazards, cyber threats or other unforeseen events.

This risk is relevant across the short, medium and long term. As the Group continues to digitalise its operations and broaden access through platforms such as Hisa Kiganjani, the importance of robust business continuity and technology risk management continues to increase.

b) Effects on Business Model and Value Chain

DSE's business model relies on offering reliable trading, clearing, settlement and registry services. If business continuity and technology risks materialise, effects could include:

- **Listed companies (issuers)** – disruptions to trading or settlement could delay corporate actions, affect share-price discovery and create uncertainty for issuers that depend on DSE's systems for capital raising and investor communication.
- **Members (intermediaries)** – brokers, custodians and settlement banks depend on DSE and CSDR systems to execute trades and settle transactions. Extended outages could prevent members from servicing their clients, reduce trading volumes and damage confidence in the market infrastructure. Members using digital channels, including Hisa Kiganjani, are particularly dependent on system availability.
- **Own operations** – trading interruptions, settlement delays or inaccurate record-keeping would undermine fee-related revenues and client trust. Upstream dependencies on ICT providers, utilities and other service suppliers mean that disruptions outside DSE's direct control can also affect service continuity.

Effective management of these risks safeguards transaction volumes and market liquidity, supporting sustained revenues from trading and post-trade services.

c) Effects on Strategy and Decision Making

The DSE Five-Year Strategic Plan 2023–2027 emphasises technology upgrades, business continuity and cybersecurity as strategic priorities. Key actions include:

- implementing the Business Continuity and Recovery Policy and the DSE and CSDR ICT Policies, which set out procedures for responding to operational disruptions;
- conducting regular disaster recovery testing, risk assessments and capacity-building initiatives to enhance operational resilience;
- risk-informed prioritisation of investments in backup power, redundant systems, network enhancements and security infrastructure;
- ensuring that Hisa Kiganjani and other digital platforms are included within the scope of disaster recovery and business continuity arrangements; and
- governance structures that oversee the continuous evaluation and mitigation of technology and continuity risks, ensuring alignment with regulatory frameworks (CMSA, Bank of Tanzania) and international standards such as PFMI.

DSE monitors these risks through periodic risk assessments, scheduled and unannounced disaster recovery tests, system uptime and incident monitoring, assessment of key service provider continuity arrangements, and reporting to the ARCC and Board.

d) Financial Effects

Current Financial Effects:

DSE regularly incurs operating expenses to support and improve its ICT infrastructure and business continuity systems, including expenditures on IT maintenance, network connectivity, cybersecurity measures and regular disaster recovery drills. These costs form part of DSE's overall operational budget and are not disclosed separately as expenses specifically associated with governance-related risks. For the year ended 31 December 2025, DSE has not reported any directly measurable financial impacts linked to business continuity or technology-related disruptions.

Anticipated Financial Effects:

Looking ahead, DSE management anticipates that expenses related to ICT and cybersecurity will rise as technology is enhanced and new threats emerge. Continued investment in

strengthening resilience, such as upgrading connectivity, establishing backup systems and enhancing security measures, will be essential to maintain trust in the market. Currently, these potential impacts are evaluated through qualitative assessments and have not been numerically quantified.

e) Resilience of the Group's Strategy and Business Model in Relation to the risk

Resilience is reinforced by DSE's Business Continuity and Recovery Policy, ICT-specific

policies and engagement with broader Group-level ICT governance. These frameworks set out clear response plans, regular disaster recovery exercises and sustained investments in technology resilience and cybersecurity. The Group's ongoing investment in Hisa Kiganjani and other digital platforms includes resilience considerations from the design stage. Combined with rigorous oversight from the Board and management, these arrangements enable DSE to maintain critical trading, clearing and registry operations despite unexpected disruptions.

27.9.3 Metrics and targets

The Group uses the following metrics to monitor business continuity and technology risks. FY25 will be used as a baseline to measure progress in future years.

Metric	Metric description	Details (FY25)
Significant market disruptions	(1) Number of significant market disruptions and (2) duration of downtime	Management to update
Disaster recovery testing	Number of disaster recovery tests completed and results	Management to update
System availability	Trading and post-trade system uptime as a percentage of scheduled operating hours	Management to update

The metrics on significant market disruptions are consistent with the SASB standard for security and commodity exchanges. The Group has not yet set formal quantitative targets for this topic but will consider doing so as its operational metrics framework matures.

27.9.4 Data security and cyber resilience

(a) Description of the risk

The Group's trading, clearing, settlement and registry services depend on secure and reliable ICT systems and data. These systems process and store confidential information about issuers, intermediaries and investors, including personal and financial data. Data security and cyber risks include unauthorised access, data breaches, malware or other cyber-attacks, as well as inadvertent data loss or corruption. Such events could lead to regulatory sanctions, legal claims, financial losses and reputational damage, and could undermine confidence in the Tanzanian capital markets.

As the Group continues to expand digital access through platforms such as Hisa Kiganjani and to integrate with mobile money and banking partners, the volume and sensitivity of data processed by DSE and CSDR systems continues to grow. This increases both the importance and the complexity of data security and cyber resilience.

(b) Effects on business model and value chain

If data security or cyber risks materialise, the effects could include:

- **Listed companies (issuers)** – breaches of registry or corporate actions data could affect the integrity of ownership records, undermine issuer confidence in CSDR's services and potentially trigger legal or regulatory consequences for both DSE and the affected issuer.
- **Members (intermediaries)** – brokers, custodians and settlement banks transmit sensitive client and transaction data through DSE and CSDR systems. A significant breach could affect their willingness to use the Group's services and could expose them to claims from their own clients.
- **Investors** – retail investors using Hisa Kiganjani and institutional investors using traditional channels rely on the confidentiality and integrity of their account and transaction data. A breach could erode investor confidence and reduce market participation.
- **Own operations** – potential disruption to trading, clearing, settlement and registry operations; costs associated with incident response, remediation and system enhancements; and impacts on the Group's reputation and stakeholder confidence.

Upstream reliance on ICT vendors, telecoms providers and other service providers means that third-party security weaknesses can also affect the Group.

(c) Effects on strategy and decision-making

Data security and cyber resilience are integrated into the Group's ICT governance, Business Continuity and Recovery Policy and risk management processes. Strategic and operational decisions include:

- investment in ICT infrastructure, cyber-security tools and system upgrades;
- implementation of access controls, user management procedures, monitoring and logging across all platforms, including Hisa Kiganjani;
- regular disaster recovery and business continuity testing that includes cyber-incident scenarios;
- assessment of data security practices of key third-party providers (for example, mobile money partners, ICT vendors and telecoms providers) as part of the Group's vendor management processes;
- staff training on cybersecurity awareness and data protection; and
- coordination with DSE Group ICT governance structures to ensure consistent security standards across DSE and CSDR.

These considerations are taken into account when planning major system changes, digitalisation projects and third-party ICT engagements.

DSE monitors data security through periodic vulnerability assessments and penetration testing, security log monitoring, third-party vendor security assessments, cybersecurity training completion tracking and reporting to the ARCC and Board.

(d) Financial effects

Current financial effects

For the year ended 31 December 2025, the Group has not identified separately quantifiable financial effects that can be directly attributed to data security or cyber incidents. Expenditure on ICT maintenance, security tools and related controls forms part of normal operating costs and is not currently tracked as a separate governance-related cost category.

Anticipated financial effects

Looking ahead, management expects ongoing investment in ICT and cybersecurity to increase as the Group's digital footprint grows (including through Hisa Kiganjani and partner integrations) and as threats evolve. The potential financial consequences of a significant data breach or cyber incident, while not quantified, could include regulatory fines, legal costs, remediation expenses and loss of revenue if market confidence is affected. These anticipated effects are currently assessed qualitatively.

27.9.5 Processes, controls and policies

The process followed to identify, assess, prioritise and monitor data security and cyber risks is consistent with the general process described in Note 6.4 and the materiality assessment in Note 5.

For this risk, DSE:

- applies the DSE and CSDR ICT Policies, which govern access controls, system monitoring, change management, security patching and incident response;
- conducts periodic vulnerability assessments and penetration testing on key systems, including trading, depository, registry and digital platforms;
- monitors security logs, alerts and incident reports on an ongoing basis through the ICT function;
- assesses the data security practices of critical third-party vendors and partners (for example, mobile money providers, banking partners and ICT service providers) as part of vendor onboarding and periodic review;
- delivers cybersecurity and data protection awareness training to staff; and
- reports significant incidents, vulnerability assessment results and training completion rates to management, the ARCC and the Board.

The Group does not currently use formal scenario analysis specifically for data security risks but considers cyber-incident scenarios within its business continuity and disaster recovery testing programme.

Metrics and targets

The Group uses the following metrics to monitor data security and cyber resilience. FY25 will be used as a baseline to measure progress in future years.

Metric	Metric descriptions	Details
Data Breaches	Number of data breaches; percentage involving personally identifiable information (PII)	0
Financial Impact	Monetary losses, fines, or settlements related to data security or privacy incidents.	0 TZS
Training & Awareness	% of employees completing cyber security and data protection training; frequency of training programs.	In 2025, approximately 90% of staff completed cyber security and data protection awareness training.
Third-Party Risk	% of critical vendors/suppliers assessed for data security compliance; incidents involving third parties.	100%

The metrics above have been developed by the Group to monitor data security and cyber resilience. They have not been validated by a third party. The Group has not yet set formal quantitative targets for this topic but will consider doing so as its cyber security metrics framework matures and as data quality improves.

27.10 Events after the reporting period

In the period between 31 December 2025 and the date of approval of this sustainability report, management has monitored events and conditions that could affect the climate-related information presented in this report.

As at the date of approval, no events have been identified that:

- require adjustment to the climate-related information disclosed for the year ended 31 December 2025; or
- are of such significance that they need to be disclosed as material climate-related events after the reporting period.

28. RELATED PARTY TRANSACTIONS

Details of the related party of transactions and balances are included in Note 28.

29. RESOURCE

The group has employees with appropriate skills and experience in running the Exchange and are a key resource available to the Exchange and these resources facilitate the enhancement of shareholders value by ensuring the organization is achieving its sets objectives both short term and long run.

30. AUDITORS

The auditor, KPMG who were appointed for the year ended, has expressed their willingness to continue in office and is eligible for reappointment. A resolution proposing the reappointment of KPMG as auditor of the Group and Company for the year ending 31 December 2025 will be put to the Annual General Meeting.

31. RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The members charged with governance accept responsibility for preparing consolidated and separate financial statements which show a true and fair view of the Group to the date of approval of the audited financial statements, in accordance with the applicable standards, rules, regulations and legal provisions. The members also confirm compliance with the provisions of the requirements of TFRS 1 and all other statutory legislations relevant to the Company.

By Order of Those Charged with Governance

Approved by the Board of Directors on _____ and signed on its behalf by:



Daniel Wilson Ole Sumayan
Chairman of the Board



Peter Nalitoela
Chief Executive Officer

12 June 2026

Date:

12 June 2026

Date:

Statement of Director's Responsibilities

for the year ended 31 December 2025

The Group's Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view of the Dar es Salaam Stock Exchange Plc (Group and Company) comprising the consolidated and separate statements of financial position as at 31 December 2025, 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 the notes to the consolidated and separate financial statements, which include material accounting policies, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies Act, 2002.

The Directors are also responsible for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the ability of the Group and Company to continue as going concerns and have no reason to believe that the Group and/or the Company will not be a going concern at least for the next twelve months from the date of approval of these consolidated and separate financial statements.

The auditor is responsible for reporting on whether the consolidated and separate financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Approval of financial statements

The consolidated and separate financial statements of Dar es Salaam Stock Exchange Plc, as identified in the first paragraph, were approved, and authorised for issue by the Directors on 2026 and signed by:



Daniel Wilson Ole Sumayan
Chairman of the Board

12 June 2026

Date



Peter Nalitoela
Chief Executive Officer

12 June 2026

Date

Declaration of the Head of Finance

for the year ended 31 December 2025

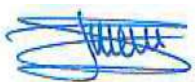
The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of 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 position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Statement of Directors' Responsibilities on page 74.

I, **Lucas Sinkala** being the Chief Financial Officer of Dar es Salaam Stock Exchange Plc hereby acknowledge my responsibility of ensuring that the consolidated and separate financial statements for the year ended 31 December 2025 have been prepared in compliance with the applicable accounting standards and statutory requirements.

I thus confirm that the consolidated and separate financial statements comply with applicable accounting standards and statutory requirement as on that date and that they have been prepared based on properly maintained financial records.



Signed by: _____

Name: Lucas Sinkala

Position: Chief Finance Officer

NBAA Membership No.: ACPA 3689

Date: 12 June 2026 _____

Independent Auditor's Report

To The Members of Dar Es Salaam Stock Exchange 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 Dar es Salaam Stock Exchange Public Limited Company ("the Group and Company") as set out on pages 80 to 135, which comprise the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Dar es Salaam Stock Exchange Public Limited Company as at 31 December 2025, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies Act, 2002.

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 Auditors' Responsibilities for the Audit of the consolidated and separate financial statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Dar es Salaam Stock Exchange Public Limited Company Annual Report and Consolidated and Separate financial statement for the year ended 31 December 2025, but does not include the consolidated and separate financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do 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, 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.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies Act, 2002, 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 Company's ability to continue as a going concern, 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 auditors' 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 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 a going concern. 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 a going concern.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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 period and are therefore the key audit matters. We describe these matters in our auditors' 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

As required by the Companies Act, 2002 we report to you, solely based on our audit of the consolidated and separate financial statements that:

- in our opinion, proper accounting records have been kept by Dar es Salaam Stock Exchange Public Limited Company;
- the individual accounts are in agreement with the accounting records of the Group and Company;
- we obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit;
- directors' report is consistent with the consolidated and separate financial statements; and
- information specified by the law regarding Directors' emoluments and other transactions with the Group and the Company is disclosed.

KPMG

Certified Public Accountants (T)



Signed by: CPA Vincent Onjala (TACPA 2722)

Dar es Salaam

Date: 12 June 2026

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025

	Notes	Group		Company	
		2025	2024	2025	2024
		TZS'000	TZS'000	TZS'000	TZS'000
Revenue from contract with customers	8	13,731,793	7,806,100	10,636,869	6,139,862
Other income	9	684,100	151,940	1,011,183	455,065
Administrative expenses	10	(15,111,464)	(7,163,615)	(13,024,776)	(5,671,542)
Impairment release/(charge)	6(a)	22,218	(53,361)	10,344	(21,621)
Operating (loss)/profit		(673,353)	741,064	(1,366,380)	901,764
Finance income	11	3,307,154	3,577,160	3,130,704	3,421,238
Operating profit before tax		2,633,801	4,318,224	1,764,324	4,323,002
Income tax expense	12(a)	(285,455)	(45,755)	-	-
Net profit for the year		2,348,346	4,272,469	1,764,324	4,323,002
Other comprehensive income					
Revaluation surplus		83,484	-	83,484	-
Total comprehensive income		2,431,830	4,272,469	1,847,808	4,323,002
Basic earnings per share (TZS)	29	98.57	179.33	74.06	181.46
Diluted earnings per share (TZS)	29	102.07	179.33	77.56	181.46

The notes on pages 85 to 135 form part of these consolidated and separate financial statements.

Report of the Auditor – pages 76 - 79.

Consolidated and Separate Statements of Financial Position

as at 31 December 2025

	Notes	Group		Company	
		2025	2024	2025	2024
		TZS'000	TZS'000	TZS'000	TZS'000
ASSETS					
Non-current assets					
Property and equipment	13	3,299,668	408,505	3,133,165	391,248
Non-current prepayment	14	-	5,496,464	-	5,496,464
Intangible asset	15	688,429	281,863	688,429	281,863
Leasehold land and building	16	5,429,282	229,517	5,429,282	229,517
Investment in subsidiary	17	-	-	227,867	227,867
Government securities	19	12,020,127	13,877,763	12,020,127	13,877,763
Loan to DSE SACCOS	20	286,333	29,209	286,333	29,209
Deferred tax asset	12(d)	42,151	44,427	-	-
		21,765,990	20,367,748	21,785,203	20,533,931
Current assets					
Income tax receivables	12(c)	-	143,985	-	-
Short term deposits	21	16,305,991	13,407,378	14,819,835	12,072,853
Trade and other receivables	18	3,164,520	1,656,328	2,507,813	1,447,423
Loan to DSE SACCOS	20	71,583	24,881	71,583	24,881
Restricted bank balance	23	622	811	622	811
Cash and cash equivalents	23	513,640	264,818	306,920	230,354
		20,056,356	15,498,201	17,706,773	13,776,322
TOTAL ASSETS		41,822,346	35,865,949	39,491,976	34,310,253
EQUITY AND LIABILITIES					
Equity					
Share capital	26(a)	9,529,608	9,529,608	9,529,608	9,529,608
Share premium	26(b)	1,850,374	1,850,374	1,850,374	1,850,374
Retained earnings		19,730,327	20,369,548	18,000,739	19,223,982
Revaluation surplus	26(c)	184,663	103,479	184,663	103,479
Car loan fund	24	35,000	35,000	35,000	35,000
		31,329,972	31,888,009	29,600,384	30,742,443
Non-current liabilities					
Capital grants	25(a)	1,021,399	1,047,591	1,021,399	1,047,591
		1,021,399	1,047,591	1,021,399	1,047,591
Current liabilities					
Contract liabilities	27(a)	1,550,816	1,330,765	1,550,816	1,330,765
Income tax receivables	12(c)	16,989	-	-	-
Other payables	27(b)	7,903,170	1,599,584	7,319,377	1,189,454
		9,470,975	2,930,349	8,870,193	2,520,219
TOTAL EQUITY AND LIABILITIES		41,822,346	35,865,949	39,491,976	34,310,253

The financial statements on page 80 to 135 were approved by the Board of Directors and signed on its behalf by:

Daniel Wilson Ole Sumayan

Signature: 

Date: 12 June 2026

Peter Nalitolela

Signature: 

Date: 12 June 2026

The notes on pages 85 to 135 form part of these consolidated and separate financial statements.

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Consolidated and Separate Statements of Changes in Equity

for the year ended 31 December 2025

GROUP	Share capital	Share premium	Car loan fund	Retained earnings	Revaluation Surplus	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
2025						
At 01 January 2025	9,529,608	1,850,374	35,000	20,369,548	103,479	31,888,009
Transaction with owners						
Dividend paid	-	-	-	(2,989,867)	-	(2,989,867)
	-	-	-	(2,989,867)	-	(2,989,867)
Other comprehensive income						
Profit for the period	-	-	-	2,348,346	-	2,348,346
Revaluation surplus	-	-	-	-	83,484	83,484
Transfer of excess depreciation	-	-	-	2,300	(2,300)	-
Total comprehensive income	-	-	-	2,350,646	81,184	2,431,830
At 31 December 2025	9,529,608	1,850,374	35,000	19,730,327	184,663	31,329,972
2024						
At 01 January 2024	9,529,608	1,850,374	35,000	19,549,187	105,854	31,070,023
Transaction with owners						
Dividend paid	-	-	-	(3,454,483)	-	(3,454,483)
	-	-	-	(3,454,483)	-	(3,454,483)
Other comprehensive income						
Profit for the period	-	-	-	4,272,469	-	4,272,469
Transfer of excess depreciation	-	-	-	2,375	(2,375)	-
Total comprehensive income	-	-	-	4,274,844	(2,375)	4,272,469
At 31 December 2024	9,529,608	1,850,374	35,000	20,369,548	103,479	31,888,009

The notes on pages 85 to 135 form part of these consolidated and separate financial statements.

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Consolidated and Separate Statements of Changes in Equity

for the year ended 31 December 2025

COMPANY	Share capital	Share premium	Car loan fund	Retained earnings	Revaluation Surplus	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
2025						
At 01 January 2025	9,529,608	1,850,374	35,000	19,223,982	103,479	30,742,443
Transactions with owners						
Dividend paid	-	-	-	(2,989,867)	-	(2,989,867)
	-	-	-	(2,989,867)	-	(2,989,867)
Other comprehensive income						
Profit for the period	-	-	-	1,764,324	-	1,764,324
Revaluation surplus	-	-	-	-	83,484	83,484
Transfer of excess depreciation	-	-	-	2,300	(2,300)	-
Total comprehensive income	-	-	-	1,766,624	81,184	1,847,808
At 31 December 2025	9,529,608	1,850,374	35,000	18,000,739	184,663	29,843,329
2024						
At 1 January 2024	9,529,608	1,850,374	35,000	18,353,088	105,854	29,873,924
Transactions with owners						
Dividend paid	-	-	-	(3,454,483)	-	(3,454,483)
	-	-	-	(3,454,483)	-	(3,454,483)
Other comprehensive income						
Profit for the year	-	-	-	4,323,002	-	4,323,002
Transfer of excess depreciation	-	-	-	2,375	(2,375)	-
Total comprehensive income	-	-	-	4,325,377	(2,375)	4,323,002
At 31 December 2024	9,529,608	1,850,374	35,000	19,223,982	103,479	30,742,443

The notes on pages 85 to 135 form part of these consolidated and separate financial statements.

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Consolidated and Separate Statements of Cash Flows

for the year ended 31 December 2025

	Notes	Group		Company	
		2025	2024	2025	2024
		TZS'000	TZS'000	TZS'000	TZS'000
OPERATING ACTIVITIES					
Profit after tax		2,348,346	4,272,469	1,764,324	4,323,002
Adjustment to reconcile profit before tax to net cash flows:					
Depreciation and amortisation		1,024,373	195,930	966,708	185,905
Amortisation of grant	25	(26,192)	(45,574)	(26,192)	(45,574)
Finance income	11	(3,307,154)	(3,577,160)	(3,130,704)	(3,421,238)
Fair value gain through profit or loss	9	-	(6,034)	-	(6,034)
Impairment (release)/charge		(22,218)	-	(10,344)	-
Gain on disposal of PPE		(129,774)	-	(127,793)	-
Income tax expense	12(a)	285,455	45,755	-	-
Cash flows before changes in working capital items		172,836	885,386	(564,001)	1,036,061
Changes in working capital items:					
Trade and Other receivables		(1,485,977)	234,157	(1,050,047)	(41,116)
Contract liabilities		220,052	192,397	220,052	192,397
Cash held in restricted deposits		189	(801)	189	(801)
Other payables		6,303,586	82,306	6,129,924	55,243
Net cash flows generated from operating activities		5,210,686	1,393,445	4,736,117	1,241,784
Income tax paid	12(c)	(122,205)	(166,155)	-	-
		5,088,481	1,227,290	4,736,117	1,241,784
INVESTING ACTIVITIES					
Disposal of short-term deposits		12,368,252	17,408,056	11,089,039	16,269,866
Addition of short-term deposits		(15,266,858)	(12,368,252)	(13,836,018)	(11,089,039)
Proceeds from sale of units	22	-	708,527	-	708,527
Proceeds from disposal of government securities		12,707,635	-	12,707,635	-
Investment in government securities		(10,850,000)	(3,996,213)	(10,850,000)	(3,996,214)
Payment from loan to DSE SACCOS	20	76,174	53,053	76,174	53,053
Loan to DSE Saccos	20	(380,000)	-	(380,000)	-
Interest received from investments	11	3,307,154	3,577,160	3,130,704	3,421,238
Purchase of intangibles	15	(546,728)	(245,504)	(546,728)	(245,504)
Purchase of property and equipment	13	(3,632,159)	(403,891)	(3,424,244)	(392,698)
Acquisition of office space	14	(5,265,254)	(2,376,792)	(5,265,254)	(2,376,792)
Non current prepayment utilisation		5,496,464	-	5,496,464	-
Proceeds from disposal of PPE		135,531	-	132,544	-
Net cash flows generated from investing activities		(1,849,789)	2,356,144	(1,669,684)	2,352,437
FINANCING ACTIVITIES					
Dividend paid	29	(2,989,867)	(3,454,483)	(2,989,867)	(3,454,483)
Net cash flows used in financing activities		(2,989,867)	(3,454,483)	(2,989,867)	(3,454,483)
Net (decrease)/increase in cash and cash equivalents		248,825	128,951	76,565	139,738
Cash and cash equivalents at start of the period		264,815	135,867	230,354	90,616
Cash and cash equivalent at year end	23	513,640	264,818	306,920	230,354

The notes on pages 85 to 135 form part of these consolidated and separate financial statements.

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Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2025

1. GENERAL INFORMATION

The Dar es Salaam Stock Exchange Public Limited Company (DSE) was incorporated in 1996 under the Tanzanian Companies Act, as a body corporate (limited by guarantee). DSE changed its legal status from a company limited by guarantee to a company limited by shares and its name to Dar es Salaam Stock Exchange Public Limited Company and issued twenty shares of a nominal value of TZS 400 each on 29 July 2015. In June 2016 DSE issued shares to the public and thereafter self-listed its shares on its own Exchange on 12 July 2016. The principal objective of the Exchange is to provide a securities market to investors who intend to invest in the listed companies.

The Exchange assists companies to raise capital through the issuance of equities and debt securities.

The Exchange is also an instrument for use by Government privatized companies and private companies for raising capital. Under the provisions of the Capital Markets and Securities (CMS) Act, 1994 (as amended), the Capital Markets and Securities Authority regulates the Exchange. The exchange is domiciled in Tanzania, and the address of its registered office is 2nd Floor, Exchange Tower, NHC Morocco Square, Plot 1-3/44, Mwai Kibaki/Ursino Street, P.O. Box 70081, Dar es Salaam.

Exchange/Company means Dar es Salaam Stock Exchange Public Limited Company as an entity and Group means the Consolidated results of the Company and its subsidiary CSD & Registry Company Limited.

The consolidated financial statements of the company comprise the company and its subsidiary (together referred to as the "Group"). The separate financial statements are the unconsolidated company financial statements. Where reference is made in the accounting policies to Group or Company it should be interpreted as being applicable to the consolidated or separate financial statements as the context requires.

2. BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The Group and Company apply the same accounting policies. The financial statements are prepared on the basis of accounting policies applicable to a going concern.

The Group's consolidated and the Company's financial statements are prepared in accordance with IFRS Accounting standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in conformity with the requirements of the Companies Act 2002. The measurement basis applied is the historical cost basis except for leasehold land and buildings which are measured at fair value. The financial statements are presented in Tanzanian Shillings (TZS) rounded to the nearest thousand ('000'). The preparation of financial statements in conformity with IFRS Accounting standards requires the use of certain critical accounting estimates. It also requires Directors to exercise its judgement in the process of applying the Group's and Company's accounting policies. The areas involving a high degree of judgement or complexity, or where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

Basis of measurement

The consolidated and separate financial statements are prepared on the historical cost basis except for leasehold land and buildings which are carried at revalued amount. The material accounting policies are included in Note 3.

Functional and presentation currency

The consolidated and separate financial statements are presented in Tanzanian Shillings (TZS), which is the Exchange's functional currency and presentation currency.

New standards, amendments, and interpretations

a) New standards, amendments, and interpretations effective and adopted during the year

A number of new standards were effective from 1 January 2025, but they did not have material effect on the Group's and Company's financial statements.

New standard or amendments

Amendments to IAS 21 Lack of Exchangeability (Amendments to IAS 21)

b) Relevant new standards, amendments and interpretations issued but not yet effective

Several new standards, amendments to standards and interpretations have been published that are

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2025

not mandatory for 31 December 2025 reporting periods and have not been applied in preparing these consolidated and separate financial statements. Those which may be relevant to the Company are set out below. The Group and Company do not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

New standard or amendments	Effective for annual periods beginning on or after
Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures)	1 January 2026
Annual Improvements to IFRS Accounting Standards (IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

Amendments to Amendments to IFRS 18: Presentation and Disclosure in Financial Statements

IFRS 18 does incorporate certain amendments from IAS 1, particularly those related to the classification of liabilities. These include:

- **Classification of Liabilities as Current or Non-current:** Clarifies the criteria for classifying liabilities based on the right to defer settlement.
- **Non-current Liabilities with Covenants:** Addresses the classification of liabilities when the right to defer settlement is subject to compliance with covenant.

The Company is currently evaluating the potential impact of the new standard on the Company's financial statements.

Amendment to IFRS 7 and IFRS 9

DSE recognition of Financial Liabilities: Clarifies that a financial liability is derecognized on the settlement date. Additionally, introduces an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date

Classification of Financial Assets with ESG-linked Features: Provides guidance on the classification of financial assets, including those with contingent features such as ESG-linked terms. Under the amendments, certain financial assets with ESG-linked features could meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.

Amendments to IFRS 19

Subsidiaries without Public Accountability: aiming to simplify financial reporting for eligible subsidiaries by allowing them to apply full IFRS recognition and measurement requirements with reduced disclosure obligations.

3. MATERIAL ACCOUNTING POLICIES

(a) Cash and cash equivalents

These comprise cash on hand, deposits held on call and term deposits with an initial maturity of less than three months when entered into. For the purpose of the consolidated and separate statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above but exclude restricted cash balances.

(b) Foreign currency transactions

Transactions in foreign currencies are initially recorded by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the spot rate of exchange ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency using the exchange rates at the date when the fair value was measured. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2025

(c) Financial instruments

Recognition and initial measurement

All financial instruments are initially recognised at fair value, plus, in the case of financial assets and liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue. Financial instruments are recognised when the Group becomes a party to the contractual arrangements. All regular way transactions are accounted for on trade date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace. All financial assets and liabilities are classified as amortised cost with exception of investment in investment in unit trust which is carried at fair value through profit or loss.

Financial assets

Classifications

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised

when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, financial assets are measured at fair value, and are classified and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) or amortized cost based on:

- the Group's business model for managing the financial assets; and
- the cash flow characteristics of the asset

Debt Instruments

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on de-recognition is recognised directly in profit or loss and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVTOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2025

interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/ (losses) in the period in which it arises.

Business model: The business model reflects how the Group manages the assets to generate cash flows i.e., whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel and how risks are assessed and managed.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest ('SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e., includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets e.g., basic ordinary shares.

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Financial liabilities

Recognition

These includes trade payables which are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Derecognition

Financial assets

A financial asset is de-recognised where the rights to receive cash flows from the asset have expired; or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the assets but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2025

terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position only when there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in profit or loss unless required or permitted by an accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

(d) Leasehold land

The Group leasehold land is initially recognised at cost and subsequently carried in the financial statements at revalued amount less accumulated depreciation and impairment. Leasehold land is amortised over the lower of the remaining lease term from the date of transfer of the title and the economic life.

(e) Property plant and equipment

At initial recognition, acquired property and equipment is recognised at the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. The recognised cost includes any directly attributable costs for preparing the asset for its intended use. The cost of an item of property and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

Property and equipment, except for leasehold land and buildings, are stated at historical cost less accumulated depreciation and any

accumulated impairment losses. Each component of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Leasehold land and buildings are measured at revalued amounts less accumulated depreciation and impairment losses recognized at the date of revaluation. Valuations are performed with sufficient frequency (after every three years) to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Revaluation reserve

The revaluation reserve relates to revaluation of property, plant and equipment (Leasehold land and building). A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation

Items of property and equipment are depreciated in the year they are purchased and available for use. Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual value using straight line method over their estimated useful lives.

Depreciation is generally recognised in profit or loss unless the amount is included in the carrying amount of another asset.

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for the year ended 31 December 2025

Category	Useful life
• Office furniture	4 years
• Office equipment	4-5 years
• Power generator	4 years
• Motor vehicles	4 years
• Office partitions	4 years
• Buildings	40 years
• Work in progress	Nil
• Leasehold land	68 years

*Leasehold land is amortised over the lower of the remaining lease term from the date of transfer of the title and the economic life.

The residual values, useful lives, and methods of depreciation of property and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss in disposal of property and equipment is included in profit or loss in the year the asset is derecognised.

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The Exchange's intangible assets are amortised at rate of 25% i.e., over useful life of four years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in 'depreciation and amortisation' in profit or loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the

carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(g) Impairment

Financial assets

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable, the group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The carrying amounts of the Exchange's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset or cash generating units (CGU's) value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows 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. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Non-financial assets

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its

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estimated recoverable amount. Impairment losses are recognized in profit or loss except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

An impairment loss is recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss had been recognized for the asset in prior years. Such reversal is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Employee benefits

Defined contribution plans

DSE has statutory obligations to contribute to various pension schemes in favour of all the employees employed under permanent and pensionable terms. The pension schemes in force, which the Exchange contributes to, are Public Service Social Security Fund (PSSSF) and National Security Social Fund (NSSF).

Workers Compensation Fund (WCF)

Workers Compensation Fund (WCF) is a social security scheme established by the government responsible for compensating workers who suffer occupational injuries or contract occupational diseases arising out of and in the course of their employment.

Private entities are statutorily required to contribute 1% of monthly employees' earnings (wage bill) to the Fund. Monthly employees' earnings (wage bill) include basic salaries plus all fixed allowances which are regularly paid along with basic salaries. The contributions are part of Exchange's costs and are not deducted from salaries of the employees.

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Leave pay

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(i) Provisions

Provisions are liabilities of uncertain timing or amount. Provisions are recognised when there is a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in profit or loss.

(j) Revenue

Revenue is recognised when persuasive evidence exists that all of the following criteria are met:

- Identified contracts with customers;
- Identify the separate performance obligation;
- Determine the transaction price of the contract;

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- Allocated the transaction price to each of the separate performance obligations; and
- Recognised the revenue as each performance obligation is satisfied.

The Group revenue comprises listing fees, transaction fees, dividend processing fees, registry services fees, annual general meeting fees, data vending and membership fees. Group revenue is recognised on yearly basis at a point in time when it transfers control over a service to a customer for both continued listed companies and members and for new members when they join the Exchange or listed in the Exchange for the first time. Transaction fee is recognised when actual trading of shares is done. Unearned amount of revenue received for which performance obligation has not been satisfied is classified as a contract liability until such time when performance obligation is satisfied in which case it will be recognised as revenue. Revenue from dividend processing, AGM Management and registry services is measured based on the consideration specified in a contract with a customer and is being recognised when the performance obligation is satisfied by transferring a promised service to a customer.

Customer contracts across the Group contain a single performance obligation at a fixed price and they require variable consideration to be constrained or allocated to multiple performance obligations. Generated fees from trades or contracts cleared and settled, compression and custody services which are recognised as revenue at a point in time when the Group meets its obligations to complete the transaction or service. In cases where the Group's performance obligations are completed over time, revenue is recognised on a straight-line basis over that period, representing the continuous transfer of services during that time. In cases where there is a fixed annual fee for a service, the revenue is recognised and billed monthly in arrears.

Listing fees

Initial listing fee is recognized in the year in which the Exchange makes the flotation. Represent one performance obligation and the Group recognises revenue from initial admissions and further issues over the period the Group provides the listing services. All admission fees are billed to

the customer at the time of admission to trading and become payable when invoiced.

Transaction fees

Transaction fee is based on the percentage of the value of shares and bonds traded, the same is recognized on the dates of the transactions.

Central Securities Depository (CSD) fees

CSD fee is an annual fee paid by all brokers that trade at Dar es Salaam Stock Exchange. This fee is categorized into two types i.e., for Associate members and custodian members who pay TZS 1 million and TZS 2 million respectively. Other fees collected by the DSE/CSDR are Dividend processing fees, Transaction fees, IPO processing fees, registry services fees, AGM Management fee, data vending fees and ISIN fees.

Other operating income

Other operating income is made up of membership fees from DSE, LDM and realized listing fees from the brokers. Previously, annual membership fees were collected from members as DSE was only limited by guarantee, after self-listing this fee is no longer collected. Membership fees are recognized at fair value in the year to which they relate.

Other income

Other income comprises grant income, training income, forex gain and sundry income and are typically recognised as revenue at the point the service is rendered and becomes payable when invoiced.

(k) Grants

Grants are recognised at their fair value where there is reasonable assurance that the grants will be received, and the exchange will comply with all conditions attached to them. Grants received for capital expenditure are classified as non-current in the Statement of Financial Position while grants received for operating expenses are recognised as income on a systematic basis over the periods that the costs, which they are intended to compensate, are expensed. Grants are amortised at the rate which property and equipment acquired through the grants are depreciated.

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(l) Finance income

The group finance income includes interest income and distribution income from the investment fund. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). Distribution income from the investment in unit trust is recognised in profit or loss on date which the Group's right to receive payment is established.

(m) Earnings per share

Basic earnings per share represent the profit on ordinary activities after taxation attributable to the equity shareholders of the Exchange, divided by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share represent the profit on ordinary activities after taxation attributable to the equity shareholders, divided by the weighted average number of ordinary shares outstanding during the year, including the weighted average number of dilutive shares resulting from share options and other potential ordinary shares outstanding during the period (if any)

(n) Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has a) power over the investee; b) exposure, or rights, to variable returns from its involvement with the investee; and c) the ability to use its power over the investee to affect the amount of the investor's returns. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;

- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in

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the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Intercompany transactions, balances, and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Changes in ownership interests in subsidiaries without change of control

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of DSE.

When the group ceases to consolidate for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(o) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments. The chief operating decision maker has been identified as operating Board that makes strategic decisions.

(p) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Whenever necessary the comparative information has been represented to correspond to current year classification or representation.

(q) Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income (OCI).

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible

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temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(r) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

When share recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable cost is recognised as a deduction from equity. When share are sold, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is recognised within share premium.

(s) Dividend

Dividends on ordinary shares are charged to shareholders' funds in the period in which they are declared. Dividends declared after the end of reporting period are not recognised as liabilities at the end of reporting period.

4. CRITICAL ESTIMATES AND JUDGEMENT

Use of Estimates, Assumptions and Judgments

The preparation of the Exchange's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosures of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of the asset or liability affected in future periods. In the process of applying the Exchange's accounting policies, management has used its judgments and made estimates in determining the amounts recognized in the financial statements. Although these estimates are based on the management's knowledge of current events and actions, actual results ultimately may differ from those estimates. The most significant use of judgments and estimates are as follows:

(a) Fair value of land and buildings

Fair value of the Exchange's leasehold land and building were determined using the market comparable method. The valuation was performed based on proprietary databases of prices of transactions for properties of similar nature, location, and condition. The valuation is done after every three (3) years. Valuation was performed as at 31 December 2025 by accredited independent valuers with experience for valuation of similar properties in Tanzania.

(b) Impairment of accounts receivables

The group recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost or fair value through other comprehensive income. The loss allowance is measured at an amount equal to the lifetime expected credit losses for financial instruments for which (a) the credit risk has increased significantly since initial recognition (b) there is observable evidence of impairment (a credit impaired financial assets). If at the reporting date, the credit risk on financial assets other than trade receivables has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowances are recognised in profit or loss impairment gains or losses.

Notes to the Consolidated and Separate Financial Statements

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5. BUSINESS SEGMENTS INFORMATION

The Group consists of the CSDR, a subsidiary that started its operations in the fourth quarter of 2017 and is wholly owned by the Dar es Salaam Stock Exchange Public Limited Company. The operating Board has determined the operating segments based on reports reviewed by the Board of directors that are used to make strategic decisions.

The group operates within the one geographical area, being the United Republic of Tanzania, therefore no separate geographical segments exist.

The operating Board of directors considers the business from market and product perspectives. Market wise, management considers the main lines through which it derives its revenue. Costs relating to group management are shared between Company and its subsidiary based on the agreed rates. Revenue

for the entities is all derived from external customers. Revenue for DSE is majorly generated from the listing and trading of securities. The principal activity of the CSDR through which revenue is generated is, among others, to provide automated clearing, delivery and settlement facilities in respect of transactions carried out at the DSE as well as to provide Registry Services to listed and non-listed companies.

Management has not aggregated any operating segments and considered the information relating to CSDR to be relevant and useful to users of the financial statements of the group. This has been included in the business segment information.

The segment information provided by management for the reportable segments for the year ended 31 December 2025 is as follows:

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Segmental statement of profit or loss

	2025				2024			
	DSE	CSDR	Elimination*	Group	DSE	CSDR	Elimination*	Group
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Revenue	10,636,869	3,142,841	(47,917)	13,731,793	6,139,862	1,739,489	(73,251)	7,806,100
Other income	1,011,183	23,504	(350,587)	684,100	455,065	25,694	(328,819)	151,940
Staff costs	11,648,052	3,166,345	(398,504)	14,415,893	6,594,927	1,765,183	(402,070)	7,958,040
	(4,650,879)	(1,506,117)	262,043	(5,894,953)	(3,522,404)	(1,244,444)	178,820	(4,588,028)
Depreciation and amortization	(966,708)	(86,487)	28,822	(1,024,373)	(185,906)	(10,024)	-	(195,930)
Administrative Expenses	(7,407,189)	(848,059)	63,110	(8,192,138)	(1,963,232)	(489,675)	73,250	(2,379,657)
Impairment (charge)/release	10,344	11,874	-	22,218	(21,621)	(31,740)	-	(53,361)
Profit before finance income	(1,366,380)	737,556	(44,529)	(673,353)	901,764	(10,700)	(150,000)	741,064
Finance income	3,130,704	176,450	-	3,307,154	3,421,238	155,922	-	3,577,160
Profit before tax	1,764,324	914,006	(44,529)	2,633,801	4,323,002	145,222	(150,000)	4,318,224
Taxation	-	(285,455)	-	(285,455)	-	(45,755)	-	(45,755)
Profit for the year	1,764,324	628,551	(44,529)	2,348,346	4,323,002	99,467	(150,000)	4,272,469

*These are intercompany transactions eliminated on consolidation.

Segmental statement of financial position

	2025				2024			
	DSE	CSDR	Eliminations*	Group	DSE	CSDR	Eliminations*	Group
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Property, ROUA and equipment**	3,133,165	281,791	(115,288)	3,299,668	391,248	17,257	-	408,505
Leasehold land and building**	5,429,282	-	-	5,429,282	229,517	-	-	229,517
Intangible assets**	688,429	-	-	688,429	281,863	-	-	281,863
Other non-current assets	286,333	-	-	286,333	5,525,673	-	-	5,525,673
Investments	12,247,994	-	(227,867)	12,020,127	14,105,630	-	(227,867)	13,877,763
Deferred tax assets	-	42,151	-	42,151	-	44,427	-	44,427
Current assets	17,706,773	2,622,304	(272,721)	20,056,356	13,776,322	2,060,666	(338,787)	15,498,201
Total assets	39,491,976	2,946,246	(615,876)	41,822,346	34,310,253	2,122,350	(566,654)	35,865,949
Owners' equity	29,600,384	1,951,985	(222,397)	31,329,972	30,742,443	1,373,433	(227,867)	31,888,009
Non-current liabilities	1,021,399	-	-	1,021,399	1,047,591	-	-	1,047,591
Current liabilities	8,870,193	994,261	(393,479)	9,470,975	2,520,219	748,917	(338,787)	2,930,349
Total equity and liabilities	39,491,976	2,946,246	(615,876)	41,822,346	34,310,253	2,122,350	(566,654)	35,865,949

*These are intercompany transactions eliminated on consolidation.

** Capital expenditure for DSE and CSDR during the year ended 31 December 2025 amounted to TZS 1,656 million (2024: TZS 638.2 million) and TZS 194 million (2024: TZS 11.1 million) respectively.

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6. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following financial risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Exposure to credit risk

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Trade and other receivables*	2,048,858	1,419,591	1,533,433	1,260,943
Short term deposits	16,305,991	13,407,378	14,819,835	12,072,853
Cash and cash equivalents**	513,242	264,362	306,522	229,898
Restricted Bank Balance	622	811	622	811
Loan to DSE SACCOSS	357,916	54,090	357,916	54,090
Government securities	12,020,127	13,877,763	12,020,127	13,877,763
	31,246,756	30,963,776	29,038,455	29,282,772

*Excludes prepayments, staff advances VAT and WHT receivables.

**Excludes petty cash.

Expected credit losses (ECLs)

For trade and other receivables, the Group/Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. While cash and cash equivalents, investments in government securities and short-term deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

a. Credit risk

The DSE customers are basically brokerage firms whom the DSE rules require them to furnish their financial position each quarter. DSE Management uses this information to evaluate the creditworthiness of each broker as a way of mitigating credit and investing in issuers with known credibility.

Default occurs when (a) any instalment is unpaid more than 12 months past its original due date or (b) where records show that the Obligor has suffered an Insolvency event. Further, the Group considers the following as evidence that a financial asset is credit-impaired; significant financial difficulty of the debtor, breach of contract terms, deterioration of the economic sector in which the customer is operating and when the customer is likely to undergo a major financial reorganization or enter bankruptcy.

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6. FINANCIAL RISK MANAGEMENT (Continued)

a. Credit risk (Continued)

The expected loss rates are based on historical credit losses. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables due to the fact that the relationship was not established between change in macroeconomics and expected credit losses, but the group would continue to monitor the relationship in future.

On that basis, the loss allowance as at 31 December 2025 and 31 December 2024 was determined as follows for both trade receivables contract assets:

GROUP	Current	0 – 30 days	31 – 90 days	91 – 120 days	Over 121 days	Total
	TZS'000	TZS'000	TZS'000		TZS'000	TZS'000
2025						
Gross carrying amount – trade receivables	1,627,748	161,572	39,792	-	32,484	1,861,596
Impairment charge	(1,703)	(2,029)	(2,956)	-	(11,629)	(18,317)
Net carrying amount	1,626,045	159,543	36,836	-	20,855	1,843,279
2024						
Gross carrying amount – trade receivables	1,046,460	55,768	75,987	-	89,351	1,267,566
Impairment charge	-	(13,375)	(1,721)	-	(46,669)	(61,765)
Net carrying amount	1,046,460	42,393	74,266	-	42,682	1,205,801

COMPANY	Current	0 – 30 days	31 – 90 days	91 – 120 days	Over 121 days	Total
	TZS'000	TZS'000	TZS'000		TZS'000	TZS'000
2025						
Gross carrying amount – Trade receivables	1,063,162	68,696	9,936	-	35,090	1,176,884
Impairment charge	(1,112)	(862)	(775)	-	(10,601)	(13,350)
Net carrying amount	1,062,050	67,834	9,161	-	24,489	1,163,534
2024						
Gross carrying amount – Trade receivables	692,562	47,886	51,837	-	60,975	853,260
Impairment charge	-	(4,682)	(718)	-	(18,293)	(23,693)
Net carrying amount	692,562	43,204	51,119	-	42,682	829,567

The loss rates for each aging class are summarised below:

2025	Current	0 – 30 days	31 – 90 days	91 -120 days	Over 121 days
Loss rate	0.10%	1.26%	4.43%	9.82%	30.21%
2024					
	0 to 12 months	12 to 18 months	19 to 24 months	Over 24 months	
Loss rate	0%	5.5%	4.5%	7.7%	

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6. FINANCIAL RISK MANAGEMENT (Continued)

a. Credit risk (Continued)

Movement of the loss allowance is as shown below:

	Group	Company
	TZS'000	TZS'000
2025		
Balance as at 1 January 2025	61,765	23,693
Release during the year	(43,448)	(10,343)
Balance as at 31 December 2025	18,317	13,350
2024		
Balance as at 1 January 2024	8,404	2,072
Charge during the year	53,361	21,621
Balance as at 31 December 2024	61,765	23,693

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 2 years past due.

Government securities, short term deposits and cash at bank balances

There is no independent credit rating for banks operating in Tanzania. However, the Exchange banks with reputable multinational and local banks. In the view of the directors, risk of non-performance by the counterparties is not significant.

At 31 December 2024, financial assets at banks by type of counterparty was as follows:

Bank Name		2025	2024
		TZS '000	TZS '000
GROUP			
Analysis of financial assets at banks			
Government securities	Bank of Tanzania	12,020,127	13,877,763
Short term deposits	TCB, MHB, CRDB, Azania, Equity, UBA, DCB, KCB, BOA	16,315,723	13,407,378
Cash at bank	CRDB, NMB and ACB	513,242	264,362
Total cash held by counterparties		28,849,092	27,549,503
COMPANY			
Government securities	Bank of Tanzania	12,020,127	13,877,763
Short term deposits	TCB, MHB, CRDB, Azania, Equity, UBA, DCB, KCB, BOA	14,829,567	12,072,853
Cash at bank	CRDB, NMB and ACB	306,522	229,898
Total cash held by counterparties		27,156,216	26,180,514

Loan to DSE SACCOSS

The directors consider credit risk exposure for loans to DSE SACCOSS as insignificant because these are recovered directly from the employees through monthly salary deductions or terminal benefits for exiting staff.

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT (Continued)

b. Liquid risk

Liquidity risk is the risk that the DSE will not be able to meet its financial obligations as they fall due. The DSE's approach in managing liquidity ensures as far as possible, it always has sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The DSE ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The table below analyses the group's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the statement of financial position. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Less than 1 year
	TZS'000
GROUP	
2025	
Other payables*	3,288,824
	3,288,824
2024	
Other payables*	1,310,192
	1,310,192
COMPANY	
2025	
Other payables*	2,809,147
	2,809,147
2024:	
Other payables*	968,354
	968,354

*Excludes statutory liabilities.

c. Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

i. Currency risk

Currency risk arises on financial instruments that are denominated in a foreign currency, i.e., a currency other than the functional currency in which they are measured. Currency risk does not arise from non-monetary items or items denominated in the functional currency.

The Group enters contracts denominates in foreign currencies especially United States Dollars (USD) mainly for purchases of assets and services. In addition, the entity has assets denominated in foreign currencies. As a result, the entity is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. Exposure to foreign currency risk is mitigated by the fact that the amount due are normally settled within short period of time.

Management's policy to manage foreign exchange risk is to maintain currency bank accounts which act as natural hedge payment.

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT (Continued)

c. Market risk (Continued)

Exposure to currency risk for foreign denominated amounts in the following classes of financial instruments is as depicted in the schedule below:

	USD TZS '000	TOTAL TZS '000
GROUP		
2025		
Cash and cash equivalent	2,760	2,760
	2,760	2,760
2024		
Cash and cash equivalent	2,960	2,960
	2,960	2,960
COMPANY		
2025		
Cash and cash equivalent	2,760	2,760
	2,760	2,760
2024		
Cash and cash equivalent	2,960	2,960
	2,960	2,960

Disclosure around market risk also relates to sensitivity analysis of the type of market risk – currency risk and ignores any impact of forecast income and expenditures.

A 10 percent strengthening/weakening of the Tanzanian shilling against the following currencies would have increased/decreased profit or loss and equity by amounts shown below. This analysis assumes that all other variables, in particular interest and inflation rates, remain constant.

	Increase in profit	
	2025	2024
	TZS '000	TZS '000
GROUP		
USD	276	296
	276	296
COMPANY		
USD	276	296
	276	296

The following significant exchange rates have been applied.

	Year-end spot rate		Average rate	
	2025	2024	2025	2024
USD/TZS	2,447	2,395	2,540	2,395

ii. Interest rate risk

Interest rate risk is the risk that the DSE being exposed to gains or losses on fluctuations of interest in the market. The DSE exposure on interest rates fluctuations is mainly on its investment in short term securities and external funding or

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT (Continued)

c. Market risk (Continued)

debt instruments. This is mitigated by DSE management through regular review on interest rates movement in money market and hence shifting funds from treasury bonds to fixed deposits and vice versa.

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	Carrying amount			
	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Fixed rate instruments: Financial assets				
Short term deposits	16,315,723	13,407,378	14,829,567	12,072,853
Government securities	12,020,127	13,877,763	12,020,127	13,877,763
Loan to DSE SACCOS	357,916	54,090	357,916	54,090
	28,693,766	27,339,231	27,207,610	26,004,706

Interest rate sensitivity

The interest-bearing financial instruments are held at fixed rates; hence the company is not exposed to cash flow sensitivity.

d. Capital risk management

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market and to sustain future development of the business. Capital consists of total equity.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholder and to maintain an optimal capital structure to reduce the cost of capital. The company had no borrowing for the period ended 31 December 2025.

Consistent with others in the industry, the group monitors capital based on the following gearing ratio: Net debt Divided by Total 'equity' (as shown in the statement of financial position). As at 31 December 2025 the Group was not geared.

7. ACCOUNTING CLASSIFICATION AND FAIR VALUE MEASUREMENT

a) Financial instruments not measured at fair value

The Group's financial instruments consist mainly of cash and cash equivalents, trade and other receivables, short term deposits, government securities, investment in unit trust, loans and other payables. All financial assets and assets are carried at amortised cost except for investment in unit trust which is carried at fair value as indicated below.

	Financial assets -Fair Value	Financial assets - Amortised cost	Financial liabilities- Amortised cost	Total
	TZS '000	TZS '000	TZS '000	TZS '000
2025				
GROUP				
Financial assets				
Government securities	-	12,020,127	-	12,020,127
Loan to DSE SACCOS	-	357,916	-	357,916
Trade and other receivables	-	2,048,858	-	2,048,858

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2025

7. ACCOUNTING CLASSIFICATION AND FAIR VALUE MEASUREMENT (Continued)

	Financial assets -Fair Value	Financial assets - Amortised cost	Financial liabilities- Amortised cost	Total
	TZS '000	TZS '000	TZS '000	TZS '000
Short term deposits	-	16,315,723	-	16,315,723
Cash and cash equivalent	-	357,916	-	357,916
Restricted bank balance	-	622	-	622
	-	31,101,162	-	31,101,162
Financial liabilities				
Other payables	-	-	3,288,824	3,288,824
	-	-	3,288,824	3,288,824
COMPANY				
Financial assets				
Government securities	-	12,020,127	-	12,020,127
Loan to DSE SACCOS	-	357,916	-	357,916
Trade and other receivables	-	1,533,433	-	1,533,433
Short term deposits	-	14,829,567	-	14,829,567
Cash and cash equivalent	-	306,522	-	306,522
Restricted bank balance	-	622	-	622
	-	29,048,187	-	29,048,187
Financial liabilities				
Other payables	-	-	2,809,147	2,809,147
	-	-	2,809,147	2,809,147
2024				
GROUP				
Financial assets				
Government securities	-	13,877,763	-	13,877,763
Loan to DSE SACCOS	-	54,090	-	54,090
Trade and other receivables	-	1,419,591	-	1,419,591
Short term deposits	-	13,407,378	-	13,407,378
Cash and cash equivalent	-	264,362	-	264,362
Restricted bank balance	-	811	-	811
	-	29,023,995	-	29,023,995
Financial liabilities				
Other payables	-	-	1,020,161	1,020,161
	-	-	1,020,161	1,020,161

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2025

7. ACCOUNTING CLASSIFICATION AND FAIR VALUE MEASUREMENT (Continued)

	Financial assets -Fair Value	Financial assets - Amortised cost	Financial liabilities- Amortised cost	Total
	TZS '000	TZS '000	TZS '000	TZS '000
COMPANY				
Financial assets				
Government securities	-	13,877,763	-	13,877,763
Loan to DSE SACCOS	-	54,090	-	54,090
Trade and other receivables	-	1,260,943	-	1,260,943
Short term deposits	-	12,072,853	-	12,072,853
Investment in unit trust	702,493	-	-	702,493
Cash and cash equivalent	-	229,898	-	229,898
Restricted bank balance	-	811	-	811
	702,493	27,496,358	-	28,198,851
Financial liabilities				
Other payables	-	-	968,354	968,354
	-	-	968,354	968,354

b) Financial instruments not measured at fair value

The following table shows the carrying amounts of financial assets carried at fair values and the long-term financial asset carried at amortised cost whose fair value does not approximate their carrying amounts.

	Carrying amount		Fair value	
	2025	2024	2025	2024
	TZS '000	TZS '000	TZS '000	TZS '000
GROUP				
Financial assets - not measured at fair value – Level 2				
Government securities	12,020,127	13,877,763	12,020,127	14,721,384
	12,020,127	13,877,763	12,020,127	14,721,384
COMPANY				
Financial assets - not measured at fair value – Level 2				
Government securities	12,020,127	13,877,763	12,020,127	14,721,384
	12,020,127	13,877,763	12,020,127	14,721,384

- (i) **Level 1:** Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. The Group have investment in Unit trust Fund financial instruments under level 1.
- (ii) **Level 2:** Inputs other than quoted prices included within level 1 that are observable either directly or indirectly or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. The Group has government bonds under this category thus the government securities the fair value is calculated by estimating the present value through discounting the expected future cash flows using the yield rates of similar Government bonds issued in the recent past, normally past 1-3 months. These yield rates are published by the Bank of Tanzania.
- (iii) **Level 3:** Inputs that are unobservable. This category includes instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on their valuation.

Notes to the Consolidated and Separate Financial Statements

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8. REVENUE FROM CONTRACT WITH CUSTOMERS

(a) Disaggregation of revenue from contracts with customers

The group derives revenue from the transfer of services at a point in time from different service lines including revenues from external customers, listings fees (which include the listing fee on equity, corporate bonds, and government bonds), revenues from transactions fees on equities and bonds, registry services, dividend processing fees, data vending, and AGM management.

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Listing fees				
Equity	439,548	376,543	439,548	376,543
Government bonds	5,190,726	3,711,457	5,190,726	3,711,457
Corporate bonds	430,063	77,427	430,063	77,427
	6,060,337	4,165,427	6,060,337	4,165,427
Transaction fees				
Equity	1,951,240	640,196	1,951,240	640,196
Bonds	1,992,618	1,070,849	1,992,618	1,070,849
	3,943,858	1,711,045	3,943,858	1,711,045
CSD fees				
Annual membership fees	77,500	76,000	-	-
Membership application Fee	-	2,000	-	-
CSD Equity trading fees	791,674	274,370	-	-
CSD ETF fee	5,408	-	-	-
CSD amendment fee	14,792	6,512	-	-
CSD bond trading fees	1,172,141	603,788	-	-
Dividend processing income	424,762	292,919	-	-
IPO processing fees	116,920	30,928	-	-
Registry services (IPO)	134,300	98,800	-	-
AGM management fee	125,146	61,796	-	-
International Securities Identification Number (ISIN)	12,000	6,600	-	-
Register annual maintenance fee	220,280	212,525	-	-
	3,094,923	1,666,238	-	-
Other operating income				
Data vending historical	453,623	157,336	453,623	157,336
Data vending end of day	-	-	-	-
IPO processing fees	63,991	-	63,991	-
Licenced Dealing Member (LDM), Custodian & NOMADS membership fees	38,500	38,000	38,500	38,000
Infrastructure support fee	76,561	68,054	76,560	68,054
	632,675	263,390	632,674	263,390
	13,731,793	7,806,100	10,636,869	6,139,862
Revenue from the Government	5,190,726	3,711,457	5,190,726	3,711,457
Revenue from other customers	8,541,067	4,094,643	5,446,143	2,428,405
	13,731,793	7,806,100	10,636,869	6,139,862

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2025

8. REVENUE FROM CONTRACT WITH CUSTOMERS (Continued)

(b) Assets and liabilities related to contracts with customers

The group has recognised the following assets and liabilities related to contracts with customers:

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Trade receivables				
Trade receivables (Note 18 (a))	1,861,596	1,267,566	1,176,884	853,260
Less: Loss allowances	(18,317)	(61,765)	(13,350)	(23,693)
Net trade receivables	1,843,279	1,205,801	1,163,534	829,567
Contract liabilities				
Listing fee from corporate entities (Note 27)	63,853	109,456	63,853	109,456
Listing from Government bonds	1,486,963	1,221,309	1,486,963	1,221,309
Total Contract liabilities	1,550,816	1,330,765	1,550,816	1,330,765

Contract liabilities relate to annual listing fees for both government and corporate bonds that is received from government and corporates annually in advance. This is recognised as revenue in the next accounting period for all the bonds that are existing.

9. OTHER INCOME

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Amortization of capital grant (Note 25)	26,192	45,574	26,192	45,574
Training income	143,877	66,001	141,896	66,001
Management fee Note 28(a))	-	-	262,043	178,820
Dividend from subsidiary	-	-	50,000	150,000
Rental income	-	-	38,544	-
Miscellaneous income*	48,902	34,331	29,360	8,636
Gain on disposal of treasury bonds	335,355	-	335,355	-
Gain on disposal of PPE	129,774	-	127,793	-
Fair value gain through profit or loss	-	6,034	-	6,034
	684,100	151,940	1,011,183	455,065

*Include interest from SACCOSS loan amounting to TZS 7.9 million (2024: TZS 4.4 million).

10. ADMINISTRATIVE EXPENSES

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Staff costs	5,894,953	4,588,028	4,650,879	3,522,404
Information technology costs	1,088,651	536,550	892,614	430,859
Operating expenses	3,355,149	1,571,272	2,850,155	1,293,567
Other expenses	4,772,711	467,765	4,631,128	424,712
	15,111,464	7,163,615	13,024,776	5,671,542

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2025

10. ADMINISTRATIVE EXPENSES (Continued)

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
(a) Staff costs				
Salary and wages	3,759,293	2,970,034	2,934,612	2,238,760
Bonus	264,401	-	204,156	-
Skills and Development Levy	142,863	97,131	142,863	97,131
Pension contribution	705,271	561,012	561,364	426,547
Leave cost	219,396	186,835	168,556	139,421
Medical expenses	178,342	156,486	133,143	114,354
Life insurance expenses	38,732	30,344	30,044	23,051
Training and workshops	344,043	219,451	301,976	197,056
Other staff cost (special, acting, furniture and other allowances)	218,944	183,068	155,294	144,388
Workers' Compensation Fund	23,503	18,027	18,706	13,692
Fuel allowance	165	165,640	165	128,004
	5,894,953	4,588,028	4,650,879	3,522,404
(b) Information technology costs				
DRS running costs	45,895	53,674	38,710	46,790
ATS and CDS license fee	396,675	272,701	277,924	231,545
IT Expenses	646,081	210,175	575,980	152,524
	1,088,651	536,550	892,614	430,859
(c) Operating Expenses				
Dividend processing costs	134,614	144,503	47,917	59,187
Public education and business development costs	645,422	372,439	544,901	337,655
Subscriptions, tenders, and newspapers	169,638	116,621	134,904	107,480
CMSA regulatory fee	119,055	74,458	99,417	63,670
Directors' fee	213,314	189,206	151,314	134,032
Regional integration	336,479	88,819	315,491	72,239
Director's training	65,020	37,497	65,020	37,497
Telephone, internet, and courier cost	87,623	83,808	68,718	65,550
Electricity and security cost	47,966	32,000	31,008	28,000
Fuel expenses	28,533	11,921	28,533	11,921
Board expenses & AGM expenses	241,290	158,394	154,402	124,753
MTP-NIDA expenses	50,508	20,825	50,508	20,825
BIST training expense	191,314	44,851	191,314	44,852
Loss on exchange rate	-	-	-	-
Depreciation and amortisation	1,024,373	195,930	966,708	185,906
	3,355,149	1,571,272	2,850,155	1,293,567
(d) Other expenses				
CSD certificates-SMS Bundle, business license and DTB	44,675	45,593	27,147	34,093
Bank charges and insurance	39,216	24,824	33,782	21,123
Office cleaning, parking, and recreations	115,132	97,182	104,820	77,501

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10. ADMINISTRATIVE EXPENSES (Continued)

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
CSD IPO processing expenses	12,330	2,050	-	-
Other administrative costs	224,577	11,543	169,888	23,736
Corporate Social Responsibility	36,309	11,650	36,309	11,650
Consultancy fee	59,491	50,132	44,866	49,200
Services Levy	29,534	15,953	22,217	12,687
Stationery and consumables	39,553	28,914	34,609	25,299
Repair and maintenance	5,490	11,005	5,490	11,005
Audit fee	172,000	168,919	160,750	158,418
VAT expenses*	3,994,404	-	3,994,404	-
	4,772,711	467,765	4,631,128	424,712

* The Group and Company has recognised an additional Value Added Tax (VAT) liability of TZS 3.994 billion arising from a final tax assessment issued by the Tanzania Revenue Authority (TRA). The assessment relates to the fiscal years 2018–2022 and 2024–2025.

11. FINANCE INCOME

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Interest on term deposit	1,809,552	1,774,096	1,633,102	1,618,172
Interest on treasury bonds	1,497,602	1,771,611	1,497,602	1,771,613
Interest on investment in unit trust	-	31,453	-	31,453
	3,307,154	3,577,160	3,130,704	3,421,238

12. TAXATION

(a) Income tax expense

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Current income tax charge	283,179	55,580	-	-
Deferred income tax credit	2,276	(9,825)	-	-
Income tax charge	285,455	45,755	-	-

The exchange is tax exempt as per second schedule of Income Tax Act of 2019. Dar es Salaam Stock Exchange Public Limited Company has a wholly own subsidiary CSD & Registry Company Limited that is not exempt from income tax. The following is reconciliation between expected tax based on profit before tax and assessed income tax expense:

Notes to the Consolidated and Separate Financial Statements

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12. TAXATION (Continued)

(b) Effective tax rate reconciliation

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Profit before income tax	2,876,746	4,318,224	2,007,269	4,173,002
Tax calculated at a tax rate of 30 %	863,024	1,295,467	602,181	1,251,901
Tax effect of:				
Expenses not deductible for tax purposes	24,612	2,189	-	-
Income not subject to tax	(602,181)	(1,251,901)	(602,181)	(1,251,901)
Income tax expense	285,455	45,755	-	-

(c) Current income tax Receivable

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Balance as at 1 January	143,985	33,410	-	-
Charge during the year	(283,179)	(55,580)	-	-
Income tax paid	122,205	166,155	-	-
Balance as at 31 December	(16,989)	143,985	-	-

(d) Deferred tax asset

Deferred income tax asset is calculated, using the enacted income tax of 30% (2024: 30%). The movement on the deferred income tax account is as follows:

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Balance as at 1 January	44,427	34,602	-	-
Deferred tax credit	(2,276)	9,825	-	-
Balance as at 31 December	42,151	44,427	-	-

The deferred tax asset is made up of:

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Property and equipment	7,102	43,339	-	-
Provisions	35,049	1,088	-	-
	42,151	44,427	-	-

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13. PROPERTY AND EQUIPMENT

GROUP	Office Equipment	Office Furniture	Power Generator	Motor Vehicles	Office Partition	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Cost						
At 1st January 2024	1,331,131	101,818	39,115	283,573	168,887	1,924,524
Additions	70,705	3,186	-	330,000	-	403,891
At 31 December 2024	1,401,836	105,004	39,115	613,573	168,887	2,328,415
At 1st January 2025	1,401,836	105,004	39,115	613,573	168,887	2,328,415
Additions	1,379,103	726,456	-	-	1,526,600	3,632,159
Disposal	(382,082)	(93,273)	-	(283,573)	(168,887)	(927,815)
At 31 December 2025	2,398,857	738,187	39,115	330,000	1,526,600	5,032,759
Accumulated depreciation						
At 01 January 2024	1,255,018	93,227	39,115	283,573	168,887	1,839,820
Charge during the year	46,684	3,226	-	30,180	-	80,090
At 31 December 2024	1,301,702	96,453	39,115	313,753	168,887	1,919,910
At 01 January 2025	1,301,702	96,453	39,115	313,753	168,887	1,919,910
Charge during the year	320,521	182,238	-	79,820	152,660	735,239
At 31 December 2025	(380,135)	(89,463)	-	(283,573)	(168,887)	(922,058)
	1,242,088	189,228	39,115	110,000	152,660	1,733,091
Carrying amount						
At 31 December 2025	1,156,769	548,959	-	220,000	1,373,940	3,299,668
At 30 December 2024	100,134	8,551	-	299,820	-	408,505

COMPANY	Office Equipment	Office Furniture	Power Generator	Motor Vehicles	Office Partition	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Cost						
At 01 January 2024	1,291,955	91,379	39,115	283,573	168,887	1,874,909
Additions	59,512	3,186	-	330,000	-	392,698
At 31 December 2024	1,351,467	94,565	39,115	613,573	168,887	2,267,607
At 01 January 2025	1,351,467	94,565	39,115	613,573	168,887	2,267,607
Additions	1,335,718	561,926	-	-	1,526,600	3,424,244
Disposal	(378,814)	(82,377)	-	(283,573)	(168,887)	(913,651)
At 31 December 2025	2,308,371	574,114	39,115	330,000	1,526,600	4,778,200
Accumulated depreciation						
At 01 January 2024	1,230,654	84,065	39,115	283,573	168,887	1,806,294
Charge during the year	37,412	2,473	-	30,180	-	70,065
At 31 December 2024	1,268,066	86,538	39,115	313,753	168,887	1,876,359

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2025

13. PROPERTY AND EQUIPMENT (Continued)

COMPANY	Office Equipment	Office Furniture	Power Generator	Motor Vehicles	Office Partition	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
At 01 January 2025	1,268,066	86,538	39,115	313,753	168,887	1,876,359
Charge during the year	303,989	141,106	-	79,820	152,660	677,575
Disposal	(376,889)	(79,550)	-	(283,573)	(168,887)	(908,899)
At 31 December 2025	1,195,166	148,094	39,115	110,000	152,660	1,645,035
Carrying Amount						
At 31 December 2025	1,113,205	426,020	-	220,000	1,373,940	3,133,165
At 31 December 2024	83,401	8,027	-	299,820	-	391,248

14. NON-CURRENT PREPAYMENT

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Balance as at 1 January	5,496,464	3,119,672	5,496,464	3,119,672
Additions during the year	-	2,376,792	-	2,376,792
Transfer to PPE	(5,496,464)	-	(5,496,464)	-
Balance as at 31 December	-	5,496,464	-	5,496,464

Non-current prepayment relates to advance payment made for purchase of office space measuring approximately nine hundred and six decimal one four square metres (906.14 sqm) being part of a building constructed by the National Housing Corporation (NHC) on Plot Numbers 1-3, Mwai Kibaki Road (famously referred to as NHC's Morocco Square project) and Plot Number 44 Ursino Street, Real Estate - Kinondoni Municipality, Dar es Salaam.

In January 2025, the construction work was completed, and the Exchange moved its offices from Kambarage House, 6 Ufukoni Street to Exchange Tower, NHC Morocco Square and the prepaid amount has been recognised as property, plant and equipment.

15. INTANGIBLE ASSET

Intangible asset relates to software used by DSE on day-to-day operations. This consists of Automated Trading System (ATS), Central Securities Depository (CSD), Arute system (HRM system), Mobile Trading Platform (MTP) and Sage Accounting and Payroll software, whose movement was as follows:

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Cost				
At start of the year	1,958,934	1,713,430	1,911,306	1,665,802
Additions	546,728	245,504	546,728	245,504
Disposal	(1,005,121)	-	(1,005,121)	-
At end of the year	1,500,541	1,958,934	1,452,913	1,911,306

Notes to the Consolidated and Separate Financial Statements

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15. INTANGIBLE ASSET (Continued)

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Accumulated Amortisation				
At start of the year	1,677,071	1,563,606	1,629,443	1,515,978
Charge during the year	140,162	113,465	140,162	113,465
Disposal	(1,005,121)	-	(1,005,121)	-
At end of the year	812,112	1,677,071	764,484	1,629,443
Net Carrying Amount				
At 31 December	688,429	281,863	688,429	281,863

16. LEASEHOLD LAND AND BUILDING

	Leasehold land	Building	Total
	TZS'000	TZS'000	TZS'000
GROUP			
Cost			
At 01 January 2024	200,000	95,000	295,000
Revaluation loss	-	-	-
At 31 December 2024	200,000	95,000	295,000
At 01 January 2025	200,000	95,000	295,000
Additions	-	5,265,254	5,265,254
Revaluation gain/(loss)	21,000	(3,000)	18,000
At 31 December 2025	221,000	5,357,254	5,578,254
Accumulated depreciation			
At 01 January 2024	30,979	32,129	63,108
Charge during the period	-	2,375	2,375
At 31 December 2024	30,979	34,504	65,483
At 01 January 2025	30,979	34,504	65,483
Charge during the period	-	148,972	148,972
Revaluation	(30,979)	(34,504)	(65,483)
At 31 December 2025	-	148,972	148,972
Carrying amount			
At 31 December 2025	221,000	5,208,282	5,429,282
At 31 December 2024	169,021	60,496	229,517

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2025

16. LEASEHOLD LAND AND BUILDING (Continued)

	Leasehold land	Building	Total
	TZS'000	TZS'000	TZS'000
COMPANY			
Cost			
At 01 January 2024	200,000	95,000	295,000
Revaluation loss	-	-	-
At 31 December 2024	200,000	95,000	295,000
At 01 January 2025	200,000	95,000	295,000
Additions	-	5,265,254	5,265,254
Revaluation loss	21,000	(3,000)	18,000
At 31 December 2025	221,000	5,357,254	5,578,254
Accumulated depreciation			
At 01 January 2024	30,979	32,129	63,108
Charge during the period	-	2,375	2,375
At 31 December 2024	30,979	34,504	65,483
At 01 January 2025	30,979	34,504	65,483
Charge during the period	-	148,972	148,972
Revaluation	(30,979)	(34,504)	(65,483)
At 31 December 2025	-	148,972	148,972
Carrying amount			
At 31 December 2025	221,000	5,208,282	5,429,282
At 31 December 2024	169,021	60,496	229,517

If leasehold land was measured using the cost model, the carrying amounts would be, as follows:

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Cost	39,003	41,603	39,003	41,603
Accumulated depreciation	(2,600)	(2,600)	(2,600)	(2,600)
Carrying amount	36,403	39,003	36,403	39,003

Leasehold land was acquired from National Insurance Company Limited. The Exchange's leasehold land and buildings comprise residential properties located at Plot No. 109-1 Kingalu road in Morogoro. Land and buildings are measured at fair value based on valuations by external independent valuers, Majengo Estates developer (registered valuers and estate agents in Dar es Salaam Tanzania). Revaluation for the properties is done after every three (3) years. The last revaluation was carried out in December 2022.

Leasehold land has been used to erect the building in conformity to the Morogoro Municipal Council plans. DSE has the right to renew occupancy of the leasehold land from the Government of United Republic of Tanzania after the end of lease term in 2074 as per sec 32 (3) of Land Act, 1999.

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2025

16. LEASEHOLD LAND AND BUILDING (Continued)

If buildings were measured using the cost model, the carrying amount would be, as follows:

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Cost	78,862	103,331	78,862	103,331
Accumulated depreciation	(24,469)	(24,469)	(24,469)	(24,469)
Net carrying amount	54,393	78,862	54,393	78,862

Key inputs to valuation of land and buildings

	Significant inputs	Range (weighted average)
Buildings	Estimated rental value per square meter per month	TZS 8,000 to TZS 12,000 (Average of TZS 10,000)
	Rent growth per annum	0% - 5% (Average of 2.5%)
Leasehold land selling price per square meter		TZS 90,000
Valuation techniques for the Exchange's properties:		
Buildings	Buildings, structures, and services were valued using comparative method, also referred to as the Direct Capital Comparison Approach.	
Leasehold Land	Leasehold land was valued using Market Approach.	

The valuations for the leasehold land and buildings are classified into level 3 hierarchy since the significant inputs into the valuations are the open market prices for buildings in the same location and these are observable, either directly or indirectly from the market. There have been no transfers into or out of this fair value hierarchy.

Fair value of the properties was determined using the market comparable method. This means that valuations performed by the valuer are based on the information available in the market, significantly adjusted for differences in the nature, location, or condition of the specific property, as at the date of revaluation on 31 December 2025. The properties' fair values are based on valuations performed by an accredited independent valuer who has valuation experience for similar office properties in Tanzania since 2006. The directors believed that the valuations performed in year 2025 reflects the current market conditions.

Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value on a linear basis.

Leasehold land was acquired from National Insurance Company Limited when the property's remaining lease term was 67 years.

Notes to the Consolidated and Separate Financial Statements

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17. INVESTMENT IN SUBSIDIARY

The Company has invested TZS 227 million in a wholly owned subsidiary that was formed in year 2017. The group's principal subsidiary at 31 December 2025 is set out below. Unless otherwise stated, it has share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also the principal place of the subsidiary business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		2025 %	2024 %	2025 %	2024 %	
CSDR	United Republic of Tanzania	100	100	-	-	Clearance and settlement of securities and custody of security services.

Below is the summary of the total amount invested in the subsidiary by the DSE Company.

	2025 TZS'000	2024 TZS'000
Investment in the subsidiary		
Balance as at 1 January	227,867	227,867
Additional investment made during the year	-	-
Balance as at 31 December	227,867	227,867

Below is the summary of the subsidiary performance results and financial position.

	2025 TZS '000	2024 TZS'000
Statement of financial position		
Total assets	2,946,246	2,122,350
Total liabilities	(994,261)	(748,917)
Net assets	1,951,985	1,373,433
Statement of profit or loss and other comprehensive income		
Gross income	3,342,795	1,921,107
Total expenses	(2,428,789)	(1,775,884)
Profit before tax	914,006	145,223

18. TRADE AND OTHER RECEIVABLE

	2025 Group TZS'000	2024 Group TZS'000	2025 Company TZS'000	2024 Company TZS,000
Trade receivables	1,843,279	1,205,801	1,163,534	829,567
Other receivables	1,321,241	450,527	1,344,279	617,856
	3,164,520	1,656,328	2,507,813	1,447,423

Notes to the Consolidated and Separate Financial Statements

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18. TRADE AND OTHER RECEIVABLE (Continued)

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS,000
(a) Trade receivables				
Listing fee receivables	526,775	516,052	526,775	469,267
Transaction fee receivables	1,334,821	751,514	650,109	383,993
Gross Receivables	1,861,596	1,267,566	1,176,884	853,260
Loss allowance (See Note 6(a))	(18,317)	(61,765)	(13,350)	(23,693)
	1,843,279	1,205,801	1,163,534	829,567
(b) Other receivables				
Staff car loans receivables	72,705	96,454	34,243	46,454
Staff advances	-	7,036	-	1,866
Prepaid expenses	1,026,960	202,720	974,380	157,633
Other receivables*	100,994	62,124	33,755	33,755
VAT Receivables	-	26,981	-	26,981
WHT receivables	88,702	23,332	-	-
Due from Fidelity Fund	31,880	31,880	31,880	31,880
Due from related parties	-	-	270,021	319,287
	1,321,241	450,527	1,344,279	617,856

* Other receivables relate to amount due from other listed companies in relation to dividend processing cost.

19. GOVERNMENT SECURITIES AT AMORTISED COST

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS,000
Treasury bond	12,020,127	13,877,763	12,020,127	13,877,763
	12,020,127	13,877,763	12,020,127	13,877,763

The Exchange has four (4) 15-year bonds and three (3) 20-year bonds as analysed below.

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS,000
15-year Treasury Bonds	3,641,605	4,072,551	3,641,605	4,072,551
20-year Treasury Bonds	-	9,805,212	-	9,805,212
25-year Treasury Bonds	8,378,522	-	8,378,522	-
	12,020,127	13,877,763	12,020,127	13,877,763

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19. GOVERNMENT SECURITIES AT AMORTISED COST (Continued)

The Coupon rate and maturity date on Government securities as at 31 December 2025 and 31 December 2024 are shown below:

	2025		2024	
	Coupon Rate	Maturity date	Coupon Rate	Maturity date
15 years Treasury Bonds	-	-	13.50%	27-Feb-35
15 years Treasury Bonds	-	-	13.50%	27-Feb-35
15 years Treasury Bonds	-	-	13.50%	29-Jan-36
15 years Treasury Bonds	-	-	13.50%	25-Feb-36
15 years Treasury Bonds	15.49%	22-Apr-2040	-	-
20 years Treasury Bonds	-	-	15.49%	22-Apr-40
20 years Treasury Bonds	-	-	15.49%	21-May-40
20 years Treasury Bonds	-	-	15.49%	20-May-41
25 years Treasury Bonds	15.75%	9-Jan-2050	-	-
20 years Treasury Bonds	15.00%	7-Aug-2050	-	-

20. LOAN TO DSE SACCOSS

Loan to SACCOSS relates to the amount lent by the Exchange to employees SACCOSS, a legal entity owned by employees. The loan accrues interest at a reducing balance rate of 4% per annum and is for a period of 5 years. Repayments are done on a monthly basis.

DSE Public Limited Company has no control over the SACCOSS.

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Opening Balance	54,090	107,143	54,090	107,143
Loan disbursement	380,000	-	380,000	-
Interest income	7,917	1,682	7,917	1,682
Interest repayment	(7,917)	(1,682)	(7,917)	(1,682)
Principal repayment	(76,174)	(53,053)	(76,174)	(53,053)
Closing Balance	357,916	54,090	357,916	54,090

The loan to SACCOSS is split into current and non-current portion as seen below:

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Current portion	71,583	24,881	71,583	24,881
Non-current portion	286,333	29,209	286,333	29,209
	357,916	54,090	357,916	54,090

Notes to the Consolidated and Separate Financial Statements

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21. SHORT TERM DEPOSIT

The short-term deposits are held at the following institutions:

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Equity Bank Tanzania Limited	2,453,167	2,169,863	2,453,167	2,169,863
TCB Plc	1,990,455	2,076,973	1,990,455	2,076,973
Akiba Commercial Bank	601,381	1,563,133	601,381	1,563,133
I&M Bank	1,217,562	1,076,712	1,217,562	1,076,712
UBA Bank Tanzania Ltd	-	437,568	-	-
Azania Bank Limited	5,720,173	5,033,474	4,713,579	4,136,515
Mwanga Hakika Bank	2,338,883	1,049,655	2,338,883	1,049,657
NCBA Bank	479,562	-	-	-
Letshego Bank	1,504,808	-	1,504,808	-
	16,305,991	13,407,378	14,819,835	12,072,853

All short-term deposits have original maturities of more than 3 months but less than one year. The effective interest rate and maturity date on short term deposits as at 31 December 2025 and 31 December 2024 are shown below:

FDR Summary	2025		2024	
	Effective interest rate per annum	Maturity date	Effective interest rate per annum	Maturity date
Equity Bank Tanzania Limited	14.00%	09-May-26	12.50%	27-Apr-25
Tanzania Commercial Bank Plc	14.00%	07-May-26	12.00%	29-Apr-25
Azania Bank Limited	14.00%	04-Nov-26	14.00%	11-Oct-25
Azania Bank Limited	14.00%	20-Oct-26	14.00%	19-Oct-25
Azania Bank Limited	14.00%	10-Oct-26	14.00%	04-Nov-25
I&M Bank	13.50%	22-May-26	12.50%	22-May-25
MHB	12.50%	09-Aug-26	12.50%	08-Aug-25
MHB	11.00%	20-Nov-26	-	-
Akiba Commercial Bank	12.00%	24-Dec-26	-	-
Letshego Bank	13.00%	22-Dec-26	-	-
NCBA Bank	12.50%	24-Jan-26	-	-

22. INVESTMENT IN UNIT TRUST

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Balance as at 1 January	-	702,493	-	702,493
Fair value gain	-	6,034	-	6,034
Disposal during the year	-	(708,527)	-	(708,527)
Balance as at 31 December	-	-	-	-

DSE invested in Bond Fund which is an open-end balanced fund which aims at distributing income periodically which all investment in Bond Fund were disposed in the current period. The Fund is managed by UTT AMIS Plc.

Notes to the Consolidated and Separate Financial Statements

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23. CASH AND CASH EQUIVALENTS

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Unrestricted cash balances				
Cash at bank	513,242	264,362	306,522	229,898
Cash at hand	398	456	398	456
	513,640	264,818	306,920	230,354
Restricted cash balances				
Cash at bank - ACB Car Loan Fund*	622	811	622	811
	622	811	622	811

*This is the balance which relates to cash set aside for the purpose of extending loans to staff for purchase of motor vehicles.

For the purpose of the statement of cash flows, cash and cash equivalents comprise unrestricted cash at hand and in bank as indicated above.

24. CAR LOAN FUND

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Car loan fund at end of the year	35,000	35,000	35,000	35,000
	35,000	35,000	35,000	35,000

This is a fund established on 3 August 2001 from the accumulated fund account with a seed capital of TZS 35 million for the purpose of extending loans to staff for purchase of motor vehicles.

25. CAPITAL GRANTS

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
As at 1 January	1,047,591	1,093,165	1,047,591	1,093,165
Grant amortization	(26,192)	(45,574)	(26,192)	(45,574)
As at 31 December	1,021,399	1,047,591	1,021,399	1,047,591

The Capital grants comprise the following items: FSDT Grant for Mobile Trading Platform System, Grant from the world bank grant for Automated Trading System, and cash advanced to the Exchange by the Government.

Grants are issued on condition of being spent on the intended activities and DSE to maintain appropriate financial records in relation to the grant project funds.

26. SHARE CAPITAL AND RESERVES

a) Share Capital

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
The Exchange has authorized capital of TZS 20 billion divided into 50 million ordinary shares of TZS 400 each	20,000,000	20,000,000	20,000,000	20,000,000
Issued and fully paid: 23,824,020 ordinary shares of TZS 400 each (ordinary shares)	9,529,608	9,529,608	9,529,608	9,529,608

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26. SHARE CAPITAL AND RESERVES (Continued)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at annual general meetings of the Group. All ordinary shares rank equally regarding the Group's residual assets.

b) Share Premium

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Share premium	1,850,374	1,850,374	1,850,374	1,850,374

Share premium relates to surplus amount received when ordinary shares are sold or reissued subsequently.

c) Revaluation Reserve

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
At 1 January	103,479	105,854	103,479	105,854
Revaluation surplus	83,484	-	83,484	-
Transfer of excess depreciation	(2,300)	(2,375)	(2,300)	(2,375)
At 31 December	184,663	103,479	184,663	103,479

27. CONTRACT LIABILITIES AND OTHER PAYABLES

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Contracts with customers	1,550,816	1,330,765	1,550,816	1,330,765
Other payables	7,660,225	1,599,584	7,076,432	1,189,454
	9,211,041	2,930,349	8,627,248	2,520,219

(a) Contracts with customers

The group has recognised the following liabilities related to contracts with customers

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Deferred fees - Corporate entities	63,853	109,456	63,853	109,456
Deferred fees - Government	1,486,963	1,221,309	1,486,963	1,221,309
	1,550,816	1,330,765	1,550,816	1,330,765

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

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for the year ended 31 December 2025

27. CONTRACT LIABILITIES AND OTHER PAYABLES (Continued)

Revenue recognized that was included in the contract liability balance at the beginning of the period.

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Listing fee - Corporate entities	63,853	33,640	63,853	33,640
Listing fee - Government bonds	1,486,963	1,104,727	1,486,963	1,104,727
	1,550,816	1,138,367	1,550,816	1,138,367

Contract liabilities as per IFRS 15, relate to the listing fee that DSE has received from companies who are in the process of listing to the exchange but the same has not yet been realized. DSE rules stipulate that the received fee from the company which is required to list will not be earned until the company is listed or upon expiration of the period of two years if the company fails to list.

Terms and conditions of the above liabilities:

- Trade payables are non-interest bearing and are normally settled within 15 to 45 days after date of invoice; and
- Accruals are non-interest bearing and have an average term of 30 days.

(b) Other payables

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Accrual for goods and services	2,485,069	606,644	2,446,567	583,051
Dividend payable	-	200,000	-	200,000
VAT payable	357,394	33,772	289,478	-
Provision for VAT assessment*	3,994,404	-	3,994,404	-
WHT payable	61,036	6,876	60,905	6,876
Payroll related tax liabilities	201,513	248,744	165,443	214,224
Provision for bonus	303,191	-	242,946	-
Due to related parties	-	-	2,700	19,500
Due to Fidelity Fund	99,824	113,519	99,824	113,519
Dividend process fee payables	295,435	283,432	-	-
Other payables	105,304	106,597	17,110	52,284
	7,903,170	1,599,584	7,319,377	1,189,454

* The Group and Company recognised an additional Value Added Tax (VAT) liability of TZS 3.994 billion arising from a final tax assessment issued by the Tanzania Revenue Authority (TRA). The assessment relates to the fiscal years 2018–2022 and 2024–2025. Included in this amount is TZS 2.5 billion relating to VAT associated with Government bonds. The Ministry of Finance has accepted responsibility to settle this portion of the liability.

28. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Company fully owns CSD & Registry Company Limited.

Transaction with related parties during the year were in the normal course of business and they give rise to amounts due from related parties as shown in the table below:

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for the year ended 31 December 2025

28. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Sale of services to CSDR				
Management fee – shared cost	-	-	262,043	178,820
Rental income	-	-	38,544	-
	-	-	300,587	178,820
Other income				
Dividend income from CSDR	-	-	50,000	150,000
Purchase of service from CSDR				
Dividend processing	-	-	47,917	73,251

(b) Balance from related party

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Due from CSDR		-	270,021	319,286

(c) Balance to related party

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Due to CSDR	-	-	2,700	19,500

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the exchange, directly or indirectly of the exchange.

i. Executive key personnel

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Short-term employee benefits (salaries and allowances)	2,338,420	2,033,409	1,757,379	1,528,156
Post-employment benefits (defined contribution plans)	350,763	305,011	263,607	229,223
	2,689,183	2,338,420	2,020,986	1,757,379

ii. Directors' fees

	2025	2024	2025	2024
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Directors' fees	213,314	189,206	151,314	134,032
	213,314	189,206	151,314	134,032

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2025

29. EARNINGS PER SHARE

Basic Earnings per Share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Exchange by the weighted average number of ordinary shares outstanding during the period. DSE does not have potential ordinary shares with convertible options and therefore there is no dilutive impact on the profit attributable to the ordinary shareholders of the exchange.

	2025 Group	2024 Group	2025 Company	2024 Company
Net profit attributable to shareholders (TZS'000)	2,591,291	4,272,469	2,007,269	4,323,000
Weighted average number of ordinary shares in issue (Note 26)	23,824,020	23,824,020	23,824,020	23,824,020
Basic earnings per share (TZS)	108.77	179.33	84.25	181.46
Dividends paid	1,604,865	3,454,483	1,604,865	3,454,483
Dividend per share	67.36	125.00	67.36	125.00

In June 2016 DSE issued shares to the public and thereafter self-listed its shares on its own Exchange on 12th July 2016. Earnings per share have been calculated for the current period and previous period.

DIVIDEND PAID

During its 8th Dar es Salaam Stock Exchange Public Limited Company (DSE) Annual General Meeting, the DSE Shareholders approved a final dividend of TZS 125.50 per share (2023: TZS 145.00) which amounted to TZS 2,990 million. Dividend was paid on 30 June 2025.

30. CONTINGENT ASSETS AND LIABILITIES

Contingent asset

Subsequent to the tax assessments issued by the Tanzania Revenue Authority in respect of VAT for the periods 2018–2022 and 2024–2025, the Group has recognized VAT expense and a VAT payable liability of TZS 3,563,314,408 relating to government bond listing fees. The Group has requested the Ministry of Finance to settle these amounts on the basis that the Ministry was the final consumer; verification by the Ministry is ongoing. No receivable from the Ministry of Finance has been recognized as recovery was not sufficiently probable as at the reporting date. The amounts and outcome of the Ministry's verification may have a material impact on future periods.

Contingent liabilities

In the VAT assessments, TZS 1,013,957,047 relates to interests on late payment of the VAT amounts. The Group has applied for a waiver of interest and as such this has not been recognized in the financial statements as at the reporting date.

31. SUBSEQUENT EVENTS

Management is not aware of any other event subsequent to the year-end that amounts to recognition or disclosure in these financial statements.