



# Quarterly report

for the period ended 31 December 2025

## Chief Executive Officer's review

Philip Besimire



Dear shareholders,

It is my pleasure to present to you Vodacom Tanzania's trading update for the third quarter of our financial year, which brought us to the end of calendar year 2025.

Our performance in the quarter reflected an unwavering focus on connecting Tanzanians for a better future. We fulfil our purpose through three pillars – empowering people, protecting the planet and maintaining trust in everything we do.

We pursued our goal of **empowering** communities by driving digital inclusion and broadening access to our connectivity services, which has had a meaningful impact on society.

By collaborating with our strong network of strategic business partners, we promoted **financial inclusion** and helped bridge the **digital financial divide** through our impactful M-Pesa products.

Our **capital expenditure** for the first nine months of this financial year reached TZS230.5 billion, marking a clear acceleration from the prior year. This investment was largely directed to network and IT infrastructure modernisation, and already exceeds the investment of TZS175.0 billion we made during the entire FY2025. This highlights our strong commitment to empowering Tanzanians by broadening our network coverage and capacity and enables us to reach more customers and deliver better customer experience, which in turn supports our business performance.

In the quarter we executed the first phase of our US\$100 million network modernisation program. Launched in the first quarter, we have completed the modernisation of more than 1 800 sites across a dozen regions in the country. This is in addition to the 15 new 5G sites and 332 new 4G sites added in the previous three quarters – all contributing to a 13.7% year-on-year increase in our 4G sites.

Our strong **commercial execution and investment** supported an increase in number of customers accessing our services, with our customer base growing 18.0% to 26.0<sup>1</sup> million. Data and M-Pesa customers also grew strongly at 14.1% and 17.1%, respectively, with smartphone users on our network rising by more than 25%. Data usage on our network grew by 17.7%, with the volume and value of M-Pesa transactions both increasing nearly 30%. These growth rates reflect the contribution of our business in bridging the digital divide in Tanzania, and the role we play in supporting economic development through provision of access to communication and mobile financial services. Our services provide Tanzanians with enhanced access to information and opportunities in the digital world.

We play a critical role in driving **financial inclusion** by facilitating access to the financial services via our M-Pesa products, especially to the Tanzanians who would otherwise be left out of the formal banking system. The breadth of our services, including those provided in collaboration with our partners in M-Pesa, is significantly changing lives in Tanzania.

- We facilitated short-term **digital lending solutions** through our products – Songesha and short-term loans to both individual customers and small businesses, including the agents and merchants within our distribution network. These products enabled seamless completion of transactions and provided SMEs with convenient access to essential working capital. All these facilities are aimed at empowering our customers by easing their short-term financial challenges. During the quarter, millions of customers and thousands of businesses benefited from digital loans totalling more than TZS800 billion, marking a strong increase in the number of beneficiaries, with loans advanced to individual customers growing by nearly 15%.
- Our **M-Koba** platform remained a strong driving force for societal financial inclusion, particularly among women who process the largest share of value transacted in M-Koba. Over the years, M-Koba has transformed group savings in Tanzania, by providing its participating members with unparalleled security and transparency features in controlling their transactions. In the quarter, the service maintained its strong growth momentum, as evidenced by a near 80% growth in total savings.

- We are pleased with a strong acceptance of our **wealth management product M-Wekeza**. Having launched the service just 13 months ago, a total investment by customers has surpassed TZS 200 billion. This service provides our customers with economically empowering access to investment opportunities in the financial markets through our partner fund manager, Sanlam Investments East Africa. M-Wekeza offers a savings account and personal investment platform, with features that differentiate it with comparable products. For example, it accepts the lowest minimum investment in the market, which starts at just TZS1 000.
- Our **digital payment platform**, Lipa Kwa M-Pesa, continued to play a significant role in supporting trade. During the quarter, the merchant base grew 35.8%, with transactions' value and customers continuing to grow strongly. Lipa Kwa M-Pesa is significantly contributing to economic growth by supporting trade through simplification of payments and collections for customers and traders respectively.

From a **financial performance perspective**, we sustained strong double-digit growth in service revenue, underpinned by growth in customers and an improved average revenue per customer. M-Pesa and data services grew at 18.6% and 27.4%, respectively, reflecting an increased uptake of our M-Pesa services and increased data usage supported by the substantial investment in network. M-Pesa and data services contributed significantly to the 19.8% overall service revenue growth.

Our ongoing commitment to unlocking shareholder value has delivered positive momentum. As noted in our results for the six month period ended 30 September 2025, the execution of our network modernisation has led to temporary increases in operating expenses and accelerated depreciation of the replaced equipment. Additionally, we had an impact of TZS14.5 billion increase in foreign exchange loss. These additional costs, impacted our overall profitability, resulting in a 33.4% decline in reported net profit after tax compared to the previous year. If we exclude these additional costs, our underlying net profit after tax grew 37.9% to reach TZS58.5 billion. This performance was driven by growth in service revenue and effective cost management, which delivered around TZS29 billion cost savings in the quarter.

**I am looking forward** to us delivering a strong finish to FY2026, supported by our hardworking and committed workforce and business partners.

As we strive to connecting Tanzanians for a better future and provide our customers with an unmatched service experience that will support our long run business growth, investment in our technological infrastructure complemented by our initiatives in increasing smartphone adoption remains a strategic priority.

Our continued investment in network and IT infrastructure is expected to support our commercial momentum, which together with disciplined cost management, will enhance shareholders' returns. Looking to the medium term, I remain confident that although our ongoing network modernisation programme affects our profitability from its near-term investment costs, it promises strong prospects for the future.

We will maintain our unwavering commitment to customers' personal data security and privacy, while safeguarding our network and platforms against cyber-attacks. Plus, we will also actively engage with various stakeholders to support existence of conducive external environment, that will facilitate us with an opportunity to execute effectively and independently on our strategy.

I wish you all a prosperous new year 2026.

Thank You  
Philip Besimire

### Salient features for the quarter



Customer growth of  
**18.0%**



Data customer increase of  
**14.1%**



M-Pesa customers growth of  
**17.1%**



Over  
**25%**  
increase in smartphone users over the last twelve months



Capital expenditure  
**TZS79.7 billion**



Service revenue growth of  
**19.8%**



EBITDA up  
**24.7%**  
with 1.5pp margin expansion

### Summary of financials ( unaudited)

TZS m	Quarter 3 December 2025	Quarter 3 December 2024	Reported YoY %	Underlying* YoY %
<b>Service revenue</b>	<b>477 509</b>	398 551	19.8	
Revenue	<b>484 046</b>	404 205	19.8	
<b>EBITDA</b>	<b>184 959</b>	148 287	24.7	27.0
Operating profit	<b>79 331</b>	75 822	4.6	41.3
Net profit after tax	<b>35 515</b>	53 353	(33.4)	3.0
<b>Operating free cash flow</b>	<b>49 894</b>	43 411	14.9	22.7
Capital expenditure	<b>79 651</b>	28 568	178.8	
EBITDA margin (%)	<b>38.2</b>	36.7	+1.5pp	+2.2pp
Operating profit margin (%)	<b>16.4</b>	18.8	(2.4)pp	+3.4pp
Net profit margin (%)	<b>7.3</b>	13.2	(5.9)pp	(1.8)pp

\* Excluding incremental costs and additional depreciation associated with the radio access network modernisation program. These transitional expenses are expected to last within 2 years, in line with the project implementation.

Note: The quarterly information has not been audited or reviewed by the Group's external auditors.



## Unaudited condensed statement of profit or loss and other comprehensive income

for the quarter ended 31 December 2025

TZS m	GROUP		COMPANY	
	Quarter 3 Dec 2025	Quarter 3 Dec 2024	Quarter 3 Dec 2025	Quarter 3 Dec 2024
Revenue	484 046	404 205	318 571	284 591
Direct expenses	(147 936)	(131 064)	(75 464)	(64 061)
<b>Operating expenses</b>	<b>(148 293)</b>	<b>(123 807)</b>	<b>(117 348)</b>	<b>(99 809)</b>
Staff expenses	(22 178)	(20 916)	(15 204)	(14 954)
Publicity expenses	(9 855)	(9 033)	(4 167)	(4 703)
Tower lease and maintenance costs	(38 606)	(38 627)	(38 606)	(38 627)
Other operating expenses	(75 694)	(66 219)	(57 486)	(51 414)
Net (loss)/gain on foreign currency transactions	(1 960)	10 988	(1 885)	9 889
<b>Depreciation and amortisation</b>	<b>(105 664)</b>	<b>(72 473)</b>	<b>(104 268)</b>	<b>(70 776)</b>
<b>Net credit losses on financial assets</b>	<b>(2 822)</b>	<b>(1 039)</b>	<b>(2 822)</b>	<b>(1 031)</b>
<b>Operating profit</b>	<b>79 331</b>	<b>75 822</b>	<b>18 669</b>	<b>48 914</b>
Finance income	18 060	12 499	1 783	603
Dividend income	–	–	71 287	25 377
Finance costs	(40 051)	(24 402)	(25 150)	(13 135)
Net (loss)/gain on foreign currency transactions	(1 532)	129	(1 755)	3 008
<b>Profit before tax</b>	<b>55 808</b>	<b>64 048</b>	<b>64 834</b>	<b>64 767</b>
Income tax expense	(20 293)	(10 695)	(1 494)	(2 691)
<b>Net profit</b>	<b>35 515</b>	<b>53 353</b>	<b>63 340</b>	<b>62 076</b>
<b>Attributable to:</b>				
Equity shareholders	35 471	53 336	–	–
Non-controlling interests	44	17	–	–

## Unaudited condensed statement of financial position as at 31 December 2025

TZS m	GROUP		COMPANY	
	Quarter 3 Dec 2025	Quarter 3 Dec 2024	Quarter 3 Dec 2025	Quarter 3 Dec 2024
<b>Assets</b>				
<b>Non-current assets</b>	<b>1 671 220</b>	<b>1 295 358</b>	<b>1 643 879</b>	<b>1 266 654</b>
Goodwill	1 639	1 639	–	–
Property and equipment	542 502	619 072	538 470	614 849
Right of use assets	562 950	258 710	562 950	258 710
Intangible assets	343 695	265 112	325 122	245 816
Capacity prepayments	118 771	60 182	118 771	60 182
Trade and other receivables	16 583	9 704	14 024	8 904
Income tax receivables	35 336	37 320	34 298	34 298
Deferred tax assets	48 648	42 523	48 648	42 299
Other Investments	1 096	1 096	1 096	1 096
Investment in subsidiary	–	–	500	500
<b>Current assets</b>	<b>1 701 070</b>	<b>1 275 343</b>	<b>366 228</b>	<b>298 351</b>
Capacity prepayments	20 605	16 839	20 605	16 839
Inventories	2 746	5 950	2 746	5 950
Trade and other receivables	169 100	182 232	160 395	183 266
Government grant receivables	11 748	2 458	11 748	2 458
Income tax receivables	39 453	25 772	35 924	22 243
Mobile financial deposits	1 196 303	888 567	–	–
Cash and cash equivalents	261 115	153 525	134 810	67 595
<b>Total assets</b>	<b>3 372 290</b>	<b>2 570 701</b>	<b>2 010 107</b>	<b>1 565 005</b>
<b>Equity and liabilities</b>				
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	366 177	339 393	270 934	282 294
Equity attributable to the owners of the parent	948 310	921 526	853 067	864 427
Non-controlling interest	84	69	–	–
<b>Total equity</b>	<b>948 394</b>	<b>921 595</b>	<b>853 067</b>	<b>864 427</b>
<b>Non current liabilities</b>	<b>634 573</b>	<b>257 473</b>	<b>634 323</b>	<b>257 473</b>
Lease liabilities	600 165	244 791	600 165	244 791
Licence payable classified as debt	14 487	–	14 487	–
Other financial liabilities	9 355	5 610	9 355	5 610
Deferred tax liabilities	250	–	–	–
Provision	10 316	7 072	10 316	7 072
<b>Current liabilities</b>	<b>1 789 323</b>	<b>1 391 633</b>	<b>522 717</b>	<b>443 105</b>
Lease liabilities	71 216	101 899	71 216	101 899
Licence payable classified as debt	5 339	–	5 339	–
Other financial liabilities	6 478	2 040	6 478	2 040
Trade and other payables	488 340	390 064	430 142	333 849
Mobile financial payables	1 196 303	888 567	–	–
Income tax payables	12 396	3 587	542	81
Government grants	852	9	852	9
Provisions	7 533	5 186	7 282	4 971
Dividend payables	866	281	866	256
<b>Total liabilities</b>	<b>2 423 896</b>	<b>1 649 106</b>	<b>1 157 040</b>	<b>700 578</b>
<b>Total equity and liabilities</b>	<b>3 372 290</b>	<b>2 570 701</b>	<b>2 010 107</b>	<b>1 565 005</b>

## Unaudited condensed statement of changes in equity for the quarter ended 31 December 2025

TZS m	Share capital	Share premium	Capital contribution	Retained earnings	Equity attributable to owners of Parent	Non controlling interest	Total
<b>GROUP</b>							
<b>At 1 October 2025</b>	<b>112 000</b>	<b>442 435</b>	<b>27 698</b>	<b>330 706</b>	<b>912 839</b>	<b>111</b>	<b>912 950</b>
Total comprehensive income for the period	–	–	–	35 471	35 471	44	35 515
<b>Transaction with owners:</b>							
Dividend declared	–	–	–	–	–	(71)	(71)
<b>At 31 December 2025</b>	<b>112 000</b>	<b>442 435</b>	<b>27 698</b>	<b>366 177</b>	<b>948 310</b>	<b>84</b>	<b>948 394</b>
<b>At 1 October 2024</b>	<b>112 000</b>	<b>442 435</b>	<b>27 698</b>	<b>286 082</b>	<b>868 215</b>	<b>52</b>	<b>868 267</b>
Total comprehensive income for the period	–	–	–	53 336	53 336	17	53 353
<b>Transaction with owners:</b>							
Dividend declared	–	–	–	(25)	(25)	–	(25)
<b>At 31 December 2024</b>	<b>112 000</b>	<b>442 435</b>	<b>27 698</b>	<b>339 393</b>	<b>921 526</b>	<b>69</b>	<b>921 595</b>
<b>COMPANY</b>							
<b>At 1 October 2025</b>	<b>112 000</b>	<b>442 435</b>	<b>27 698</b>	<b>207 594</b>	<b>–</b>	<b>–</b>	<b>789 727</b>
Total comprehensive loss for the period	–	–	–	63 340	–	–	63 340
<b>Transaction with owners:</b>							
Dividend declared	–	–	–	–	–	–	–
<b>At 31 December 2025</b>	<b>112 000</b>	<b>442 435</b>	<b>27 698</b>	<b>270 934</b>	<b>–</b>	<b>–</b>	<b>853 067</b>
<b>At 1 October 2024</b>	<b>112 000</b>	<b>442 435</b>	<b>27 698</b>	<b>220 218</b>	<b>–</b>	<b>–</b>	<b>802 351</b>
Total comprehensive income for the period	–	–	–	62 076	–	–	62 076
<b>Transaction with owners:</b>							
Dividend declared	–	–	–	–	–	–	–
<b>At 31 December 2024</b>	<b>112 000</b>	<b>442 435</b>	<b>27 698</b>	<b>282 294</b>	<b>–</b>	<b>–</b>	<b>864 427</b>

## Unaudited condensed statement of cash flow for the quarter ended 31 December 2025

TZS m	GROUP		COMPANY	
	Quarter 3 Dec 2025	Quarter 3 Dec 2024	Quarter 3 Dec 2025	Quarter 3 Dec 2024
<b>Cash flow from operating activities</b>				
Cash generated from operations	321 518	200 153	138 930	117 477
Income taxes paid	(37 361)	(7 804)	(8 593)	(3 130)
<b>Net cash generated from operating activities</b>	<b>284 157</b>	<b>192 349</b>	<b>130 337</b>	<b>114 347</b>
<b>Cash flow from investing activities</b>				
Additions to property and equipment and intangible assets	(87 304)	(79 678)	(87 304)	(77 165)
Asset acquisition	(762)	(1 096)	–	(1 096)
Acquisition of a subsidiary	–	–	(762)	–
Finance income received	3 152	1 225	1 783	603
Dividend income received	–	–	71 287	25 377
Cash held in restricted deposits	(131 799)	(67 646)	–	–
Interest received from M-Pesa deposits	14 908	11 274	–	–
<b>Net cash used in investing activities</b>	<b>(201 805)</b>	<b>(135 921)</b>	<b>(14 996)</b>	<b>(52 281)</b>
<b>Cash flow from financing activities</b>				
Dividends paid	(44 841)	(26 747)	(44 726)	(26 711)
Payment of lease liabilities – principal	(27 977)	(33 566)	(27 977)	(33 566)
Payment of lease liabilities – interest	(24 091)	(12 600)	(24 091)	(12 600)
Settlement of derivative financial liabilities	(819)	(154)	(819)	(154)
Principal payment of other financial liabilities	(434)	–	(434)	–
Withholding tax paid on shareholder's loan	(5 713)	–	(5 713)	–
Interest payment on other financial liabilities	(144)	(35)	(144)	(35)
Interest paid to M-Pesa customers	(15 359)	(1 845)	–	–
<b>Net cash used in financing activities</b>	<b>(119 378)</b>	<b>(74 947)</b>	<b>(103 904)</b>	<b>(73 066)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(37 026)</b>	<b>(18 519)</b>	<b>11 437</b>	<b>(11 000)</b>
Cash and cash equivalents at the beginning of the quarter	298 010	179 598	123 466	83 271
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	131	(7 554)	(93)	(4 676)
<b>Cash and cash equivalents at the end of the quarter</b>	<b>261 115</b>	<b>153 525</b>	<b>134 810</b>	<b>67 595</b>

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

The quarterly unaudited condensed consolidated and separate financial statements were approved and authorised for issue by the Board of Directors on 22 January 2026 and were signed on its behalf by:



**Philip Besiimire**  
Chief Executive Officer



**Hilda Bujiku**  
Finance Director

Issued pursuant to Section 53 of the Dar es Salaam Stock Exchange Rules 2022.

### Disclaimer

### 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 update which sets out the quarterly results for Vodacom Tanzania Public Limited Company for the three months ended 31 December 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 of 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 businesses by governments in the countries 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'. 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 will occur in the future, involve known and unknown risks, uncertainties and other facts or factors which may cause the actual results, performance or achievements of the Group, or its industry to be materially different from any results, performance or achievement expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future performance and are based on assumptions regarding the Group's present and future business strategies and the environments in which it operates now and in the future.

All subsequent oral or written forward-looking statements attributable to the Group or any member thereof or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statements above and below. Vodacom expressly disclaims any liability in respect of the content of any forward-looking statement and expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein or to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such forward-looking statement is based.