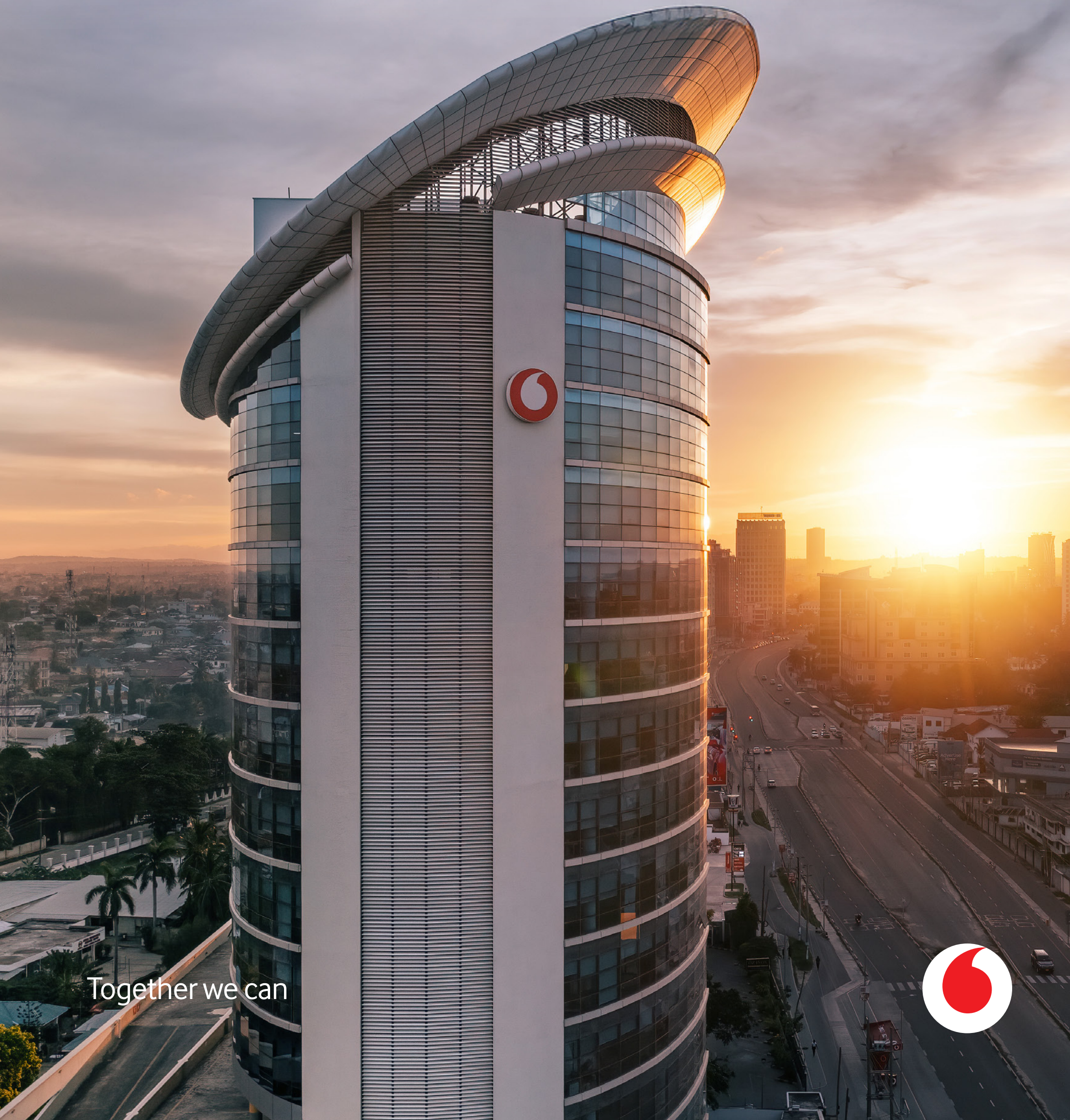
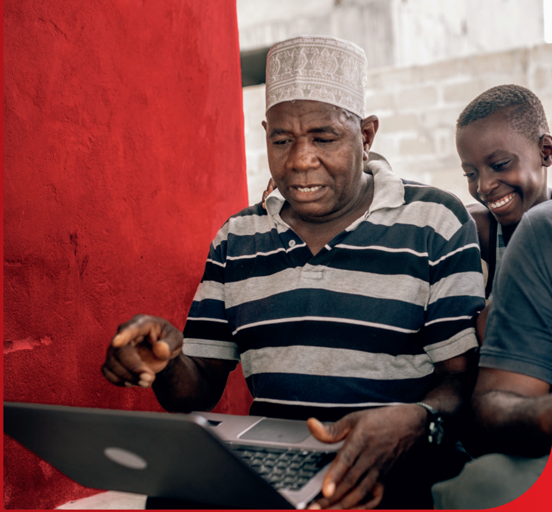
Vodacom Tanzania Public Limited Company

Preliminary condensed consolidated financial results

For the year ended 31 March 2025





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Managing Director's review

We are a purpose-driven organisation founded on three pillars: empowering people, protecting the planet, and maintaining trust. These principles guide our strategic execution as we work tirelessly to enhance customer experience, drive growth and simplify our products and services.

Our performance for the financial year ended 31 March 2025 was encouraging. We progressed well in bringing our purpose to life through the power of technology and delivered pleasingly on our business objectives. This performance was a build-up on successive good performances in the recent years.

Our products and services are designed to **simplify and improve lives**. Through these products and initiatives, we contribute to the financial, economic and social empowerment of our customers and communities.

M-Pesa continued playing a critical role in providing a platform for our contribution to **advancing financial inclusion and empowerment**.

- M-Koba, our product for **communal group savings**, offers unique security and transparency features essential for registered members on the savings' group. This customer centred solution has encouraged a simple but powerful habit of saving together. M-Koba continued to scale, with deposits received more than double the amount received last year. Over 1.3 million people used M-Koba to manage their group savings, with women leading the way, accounting for the majority of the M-Koba users. This reflects the strong acceptance of M-Koba as a reliable solution for safeguarding communal savings and empowering societies, in particular women.
- I am optimistic about the transformative impact of our **wealth management product M-Wekeza**, in empowering individuals to build financial resilience. This investment product offered in partnership with Sanlam Investments East Africa – Tanzania, is accessible to all customers through a mobile phone. It facilitates micro savings and investment in stocks and securities through fund managers. The standout features of the product include the modest minimum investment required, starting at just one thousand Tanzanian shillings, the flexibility and convenience of transacting through a mobile phone and an immediate investment liquidation option. It also offers a higher potential return compared to the average interest rate earned on savings accounts in Tanzania. In less than five months, our customers have deposited nearly TZS 25 billion – reflecting a strong uptake and trust on the product.
- Our **digital payments services** continued to scale, facilitating electronic payments between customers, businesses and government. Our 'Lipa Kwa Simu' merchant payment service with over 470 000 merchants, processed payments averaging more than a trillion Tanzanian shillings per month, representing a more than 50% year-on-year growth. Government institutions have also embraced the shift, collecting payments through more than 800 M-Pesa collection accounts, with values rising by nearly 30%. The growth witnessed in digital payments through M-Pesa, reflects its enablement of secured trade for individual businesses as well as national economic development.

Philip Besiimire

- Our **short-term financing services** including Songesha overdraft and short-term loans, offered in collaboration with our partners continued providing immediate financial support to customers, agents, and merchants. Nearly three trillion Tanzania shillings were disbursed in the year, benefiting close to half of our M-Pesa customers. Importantly, over 50% of the value disbursed was issued to businesses. Songesha and short-term loans serves as a vital bridge – sustaining operations, strengthening confidence, and driving steady individual and broader economic progress.

To support business growth and enhance customer experience, over the past year **we invested TZS 175 billion in our network infrastructure and IT platforms**. We expanded our 4G coverage by bringing an additional 471 sites and upgrading 286 sites to improve speed and stability. In partnership with the Government of Tanzania through UCSAF, 126 of those sites were placed in the underserved areas – turning digital gaps into gateways of opportunity.

Our sustained investment supported a 24% increase in data traffic, critical for driving revenue growth. This year, over 80% of all data traffic on our network was carried on the 4G network – up from 75% last year, freeing up space for better voice services and seamless digital access. This deliberate transition creates more capacity for basic services such as voice, as well as an improved customer experience in data. Investing to enhance access to our services aligns well with our ambition of empowering people by narrowing the digital divide and facilitating access to opportunities in the digital economy.

Smartphone adoption facilitates convenient access to digital content and real-time information, empowering our customers and further deepening digital inclusion. We executed on several initiatives to increase **access to the digital platforms and improve customer experience**, including device financing, which collectively contributed to a 33.4% increase in smartphone users.

In our commitment to **protecting the planet**, we focused on transforming our infrastructure to reduce energy consumption and the use of fuel powered generators. We continued introducing energy-efficient systems across our data centres and offices, which supported electricity usage saving of 1.5 million KWh and reduced 698 tonnes of carbon emissions. Through the annual Vodacom Twende Butiama Cycling Tour, more than 50,000 trees were planted – silently advocating climate action, rooted in communities.

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

We also focused on the sensitisation of privacy and confidentiality of our customers' data, which is in line with the requirements of the Personal Data Protection Act (2022) of Tanzania, which became effective in April 2024. Vodacom was among the first three entities to receive the 'Data Processor and Controller Registration Certificate' from Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania, to symbolise the official inauguration of the Personal Data Protection Commission. I am pleased that our ethical and purpose focused business practices foster a trustful relationship between Vodacom and our stakeholders including customers, the government and the community at large.

From the business performance perspective, we are pleased to report a strong performance and strategy execution for FY 2025. The operating environment was stable – with strong macro-economic indicators and stable energy prices. The local currency showed continued volatility throughout the year, weakening against the hard currencies. Our "System of Advantage" focused on ensuring that we have the right strategy and people to drive the sustainability of the company well into the future. At the core of our offering is connectivity, where we remain market leaders and are driving digital inclusion. As pioneers of mobile financial services, which now contributes significantly to financial inclusion, it remains our ambition to grow and diversify our beyond mobile revenues.

From financial performance perspective, Service revenue grew 20.5%, driven by double-digit growth of our key growth pillars – M-Pesa at 29.3%, and data at 21.6%. Our customer base[1] grew 15.7% to 22.6 million, data customers grew 19.0% and M-Pesa customers grew

1 In accordance with Vodacom Group definition of customers.
2 Tanzania Communication Regulatory Authority's quarterly communications statistics as at the end of March 2025.

13.3%. This performance reinforced our position as market leaders[2], achieving an overall market share of 31.9%, a 34.0% share of mobile internet users, and a 40.4% share in mobile financial services. Our cost-saving measures delivered TZS 59.2 billion of savings, supporting operating profit growth of 55.0% and growth in net profit after tax of 69.4% to TZS 90.5 billion.

It is pleasing that our efforts on operational excellence are **enhancing returns to our shareholders.** In October 2024, we paid a total of TZS 26.7 billion in dividends for the financial year 2024. We are expecting to propose to the Board to approve dividends for the financial year 2025 in line with our dividend policy, subject to shareholders' approval in the annual general meeting. Our sustained double-digit growth in service revenue and profitability reflects the strength of our strategy and power of execution from a strong team.

We look forward to a continued stable political and regulatory environment that will continue to provide a conducive atmosphere for investment, business operations, and an opportunity for us to connect more Tanzanians to a better future. We are well poised to continue growing in mobile, M-Pesa and enterprise. But I am also optimistic about opportunities to further scale our wholesale, Internet-of-Things (IoT), enterprise and fixed businesses.

We will continue to enhance our product portfolio and leverage partnerships to offer our customers a wider range of services. Our goal is to enable more Tanzanians to access connectivity and formalised financial services through M-Pesa. This enhances our contribution to bridging the digital divide and financial inclusion and aligns perfectly with the Government's Digital Economy Strategic Framework 2023-2033.

Our investing culture continues. We are focusing on investing in artificial intelligence capabilities including in tools such as customer value management (CVM) while enhancing our operational expertise in technology. This is done with consideration on maintaining trust, security and privacy of our customers' data.

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

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

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

Secondly, I would like to extend our sincere gratitude to Mr. Sudhersan Ramasamy for his service on the Board. He resigned in May 2024 as part of the standard changes in directorship, in accordance with his primary responsibilities at Vodacom Group. We are pleased to welcome Mr. Haytham Ammar as his successor on the Board, and we look forward to his contribution.

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

Philip Besiimire
Managing Director

Highlights

Customers

up 15.7%

to 22.6 million[1]

We invested

TZS175.0 billion

up 2.9%

A strong performance

Service revenue growth at

20.5%

to TZS 1.5 trillion

EBITDA at TZS 496.6 billion,

up 25.2%

with 1.3pp margin expansion

Net profit increase of

69.4%

to TZS 90.5 billion, with a 2.2pp margin expansion

Summary financial information

	Twelve months ended 31 March		
TZS m	2025	2024	% Change
Service revenue	**1 515 987**	1 258 335	**20.5**
Revenue	**1 539 360**	1 278 217	**20.4**
EBITDA	**493 596**	394 179	**25.2**
Operating profit	**208 177**	134 276	**55.0**
Net profit after tax	**90 511**	53 427	**69.4**
Operating free cash flow	**206 918**	123 819	**67.1**
Free cash flow	**195 423**	95 740	**104.1**
Capital expenditure[2]	**174 995**	170 134[2]	**2.9**
Earnings per share ('EPS') (shillings)	**40.37**	23.83	**69.4**
Contribution margin (%)	**67.6**	67.2	**+0.4ppts**
EBITDA margin (%)	**32.1**	30.8	**+1.3ppts**
Operating profit margin (%)	**13.5**	10.5	**+3.0ppts**
Net profit margin (%)	**5.9**	4.2	**+1.7ppts**
Capital intensity (%)	**11.4**	13.3	**(1.9)ppts**

1 In accordance with Vodacom Group definition of customers.
2 Excluding spends on mergers and acquisition.

Operating and financial review

TZS m	2025	2024	% Change
	Twelve months ended 31 March		
Mobile voice revenue	**310 598**	285 769	**8.7**
M-Pesa revenue	**590 033**	456 285	**29.3**
Mobile data revenue	**422 181**	347 303	**21.6**
Digital & VAS revenue	**40 295**	38 723	**4.1**
Mobile incoming revenue	**49 696**	48 380	**2.7**
Messaging revenue	**36 532**	31 078	**17.5**
Fixed revenue	**42 021**	30 745	**36.7**
Other service revenue	**24 631**	20 052	**22.8**
Service revenue	**1 515 987**	1 258 335	**20.5**
Non-service revenue	**23 373**	19 882	**17.6**
Revenue	**1 539 360**	1 278 217	**20.4**
Direct expenses	**(487 389)**	(418 035)	**(16.6)**
Operating expenses	**(546 259)**	(464 529)	**(17.6)**
Staff expenses	**(90 415)**	(74 666)	**(21.1)**
Publicity expenses	**(25 810)**	(30 358)	**15.0**
Tower lease and maintenance expenses	**(150 521)**	(141 017)	**(6.7)**
Other operating expenses	**(279 513)**	(218 488)	**(27.9)**
Depreciation and amortisation	**(285 433)**	(260 317)	**(9.6)**
Net credit losses on financial assets	**(12 102)**	(1 060)	**<(200)**
Operating profit	**208 177**	134 276	**55.0**
EBITDA	**493 596**	394 179	**25.2**
EBITDA margin	**32.1%**	30.8%	**+1.3pp**

Revenue

Service revenue grew 20.5% to TZS 1 516.0 billion supported by our strong commercial momentum that resulted in customers increasing 15.7% and average revenue per customer (ARPU) growth of 4.3%. Our beyond mobile services, which include fixed, digital, IoT and M-Pesa (excluding peer-to-peer transfer and cash out), continued to grow significantly and their contribution to service revenue expanded further during the year. **In the fourth quarter**, service revenue increased 22.9%, supported by customer growth of 15.7% and a 6.7% higher ARPU.

Mobile voice revenue increased 8.7% to TZS 310.6 billion, underpinned by customer growth, CVM initiatives and enhanced service quality. The competitive pressure in voice price continued during the year, which led to a 1.3% decline in average price per minute, with traffic continued to grow, supported by the investment in the network. **In the fourth quarter**, mobile voice revenue grew 6.4%, supported by an increase in customers, which indicates how important voice still is to our customers.

M-Pesa revenue grew 29.3% to TZS 590.0 billion, increasing its contribution to service revenue by 2.7ppts to reach 38.9%. Revenue growth was driven by growth in ARPU and increase in customers, both reflecting an increased adoption of M-Pesa services. Our strategy to expand new services in the M-Pesa ecosystem including lending, insurance, savings and merchants, continued to pay-off. Revenue from these services grew by close to 50% year-on-year, and their contribution to M-Pesa revenue continues to expand. The growth of new services in M-Pesa has significantly progressed our revenue diversification and supported deeper financial inclusion. **In the fourth quarter**, M-Pesa revenue grew 32.4% supported by growth in both customers and ARPU.

Mobile data revenue increased 21.6% to TZS 422.2 billion, underpinned by strong growth in data customers and traffic fuelled by strong adoption of our 4G and 5G services. Smartphones in the network continued to grow as a result of excellent commercial execution, supported by the continued investment in the network. In the year we activated 4G in 471 sites, completed capacity upgrades in 286 existing 4G sites as well as significantly expanded our local and international transmission capacity – through National ICT backbone, and undersea leased capacity. **In the fourth quarter**, mobile data revenue grew 28.6%.

Digital & VAS revenue, which comprises of airtime advance service and value-added services (VAS), increased 4.1% to TZS 40.3 billion. This growth was driven by product penetration from our diverse range of digital and VAS offerings. During the year, we continued to focus on simplifying how our customers subscribe to the VAS services, as well as creating more transparency and control to which services customers subscribed to. **In the fourth quarter** revenue grew marginally by 0.8% as we continued with our enhanced transparency protocols.

Mobile incoming revenue grew by 2.7% to TZS 49.7 billion. The growth was attributed to increased minutes from customer growth, partly offset by lower incoming price per minute resulting from a 4.5% reduction in regulated mobile termination rates . **In the fourth quarter**, mobile incoming revenue grew 6.7%, mainly driven by an increase in minutes reflecting the voice market offers and customer growth.

Fixed data revenue increased by 36.7% to TZS 42.0 billion, driven by growth in customers as we continued to execute on our ambition to connect homes and businesses. **In the fourth quarter**, fixed data revenue maintained its robust growth at 28.0%.

Total expenses[1]

In this financial year, we focused on driving cost efficiency to support profitability improvement. Our cost saving initiatives resulted in TZS 59.2 billion of savings, equivalent to 3.9% of service revenue. These savings helped mitigate cost pressures arising from contractual escalations, business growth and significant foreign exchange losses incurred especially in the first half of the financial year.

Direct expenses increased 16.6% to TZS 487.4 billion and 9.7% **in the fourth quarter**. The cost increase is slower than service revenue growth, reflecting a contribution margin expansion of 0.4pp as a result of cost savings realised during the year. We prioritised investment in growing and strengthening our distribution channels – for customers acquisition as well as expanding the merchant channel to serve our customers better as we continue to digitize payments.

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

In the fourth quarter, total operating expenses were up 28.1%. The cost increase was driven by investment in the network to support business growth and once again, the once-off costs in relation to fibre consortium settlement with the government. Excluding the once-off costs other operating expenses grew 11.3%.

EBITDA

We generated EBITDA of TZS 493.6 billion, an increase of 25.2%, with an EBITDA margin of 32.1% – a margin expansion of 1.3ppts. Excluding foreign currency losses and the once-off costs – underlying EBITDA grew 33.0%, with EBITDA margin of 34.1%, an expansion of 3.3pp. This performance was supported by strong revenue growth complemented by diligent cost containment measures. **In the fourth quarter**, EBITDA grew 21.0% to TZS 124.1 billion.

Operating profit

We delivered a pleasing 55.0% growth in operating profit to TZS 208.2 billion for the year, and a 34.1% increase **in the fourth quarter**. This performance was driven by EBITDA growth, while depreciation and amortisation charges increased 9.6%. The increase in depreciation was due to additional investments made in our infrastructure, including amortisation charges on the spectrum acquired from Smile Communications Tanzania Limited late in the prior financial year.

Capital expenditure

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

1 Excluding depreciation, amortisation and impairment losses.

Net finance charges

TZS m	2025	2024	% Change
	Twelve months ended 31 March		
Interest income from M-Pesa cash balances	**38 947**	21 355	**82.4**
Interest income from cash investments	**7 169**	4 409	**62.6**
Finance Income	**46 116**	25 764	**79.0**
Finance cost of M-Pesa cash balances	**(38 919)**	(21 149)	**(84.0)**
Finance cost – lease liability	**(53 901)**	(47 774)	**(12.8)**
Other finance cost	**(9 268)**	(4 184)	**(121.5)**
Finance cost	**(102 088)**	(73 107)	**(39.6)**
Net loss on foreign currency translations	**(7 296)**	(8 949)	**18.5**
Net finance cost	**(63 268)**	(56 292)	**(12.4)**

Finance income grew 79.0% mainly due to higher interest income earned from M-Pesa Trust accounts and cash investments, driven by higher average interest rates as well as an increase in average cash balances.

Interest on M-Pesa Trust balances paid to customers and distribution partners increased by 84.0%, a result of growth in M-Pesa interest income. Lease interest expenses also rose by 12.8% reflecting new lease agreements contracted during the year. Other finance costs increased by 121.5%, due to a once-off interest expense on withholding tax on shareholders loan following the ruling from the court of appeal. The finance costs growth was partly offset by a once-off financing interest elements recorded in the previous year on the final instalment payment for the spectrum acquired in the TCRA auction, and in financing the acquisition of Smile Communication Tanzania Limited. These cost increases resulted to a 39.6% increase in finance costs.

Taxation

The tax expense of TZS 54.4 billion (FY2024: TZS 24.6 billion) was 121.5% higher. The prior year tax expense was reduced by a tax provision release, excluding which the tax expense increased 53.3%. This higher underlying tax expense was driven by improved profitability in our M-Pesa and GSM businesses.

Earnings

Earnings per share increased by 69.4% to TZS 40.37 attributed to a strong business performance during the year delivering on our objective of continuing to deliver on shareholders' value.

Statement of financial position

The value of property and equipment increased by 31.6% to TZS 1 140.4 billion, reflecting positive incremental investment in the business, partially offset by the annual depreciation charges. During the year, we recognised a right of use asset of TZS 319.6 billion in line with the tower lease contracts terms and accounting policy. Conversely, intangible assets rose by 6.4% to TZS 298.0 billion, with net additions offsetting the annual increase in amortisation charges. We added new and upgraded existing licences for our network and platforms, to support network efficiency in line with business growth, enhance resilience, security and provide a ready-access to future licenced features including software upgrades. All these investments are targeting better service provisioning and customer experience in our network.

Net debt

TZS m	Twelve months ended 31 March 2025	2024	% Change
Cash and cash equivalents	**298 467**	221 697	**34.6**
Lease liability	**(723 842)**	(404 985)	**(78.7)**
Other financial liabilities[1]	**(18 595)**	(12 222)	**(52.1)**
Net (debt)/cash	**(425 375)**	(183 288)	**(132.1)**
Net (debt)/cash to EBITDA (times)	**(0.9)**	(0.5)	**(0.4)**

Net debt was up by 132.1% with upside from a 34.6% increase in cash and cash equivalents offset by an increase in lease liability and other financial liabilities.

The increase in cash and cash equivalents was supported by a 7.2% growth in cash generated from operations reaching TZS 689.2 billion. The cash generated financed the business operations including funding for capital expenditure, dividends and a significant once off part-payment made on acquisition of Smile Communication Tanzania Limited.

The increase in lease liability was mainly due to TZS 319.6 billion recognition of lease liability in line with the tower lease contracts renewal terms and accounting policy. The actual tower contract renewal will happen in the near future. Other financial liabilities relate to amounts payable to the government in the fibre consortium settlement.

Cash flow[2]

TZS m	Twelve months ended 31 March 2025	2024	% Change
EBITDA	**493 596**	394 179	**25.2**
Working capital	**34 530**	34 199	**1.0**
Capital expenditure	**(174 995)**	(170 134)	**(2.9)**
Lease payments	**(146 213)**	(134 844)	**(8.4)**
Other cash Flows	**–**	419	**(100.0)**
Operating free cash flow	**206 918**	123 819	**67.1**
Net finance cash inflow	**28 362**	(1 529)	**>200**
Tax paid	**(39 857)**	(26 550)	**(50.1)**
Free cash flow	**195 423**	95 740	**104.1**

Operating free cash flow increased by 67.1% to TZS 206.9 billion driven by EBITDA growth from a strong business performance for the year and better working capital management. Cash generated from EBITDA growth was partly offset by cash outflows in financing capital investments and settlement of the matured lease obligations.

Free Cash flow increased by 104.1% year-on-year primarily due to growth in operating free cashflow and higher net finance cash inflow. The net cash inflow growth was a result of higher interest rates earned on cash balances, and a boost from lower interest paid compared to the previous year which had a once-off interest expense incurred on foreign exchange contracts (FEC). The cash increase generated was partly offset by a 50.1% increase in tax paid in line with business performance.

1 Other financial liabilities were not included in computation of reported net debt in the prior years, now included in line with Vodacom group policies.

2 For the reconciliation of cash generated from operations to free cash flow, refer to page 33.

Regulatory matters

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

Outlook and medium-term targets

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

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

We remain committed to contribute to bridging the digital divide and enhancing financial inclusion by facilitating access to our connectivity services and digital financial offerings through M-Pesa. Additionally, we are committed to upholding the safety and privacy of our customers within our network.

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

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

With this in mind, our medium-term targets reflect a balanced approach to growth, profitability, and social responsibility, ensuring that we continue to deliver value to our shareholders while contributing positively to the broader community.

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

- From high single-digit to early double-digit service revenue growth
- 13.0% – 16.0% capital expenditure as a % of revenue

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

For and on behalf of the Board

David Tarimo
Chairman

Philip Besiimire
Managing Director

Hilda Bujiku
Finance Director

12 May 2025

Quarterly report

for the quarter ended 31 March 2025

Issued pursuant to section 53 of Dar es Salaam Stock Exchange PLC Rules 2022
Vodacom Tanzania Public Limited Company
(Incorporated in the United Republic of Tanzania)
Registration number: 38501
Stock Exchange (DSE) registration number ISIN: TZ1996102715
Stock name: VODA

Condensed statement of profit or loss and other comprehensive income

for the quarter ended 31 March 2025

	GROUP		COMPANY	
TZS m	Quarter 4 Mar 2025	Quarter 4 Mar 2024	Quarter 4 Mar 2025	Quarter 4 Mar 2024
Revenue	**404 961**	331 698	**272 359**	242 232
Direct expenses	**(119 425)**	(108 878)	**(58 778)**	(54 863)
Operating expenses	**(143 116)**	(117 318)	**(114 721)**	(95 622)
Staff expenses	**(29 663)**	(19 082)	**(22 738)**	(14 181)
Publicity expenses	**(1 386)**	(5 131)	**497**	(4 173)
Tower lease and maintenance costs	**(36 352)**	(35 224)	**(36 352)**	(35 224)
Other operating expenses	**(75 715)**	(57 881)	**(56 128)**	(42 044)
Net loss on foreign currency transactions	**(8 276)**	(2 845)	**(10 034)**	(2 860)
Depreciation and amortisation	**(74 196)**	(65 748)	**(72 593)**	(64 587)
Net credit (loss)/gain on financial assets	**(10 005)**	328	**(10 012)**	242
Operating profit	**49 943**	37 237	**6 221**	24 542
Finance income	**13 331**	7 169	**1 658**	19 210
Finance costs	**(35 600)**	(20 671)	**(24 494)**	(14 722)
Net loss on foreign currency transaction	**(4 972)**	(2 194)	**(5 192)**	(2 030)
Profit/(loss) before tax	**22 702**	21 541	**(21 807)**	27 000
Income tax expense	**(27 718)**	(15 470)	**(14 137)**	(9 640)
Net (loss)/profit	**(5 016)**	6 071	**(35 944)**	17 360
Attributable to:				
Equity shareholders	**(5 047)**	–	**–**	–
Non-controlling interests	**31**	–	**–**	–

Condensed statement of financial position

as at 31 March 2025

TZS m	GROUP Quarter 4 Mar 2025	GROUP Quarter 4 Mar 2024	COMPANY Quarter 4 Mar 2025	COMPANY Quarter 4 Mar 2024
Assets				
Non-current assets	**1 573 432**	1 268 668	**1 544 708**	1 237 693
Goodwill	**1 639**	1 639	**–**	–
Property and equipment	**553 807**	595 659	**548 341**	593 329
Right of use assets	**586 593**	270 992	**586 593**	270 992
Intangible assets	**298 042**	280 069	**276 643**	256 316
Capacity prepayments	**56 869**	29 159	**56 869**	29 159
Trade and other receivables	**9 882**	12 800	**9 082**	12 000
Income tax receivables	**34 298**	36 120	**34 298**	33 098
Deferred tax assets	**31 206**	42 230	**31 286**	42 299
Other Investments	**1 096**	–	**1 096**	–
Investment in subsidiary	**–**	–	**500**	500
Current assets	**1 404 542**	1 107 067	**360 670**	321 885
Capacity prepayments	**15 446**	12 756	**15 446**	12 756
Inventories	**4 300**	3 409	**4 300**	3 409
Trade and other receivables	**124 396**	114 380	**116 131**	122 982
Government grant receivables	**13 283**	–	**13 283**	–
Income tax receivables	**25 415**	24 532	**21 886**	21 084
Mobile financial deposits	**923 235**	730 293	**–**	–
Cash and cash equivalents	**298 467**	221 697	**189 624**	161 654
Total assets	**2 977 974**	2 375 735	**1 905 378**	1 559 578
Equity and liabilities				
Share capital	**112 000**	112 000	**112 000**	112 000
Share premium	**442 435**	442 435	**442 435**	442 435
Capital contribution	**27 698**	27 698	**27 698**	27 698
Retained earnings	**334 371**	270 701	**246 350**	214 824
Equity attributable to the owners of the parent	**916 504**	852 834	**828 483**	796 957
Non-controlling interest	**75**	–	**–**	–
Total equity	**916 579**	852 834	**828 483**	796 957

Condensed statement of financial position continued

TZS m	GROUP Quarter 4 Mar 2025	GROUP Quarter 4 Mar 2024	COMPANY Quarter 4 Mar 2025	COMPANY Quarter 4 Mar 2024
Non current liabilities	**642 348**	297 883	**642 348**	297 883
Lease liabilities	**620 544**	281 831	**620 544**	281 831
Other financial liabilities	**13 831**	9 292	**13 831**	9 292
Provision	**7 973**	6 760	**7 973**	6 760
Current liabilities	**1 419 047**	1 225 018	**434 547**	464 738
Lease liabilities	**84 703**	110 931	**84 703**	110 931
Other financial liabilities	**4 764**	2 930	**4 764**	2 930
Trade and other payables	**396 929**	374 809	**338 481**	345 051
Mobile financial payables	**923 235**	730 293	**–**	–
Income tax payables	**2 576**	–	**–**	–
Government grants	**852**	735	**852**	735
Provisions	**5 711**	5 320	**5 496**	5 091
Dividend payables	**277**	–	**251**	–
Total liabilities	**2 061 395**	1 522 901	**1 076 895**	762 621
Total equity and liabilities	**2 977 974**	2 375 735	**1 905 378**	1 559 578

Condensed statement of changes in equity

for the quarter ended 31 March 2025

TZS m	Share capital	Share premium	Capital contribution	Retained earnings	Equity attributable to owners of Parent	Non controlling Interest	Total
At 1 January 2025	**112 000**	**442 435**	**27 698**	**339 418**	**921 551**	**44**	**921 595**
Total comprehensive income for the period	**–**	**–**	**–**	**(5 047)**	**(5 047)**	**31**	**(5 016)**
At 31 March 2025	**112 000**	**442 435**	**27 698**	**334 371**	**916 504**	**75**	**916 579**
At 1 January 2024	112 000	442 435	27 698	264 648	–	–	846 781
Total comprehensive income for the period	–	–	–	6 071	–	–	6 071
Transaction with owners:							
Dividend declared	**–**	**–**	**–**	**(18)**	**–**	**–**	**(18)**
At 31 March 2024	112 000	442 435	27 698	270 701	–	–	852 834
At 1 January 2025	**112 000**	**442 435**	**27 698**	**282 294**	**–**	**–**	**864 427**
Total comprehensive income for the period	**–**	**–**	**–**	**(35 944)**	**–**	**–**	**(35 944)**
At 31 March 2025	**112 000**	**442 435**	**27 698**	**246 350**	**–**	**–**	**828 483**
At 1 January 2024	112 000	442 435	27 698	197 464	–	–	779 597
Total comprehensive income for the period	–	–	–	17 360	–	–	17 360
At 31 March 2024	112 000	442 435	27 698	214 824	–	–	796 957

Condensed statement of cash flows

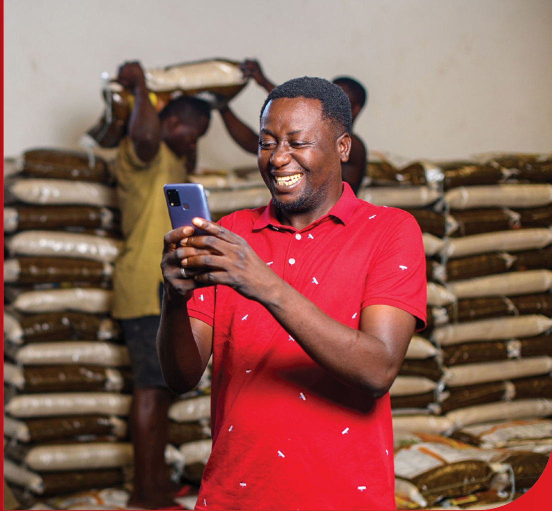
for the quarter ended 31 March 2025

TZS m	GROUP Quarter 4 Mar 2025	GROUP Quarter 4 Mar 2024	COMPANY Quarter 4 Mar 2025	COMPANY Quarter 4 Mar 2024
Cash flow from operating activities				
Cash generated from operations	**231 681**	166 701	**169 860**	126 228
Income taxes paid	**(14 033)**	(7 212)	**(2 848)**	(2 070)
Net cash generated from operating activities	**217 648**	159 489	**167 012**	124 158
Cash flow from investing activities				
Additions to property and equipment and intangible assets	**(38 684)**	(29 427)	**(33 735)**	(25 132)
Asset acquisition	–	(9 568)	–	(9 568)
Proceeds from sale of property and equipment	–	352	–	352
Finance income received	**2 218**	1 213	**1 658**	650
Dividend income received	–	–	–	18 560
Cash held in restricted deposits	**(34 668)**	(23 521)	–	–
Interest received from M-Pesa deposits	**11 113**	5 956	–	–
Net cash used in investing activities	**(60 021)**	(54 995)	**(32 077)**	(15 138)
Cash flow from financing activities				
Dividends paid	**(4)**	(58)	**(5)**	(39)
Payment of lease liabilities – principal	**(8 149)**	(14 928)	**(8 149)**	(14 928)
Payment of lease liabilities – interest	**(5 994)**	(13 067)	**(5 994)**	(13 067)
Settlement of derivative financial liabilities	—	(1 860)	—	(1 860)
Proceeds from revolving credit facility	—	47 266	—	47 266
Principal repayment of revolving credit facility	—	(47 266)	—	(47 266)
Interest repayment of revolving credit facility	—	(1 312)	—	(1 312)
Principal repayment on other financial liabilities	**(315)**	(178)	**(315)**	(178)
Interest repayment on other financial liabilities	**(121)**	(110)	**(121)**	(110)
Interest paid to M-Pesa customers	–	(5 548)	–	–
Net cash used in financing activities	**(14 583)**	(37 061)	**(14 584)**	(31 494)
Net increase in cash and cash equivalents	**143 044**	67 433	**120 351**	77 526
Cash and cash equivalents at the beginning of the quarter	**153 525**	153 238	**67 595**	82 938
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	**1 898**	1 026	**1 678**	1 190
Cash and cash equivalents at the end of the quarter	**298 467**	221 697	**189 624**	161 654

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

Philip Besiimire
Managing Director

Hilda Bujiku
Finance Director



Contents

Preliminary condensed consolidated financial statements

Statement of directors' responsibilities

The directors are responsible for the preparation, integrity and fair presentation of the preliminary condensed consolidated financial statements for the year ended 31 March 2025 of Vodacom Tanzania Public Limited Company (the "Company") and its subsidiaries (the "Group") in accordance with, and containing the information required by the International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"), the requirements of the Tanzanian Companies Act No. 12 of 2002, and the requirements of the Dar es Salaam Stock Exchange PLC Rules, 2016 (Amended). The directors are also responsible for safeguarding the assets of the Group and taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

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

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

Nothing has come to the attention of the directors to indicate that the Group and the Company will not remain a going concern for at least twelve months from the date of this statement. The going concern basis has been adopted in preparing the preliminary condensed consolidated financial statements.

The preliminary condensed consolidated financial statements were approved by the Board of Directors on 12 May 2025 and signed on its behalf by:

David Tarimo
Chairman

Philip Besiimire
Managing Director

Ernst & Young
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VRN: 10-007372-Z

Independent auditor's report on review of the preliminary condensed consolidated financial statements

To the directors of Vodacom Tanzania Public Limited Company

We have reviewed the accompanying preliminary condensed consolidated financial statements of Vodacom Tanzania Public Limited Company (the "Company") and its subsidiaries (together the "Group") which comprise the condensed consolidated statement of financial position as at 31 March 2025, and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended, and selected explanatory notes as set out on pages 18 to 32.

Directors' responsibility for the preliminary condensed consolidated financial statements

The directors are responsible for the preparation of the preliminary condensed consolidated financial statements in accordance with, and containing the information required by the International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"), the requirements of the Tanzanian Companies Act No. 12 of 2002, and the requirements of the Dar es Salaam Stock Exchange PLC Rules, 2016 (Amended).

Auditor's responsibility and scope of review

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying preliminary condensed consolidated financial statements as at 31 March 2025 and for the year ended, have not been prepared, in all material respects, in accordance with the basis of preparation described in Notes 2 to the preliminary condensed consolidated financial statements.

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

15 May 2025

Condensed consolidated statement of profit or loss and other comprehensive income

for the year ended 31 March 2025

TZS m	Notes	March 2025 Reviewed	March 2024 Audited
Revenue	4	**1 539 360**	1 278 217
Direct expenses		**(487 389)**	(418 035)
Staff expenses		**(90 415)**	(74 666)
Publicity expenses		**(25 810)**	(30 358)
Other operating expenses[1]		**(430 034)**	(359 505)
Depreciation and amortisation		**(285 433)**	(260 317)
Net credit losses on financial assets		**(12 102)**	(1 060)
Operating profit		**208 177**	134 276
Finance income		**46 116**	25 764
Finance costs		**(102 088)**	(73 107)
Net loss on foreign currency transactions		**(7 296)**	(8 949)
Profit before tax		**144 909**	77 984
Income tax expense	5	**(54 398)**	(24 557)
Profit for the year		**90 511**	53 427
Other comprehensive income		**–**	–
Total comprehensive income for the year, net of tax		**90 511**	53 427
Attributable to:			
Equity shareholders		**90 434**	53 387
Non-controlling interests		**77**	40
		90 511	53 427
Basic and diluted earnings per share (TZS)	6	**40.37**	23.83

1 The amount includes tower lease and maintenance expenses TZS 150 521 million (March 2024: TZS 141 017 million).

Condensed consolidated statement of financial position

as at 31 March 2025

TZS m	March 2025 Reviewed	March 2024 Audited
Assets		
Non-current assets	**1 573 432**	1 268 668
Property and equipment[2]	**1 140 400**	866 651
Intangible assets	**298 042**	280 069
Capacity prepayments	**56 869**	29 159
Goodwill	**1 639**	1 639
Income tax receivables[3]	**34 298**	36 120
Trade and other receivables	**9 882**	12 800
Deferred tax assets	**31 206**	42 230
Other investments	**1 096**	–
Current assets	**1 404 542**	1 107 067
Capacity prepayments	**15 446**	12 756
Inventories	**4 300**	3 409
Trade and other receivables	**124 396**	114 380
Government grant receivables[4]	**13 283**	–
Income tax receivables[3]	**25 415**	24 532
Mobile financial deposit[5]	**923 235**	730 293
Cash and cash equivalents	**298 467**	221 697
Total assets	**2 977 974**	2 375 735

2 The Group triggered extension clauses for all lease contracts due to expire within 24 months which led to an increase in lease assets by TZS 320 billion.
3 These are mainly deposits made to the tax authority in relation to disputed tax assessments and withholding tax credits.
4 The amount pertains to a government grant receivable for completed rural network coverage sites built under a government grant contract.
5 Mobile financial deposits relate to restricted bank balances for M-Pesa customer deposits. Mobile financial payables relate to amounts due to M-Pesa customers.

Condensed consolidated statement of financial position continued

TZS m	Notes	March 2025 Reviewed	March 2024 Audited
Equity and liabilities			
Equity			
Share capital		**112 000**	112 000
Share premium		**442 435**	442 435
Capital contribution		**27 698**	27 698
Retained earnings		**334 371**	270 660
Equity attributable to the owners of the parent		**916 504**	852 793
Non-controlling interest		**75**	41
Total Equity		**916 579**	852 834
Non-current liabilities		**642 348**	297 883
Lease liabilities[2]		**620 544**	281 831
Other financial liabilities[6]		**13 831**	9 292
Provisions	7	**7 973**	6 760
Current liabilities		**1 419 047**	1 225 018
Lease liabilities		**84 703**	110 931
Other financial liabilites[6]		**4 764**	2 930
Trade and other payables		**396 929**	374 540
Dividend payables		**277**	269
Mobile financial payables[5]		**923 235**	730 293
Income tax payables		**2 576**	—
Government grant		**852**	735
Provisions	7	**5 711**	5 320
Total liabilities		**2 061 395**	1 522 901
Total equity and liabilities		**2 977 974**	2 375 735

The preliminary condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 12 May 2025 and were signed on its behalf by:

David Tarimo
Chairman

Philip Besiimire
Managing Director

6 This amount relates to accrued right-of-way costs and is payable to the government over five years with an agreed monthly interest rate. The increase this year reflects the recognition of final liability under the settlement agreement with the government.

Condensed consolidated statement of changes in equity

for the year ended 31 March 2025

TZS m	Share capital	Share premium	Capital contribution	Retained earnings	Equity attributable to owners of parent	Non controlling Interests	Total equity
Year ended 2025 (Reviewed)							
At 1 April 2024	**112 000**	**442 435**	**27 698**	**270 660**	**852 793**	**41**	**852 834**
Total comprehensive income for the period	**–**	**–**	**–**	**90 434**	**90 434**	**77**	**90 511**
Dividends declared				**(26 723)**	**(26 723)**	**(43)**	**(26 766)**
At 31 March 2025	**112 000**	**442 435**	**27 698**	**334 371**	**916 504**	**75**	**916 579**
Year ended 31 March 2024 (Audited)							
At 1 April 2023	112 000	442 435	27 698	239 590	821 723	–	821 723
Total comprehensive income for the period	–	–	–	53 348	53 348	79	53 427
Dividends declared	–	–	–	(22 278)	(22 278)	(38)	(22 316)
At 31 March 2024	112 000	442 435	27 698	270 660	852 793	41	852 834

Condensed consolidated statement of cash flows

for the year ended 31 March 2025

TZS m	Note	31 March 2025 Reviewed	31 March 2024 Audited
Cash flows from operating activities			
Cash generated from operations	10	**689 191**	643 087
Income tax paid		**(39 858)**	(26 549)
Net cash flows generated from operating activities		**649 333**	616 538
Cash flow from investing activities			
Additions to property and equipment and intangible assets		**(181 781)**	(179 916)
Asset acquisition[7]		**(60 720)**	(12 501)
Purchase of other investments		**(1 096)**	–
Proceeds from disposal of property and equipment		**–**	419
Government grant received		**16 238**	14 456
Finance income received		**7 169**	4 409
Net movement in mobile financial deposits		**(192 942)**	(220 935)
Interest received from M-Pesa deposits		**38 947**	21 355
Net cash flow utilised in investing activities		**(374 185)**	(372 713)
Cash flow from financing activities			
Dividends paid		**(26 758)**	(22 265)
Principal repayment on spectrum licence payable		**–**	(75 465)
Interest repayment on spectrum licence payable		**–**	(1 925)
Interest paid to M-Pesa customers		**(16 493)**	(19 596)
Settlement of derivative financial liabilities		**(876)**	(5 767)
Proceeds from revolving credit facility[8]		**–**	47 266
Principal repayment of revolving credit facility[8]		**–**	(47 266)
Interest repayment on revolving credit facility[8]		**–**	(1 312)
Payment of lease liabilities – principal		**(92 313)**	(87 070)
Payment of lease liabilities – Interest		**(53 899)**	(47 774)
Principal repayment on other financial liabilities		**(4 762)**	(771)
Interest repayment on other financial liabilities		**(386)**	(280)
Net cash flow utilised in financing activities		**(195 487)**	(262 225)
Net increase/(decrease) in cash and cash equivalents		**79 661**	(18 400)
Cash and cash equivalents at the beginning of the year		**221 697**	236 590
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies		**(2 891)**	3 507
Cash and cash equivalents at the end of the year		**298 467**	221 697

7 This payment is an instalment for the acquisition of Smile Communication Tanzania Limited.
8 In the prior year, the Group secured a revolving credit facility to finance the acquisition of Smile. This facility was settled within the same year.

Notes to the preliminary condensed consolidated financial statements

for the year ended 31 March 2025

1. General information

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

The address of the Company's registered office is disclosed under the Corporate Information issued with the latest audited consolidated and separate financial statements.

2. Basis of preparation

These preliminary condensed consolidated financial statements for the year ended 31 March 2025, have been prepared in accordance with, and containing the information required by the International Accounting Standard 34 Interim Financial Reporting ("IAS 34") and the framework concepts and the measurement and recognition requirements of the IFRS Accounting Standards as issued by the International Accounting Standards Board.

The preliminary condensed consolidated financial statements for the year ended 31 March 2025, have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. Amounts in the preliminary condensed financial statements are stated in Tanzanian Shillings (TZS), rounded to the nearest million (TZS m), except when otherwise indicated.

The preliminary condensed consolidated financial statements for the year ended 31 March 2025, do not include all the information and disclosures required in audited annual financial statements and should be read in conjunction with the latest audited annual consolidated financial statements of the Group. The explanatory notes in these preliminary condensed consolidated financial statements disclose the events and transactions that update the relevant information presented in the latest audited annual consolidated financial statements.

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

3. Changes in accounting policies

The new, revised or amended accounting pronouncements adopted by the Group from 1 April 2024 had no material impact on the consolidated results, financial position or cash flows of the Group.

New and amended standards and interpretations that have been issued, but that are not yet effective

The Group has not early adopted any standard, interpretation or amendment that has been issued, but that are not yet effective, and the Group is not expecting that these standards, interpretations or amendments will have a material impact on the consolidated results, financial position or cash flows of the Group.

4. Revenue

TZS m	March 2025 Reviewed	March 2024 Audited
Major products/service lines		
Customer service revenue	**1 405 493**	1 162 595
Mobile interconnect	**49 715**	48 380
Fixed service revenue	**42 021**	30 745
Other service revenue	**18 758**	16 615
Equipment revenue	**17 897**	14 901
Other non-service revenue	**4 451**	3 805
Revenue from contracts with customers	**1 538 335**	1 277 041
Interest income recognised as revenue	**1 025**	1 176
Revenue	**1 539 360**	1 278 217

Revenue is further disaggregated per revenue stream as follows:

Mobile voice revenue	**310 598**	285 769
M-Pesa revenue	**590 033**	456 285
Mobile data revenue	**422 181**	347 303
Digital & VAS revenue	**40 296**	38 723
Mobile incoming revenue	**49 696**	48 380
Messaging revenue	**36 532**	31 078
Fixed revenue	**42 021**	30 745
Other service revenue	**24 630**	20 052
Service revenue	**1 515 987**	1 258 335
Non-service revenue	**23 373**	19 882
Revenue	**1 539 360**	1 278 217

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

5. Income tax expense

TZS m	March 2025 Reviewed	March 2024 Audited
Expected income tax expense at the Tanzania statutory tax rate 30%	**43 473**	23 395
Adjusted for:		
– Non-deductible expenditure[9]	**7 269**	6 680
– Net non-taxable gaming income[10]	**(602)**	(1 077)
Unrecognised deferred tax asset	**1 596**	–
(Release)/provision of prior year taxes	**–**	(10 700)
Adjustments of prior years net tax charge	**520**	(291)
Alternative minimum tax – Holding company	**–**	4 657
Irrecoverable withholding tax expense	**2 142**	1 893
Income tax expense	**54 398**	24 557
Effective tax rate	**37.54%**	31.49%

6. Earnings and dividends per share

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

	March 2025 Reviewed	March 2024 Audited
Basic and diluted earnings per share (TZS)	**40.37**	23.83
Earnings attributable to owners of the parent (TZS m)	**90 434**	53 387
Weighted average number of ordinary shares outstanding	**2 240 000 300**	2 240 000 300
Dividend declared during the year (TZS m)[11]	**26 723**	22 278

9 Non deductible expenditure include charitable donations, dispute losses, fines and penalties.
10 This include gaming income (non taxable) and costs (non-deductible).
11 The dividend declared pertains to the profit from the previous year.

7. Provisions

The Group is currently involved in various legal proceedings and has, in consultation with its legal counsel, assessed the outcome of these proceedings to have the total probable exposure indicated below. Other provisions include tax and asset restoration obligation are disclosed below.

TZS m	March 2025 Reviewed	March 2024 Audited
At 1 April	**12 080**	13 692
Site restoration obligation	**6 760**	6 069
Legal/Regulatory	**928**	1 015
Marketing taxes and Indirect tax assessments and disputes	**4 392**	6 608
Additions/charge to profit or loss		
Site restoration obligation – additions	**270**	31
Site restoration obligation – interest accrued	**943**	660
Legal/Regulatory – additions	**249**	193
Indirect tax assessments and disputes – additions	**142**	–
	1 604	884
Released to profit or loss		
Legal/Regulatory	**–**	(280)
Indirect tax assessments and disputes	**–**	(2 216)
	–	(2 496)
Utilised against payments during the year		
Legal/Regulatory	**–**	–
	–	–
At 31 March	**13 684**	12 080
Site restoration obligation	**7 973**	6 760
Legal/Regulatory	**1 177**	928
Indirect tax assessments and disputes	**4 534**	4 392
Comprising of:		
Non-current		
Site restoration obligation	**7 973**	6 760
Current		
Legal/Regulatory	**1 177**	928
Indirect tax assessments and disputes	**4 534**	4 392
	5 711	5 320

8. Capital expenditure and commitments

During the period the Group invested TZS 174 995 million (March 2024: TZS 248 456 million) in property and equipment and intangible assets. The capital expenditure was funded using internally generated funds. As at year end, TZS 54 958 million of the total investment made was payable to capex creditors (2024: TZS 122 465 million).

The Group's capital commitments is as presented below:

TZS m	March 2025 Reviewed	March 2024 Audited
Capital expenditure contracted for but not yet incurred (Including property and equipment and intangible assets)	**4 125**	34 682

9. Related parties

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

TZS m	March 2025 Reviewed	March 2024 Audited
Balances with related parties		
Trade and other receivables		
Vodafone Group Plc (Ultimate Parent)	**2 069**	2 668
Vodacom Group Limited (Immediate Parent)	**1 242**	1 140
	3 311	3 808
Trade and other payables		
Vodafone Group Plc (Ultimate Parent)	**(11 388)**	(4 964)
Vodacom Group Limited (Immediate Parent)	**(7 542)**	(4 312)
M-Pesa Africa	**(8 426)**	(4 089)
	(27 356)	(13 365)

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

Transactions with related parties

TZS m	March 2025 Reviewed	March 2024 Audited
Vodafone Group Plc and its subsidiaries		
Revenue	**9 429**	10 177
Direct expenses	**(2 467)**	(1 247)
Other operating expenses	**(13 343)**	(4 107)
	(6 381)	4 823
Vodacom Group Limited subsidiaries – Mozambique, DRC, Mauritius and Lesotho		
Revenue	**40**	145
Direct expenses	**(307)**	(164)
Other operating expenses	**(6 445)**	(1 710)
	(6 712)	(1 729)

9. Related parties continued

TZS m	March 2025 Reviewed	March 2024 Audited
Vodacom Group Limited – South Africa		
Revenue	**2 813**	3 630
Direct expenses	**(1 899)**	(1 836)
Other operating expenses	**(17 110)**	(13 311)
	(16 196)	(11 517)
Compensation for key management personnel		
Short-term employee benefits	**(7 684)**	(6 157)
Share based compensation[12]	**(747)**	(627)
Long-term employee benefits	**(860)**	(483)
	(9 291)	(7 267)
Non-executive directors		
Non-executive directors fees	**(1 301)**	(1 265)
Executive directors		
Short-term employee benefits	**(2 114)**	(1 798)
Long-term employee benefits	**(251)**	(164)
	(2 365)	(1 962)

12 This share-based payment arrangement is accounted for as an equity-settled share-based payment transaction by Vodacom International Limited (VIL) who is an employer company for the Vodacom Tanzania Public Limited Company staff who is part of the Vodacom Group Limited share-based scheme. The cost is payable by the group to VIL who is not part of the Vodacom Tanzania Public Limited Company Group.

10. Cash generated from operations

TZS m	March 2025 Reviewed	March 2024 Audited
Profit before tax	**144 909**	77 984
Adjusted for:		
Finance Income	**(46 116)**	(25 764)
Finance costs	**102 088**	73 107
Net loss on foreign currency translation	**7 296**	8 949
Operating profit	**208 177**	134 276
Adjusted for:		
Depreciation and amortisation	**285 433**	260 317
Net credit losses on financial assets	**12 102**	1 060
Amortisation of capacity prepayments	**28 358**	19 985
Gain on disposal of property and equipment.	**(14)**	(413)
(Decrease)/increase in provision for inventory	**(1 361)**	659
Amortisation of government grant	**(20)**	(127)
Increase/(decrease) in legal, marketing and tax assessment disputes provisions	**661**	(2 272)
Cash flow from operations before working capital changes	**533 336**	413 485
Payment of capacity contracts	**(72 041)**	(4 645)
Increase/(decrease) in inventory	**470**	(993)
Increase in trade and other receivables	**(35 438)**	(9 668)
Increase in trade, mobile financial and other payables	**262 864**	244 908
Cash generated from operations	**689 191**	643 087

11. Contingent liabilities

Tax matters

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

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

The group continues to engage with the tax authority to resolve long-standing tax disputes and mitigate potential exposures.

Litigation and other claims contingencies

The Group is currently involved in various legal proceedings and has, in consultation with its legal counsel, assessed the possible/probable outcome of these proceedings. Following this assessment, the Group's management has determined that adequate provision has been made in respect of these legal proceedings as at year end.

The Group is subject to claims under contracts signed with other parties. Disputes can arise with other parties over the interpretation or application of contractual provisions. These disputes may not necessarily be resolved in a manner that is favourable to the Group, and the resolution of the disputes could result in an obligation to the Group. Management has assessed that no provision for claims is warranted as at year end.

12. Other matters

Regulatory Matters

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

13. Segments

In order to identify operating segments, management identifies components that engage in business activities from which it may earn revenue and incur expenses; whose operating results are regularly reviewed by the Group Executive Committee; and for which discrete financial information is available.

Based on management's analysis, there are no separate business segments for which discrete financial information, as required, is available. In addition, the Group operates within the same geographical area, the United Republic of Tanzania. Therefore, no separate geographical segments exist. Entity wide segment information is the same as that presented in the preliminary condensed consolidated financial statements. There is no revenue from transactions with a single external customer that amounts to 10% or more of the Group's revenue.

14. Fair value

During the year, the group entered into Forward exchange contracts (FEC) in a bid to mitigate the volatility in the foreign exchange market. As at 31 March 2025, the group had no open FECs. The amount of fair value adjustments recorded under net loss on foreign currency transactions is TZS 0.9 billion (March 2024: TZS 5.8 billion). The FECs would fall in level two in terms of fair value hierarchy under IFRS 13. Level two classification is used when valuation inputs used to determine fair value are observable for the asset/(liability), either directly as prices(being mid forward rates and spot rates) or indirectly when derived from prices.

The Group does not have any other financial instruments that required to be measured at fair value subsequent to initial recognition. The carrying amounts of the Group's financial instruments reasonably approximate their fair values due to the short-term nature of the instruments.

15. Events after the reporting period

The Board is not aware of any additional matter or circumstance arising since the end of the reporting period, not otherwise dealt with herein, which significantly affects the financial position of the Group or the results of its operations or cash flows for the period.

Supplementary information

Reconciliation of operating free cash flow and free cash flow

TZS m	2025	2024	% Change
	Twelve months ended 31 March		
Cash generated from operations	**689 191**	643 087	**7.2**
Government grant received[1]	**16 238**	14 456	**12.3**
Additions to property and equipment and intangible assets[2]	**(181 782)**	(179 916)	**(1.0)**
Payment of lease liabilities – Principal[1]	**(92 313)**	(87 070)	**(6.0)**
Interest paid on lease liabilities[1]	**(53 899)**	(47 774)	**(12.8)**
Amounts owed to M-Pesa account holders[3]	**(170 517)**	(219 383)	**22.3**
Proceeds from sale of property and equipment[1]	**–**	419	**n/a**
Operating free cash flow	**206 918**	123 819	**67.1**
Tax paid	**(39 858)**	(26 549)	**(50.1)**
Finance income received[1]	**7 169**	4 409	**62.6**
Interest received from M-Pesa deposits[1]	**38 947**	21 355	**82.4**
Interest paid to M-Pesa customers[1]	**(16 493)**	(19 596)	**15.8**
Interest paid on Foreign Exchange Contracts (FEC)[1]	**(876)**	(5 767)	**84.8**
Interest on bank overdrafts	**–**	(1 312)	**n/a**
Interest on license debt	**(384)**	(619)	**38.0**
Free cash flow	**195 423**	95 740	**104.1**

1 Extracted without adjustment from the preliminary condensed consolidated statement of cash flows for the period ended 31 March 2025.
2 For the period ending 31 March 2025, this amount excludes TZS 60.7 billion part payment for spectrum purchased through acquisition of Smile Communication Tanzania Limited. Similarly, for the period ended 31 March 2024, the amount excludes TZS 77.4 billion payment of final instalment of the spectrum acquired in the financial year ended 31 March 2023, and TZS 12.5 billion initial payment for acquisition of Smile Communication Tanzania Limited.
3 Relates to money held on behalf of M-Pesa customers, which is not available for use by the Company.

Non-IFRS information

The auditor's report does not necessarily cover all of the information contained in this announcement, which sets out the Preliminary consolidated financial results of Vodacom Tanzania Public Limited Company ('the Company') and its subsidiaries (together 'the Group') for the twelve months ended 31 March 2025. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the registered office of the Company. This announcement contains certain non-IFRS financial measures which have not been reviewed or reported on by the Group's auditors. The Group's management believes these measures provide valuable additional information in understanding the performance of the Group or the Group's businesses because they provide measures used by the Group to assess performance. However, this additional information presented is not uniformly defined by all companies, including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, although these measures are important in the management of the business, they should not be viewed in isolation or as replacements for or alternatives to, but rather as complementary to, the comparable IFRS measures. Refer to the 'Operating and financial review' section of this announcement for details relating to service revenue, EBITDA and earnings per share.

Trademarks

Vodafone, the Vodafone logo, M-Pesa, Connected Farmer, Vodafone Supernet, Vodafone Mobile Broadband, Vodafone WebBox, Vodafone Passport, Vodafone live!, Power to You, Vodacom, Vodacom 4 Less and Vodacom Change the World are trademarks of Vodafone Group Plc (or have applications pending). M-Kulima, M-Koba, Tuzo Points, Songesha and Wakala Songesha are trademarks of Vodacom Tanzania Public Limited. We also have an application pending for the registration of M-Wekeza. M-Pawa is jointly registered by Vodacom Tanzania PLC and NCBA Bank (formerly Commercial Bank of Africa (T) Limited). Other product and company names mentioned herein may be the trademarks of their respective owners.

Forward-looking statements

This announcement, which sets out the consolidated Preliminary results of the Group for the twelve months ended 31 March 2025, contains 'forward-looking statements', which have not been reviewed or reported on by the Group's auditors, with respect to the Group's financial condition, results of operations and businesses and certain information relating to the Group's plans and objectives. In particular, such forward-looking statements include statements relating to: The Group's future performance; future capital expenditures, acquisitions, divestitures, expenses, revenues, financial conditions, dividend policy, and future prospects; business and management strategies relating to the expansion and growth of the Group; the effects of regulation of the Group's business by the government in the country in which it operates; the Group's expectations as to the launch and roll out dates for products, services or technologies; expectations regarding the operating environment and market conditions; growth in customers and usage; and the rate of dividend growth by the Group.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "will", "anticipates", "aims", "could", "may", "should", "expects", "believes", "intends", "plans" or "targets" (including in their negative form).

By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, the following: changes in economic or political conditions in markets served by operations of the Group; greater than anticipated competitive activity; higher than expected costs or capital expenditures; slower than expected customer growth and reduced customer retention; changes in the spending patterns of new and existing customers; the Group's ability to expand its spectrum position or renew or obtain necessary licences; the Group's ability to achieve cost savings; the Group's ability to execute its strategy in fibre deployment, network expansion, new product and service roll-outs, mobile data, Enterprise, 4G and 5G network expansion; changes in foreign exchange rates, as well as changes in interest rates; the Group's ability to realise benefits from entering into partnerships or joint ventures and entering into service franchising and brand licensing; unfavourable consequences to the Group of making and integrating acquisitions or disposals; changes to the regulatory framework in which the Group operates; the impact of legal or other proceedings; loss of suppliers or disruption of supply chains; developments in the Group's financial condition, earnings and distributable funds and other factors that the Board takes into account when determining levels of dividends; the Group's ability to satisfy working capital and other requirements; changes in statutory tax rates or profit mix; and/or changes in tax legislation or final resolution of open tax issues. All subsequent written or oral forward-looking statements attributable to the Company, to any member of the Group or to any persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this document will be realised. Subject to compliance with applicable law and regulations, the Company does not intend to update these forward-looking statements and does not undertake any obligation to do so.

Corporate information

Vodacom Tanzania Public Limited Company

(Incorporated in the United Republic of Tanzania)
Registration number: 38501
(ISIN: TZ1996102715 Share Code: VODA)

Directors

D Tarimo[1] (Chairman), P Besiimire (MD)[2], H Bujiku (FD)[3], D Kastelic[4], K Mutooni[5], M Ikongo[3], M Mbungela[6], N Nyoka[6], R Morathi[6], H Ammar[7], T Semane[6]

1 British 2 Ugandan 3 Tanzanian 4 Slovanian
5 Kenyan 6 South African 7 Egyptian

Company secretary

Caroline Mduma

Registered office

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Transfer secretary

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Sponsoring licenced dealing member

Orbit Securities Company Limited

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Zuweina Farah

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