Vodacom Tanzania Public Limited Company

Quarterly report
for the quarter ended 30 June 2026

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
(Vodacom Tanzania or the Company)

Together we can

Chief Executive Officer's review

PHILIP BESIIMIRE

Dear shareholders,

I am pleased to report a strong start to financial year 2027, underpinned by disciplined execution of our strategy and sustained investment in our network and digital capabilities, supporting good commercial momentum.

During the quarter, we executed on key strategic initiatives, including the successful modernisation of our M-Pesa platform and continued progress with our radio access network (RAN) modernisation programme. These investments are delivering tangible outcomes, enhancing our ability to innovate at scale, broaden access to financial services and accelerate financial inclusion across Tanzania, while creating a strong platform for future growth.

A key highlight of the quarter was the successful completion of the M-Pesa platform modernisation programme, which commenced in the previous financial year. This transition from the legacy system to a next-generation financial technology platform represents an important strategic milestone, strengthening our ability to broaden access to digital financial services and deepen financial inclusion across Tanzania. This next-generation platform enhances scalability, resilience and transaction security, enabling faster and more reliable processing while materially increasing transaction capacity compared with the legacy system. The upgraded M-Pesa platform sets us up for scaling our financial services offerings more efficiently and supports the digitalisation of Tanzania's economy.

During the period, we continued with radio access network modernisation and broadband coverage expansion with a total capital investment of TZS123.2 billion, nearly double the level of investment in the prior year. These investments are fundamental to sustaining data growth and extending connectivity, reinforcing our role in advancing Tanzania's digital inclusion agenda.

Our purpose of connecting for a better future remained firmly anchored on three execution pillars of empowering people, protecting the planet, and maintaining trust. Investment in network and platforms continued to widen access to connectivity and digital financial services, **bridging the digital divide** by enabling more Tanzanians to participate in the digital economy. M-Pesa remained central to our financial inclusion agenda, expanding access to secure, convenient and affordable financial services for millions of consumers, small businesses and communities, and enabling them to transact, save, invest and grow.

I am pleased with the progress made during the quarter in empowering people by deepening financial inclusion through adoption of our diverse products in M-Pesa ecosystem:

- **M-Koba** continued to drive communal savings, particularly among women and informal groups. Total savings grew by more than 60%[1], with 1.5 million users enjoying convenience, transparency and the security of group savings through M-Koba.
- Our **digital lending solutions** continued to support customer liquidity, with quarterly disbursements approaching TZS1 trillion and growing by 16.5%. SMEs accounted for more than half of total loans disbursed, with SME lending growing by 22.5% year-on-year. This reflects the growing role of our digital lending facilities in supporting small business resilience, through flexible access to working capital in partnership with our strategic partner banks.
- **M-Wekeza** continued to gain strong traction as an accessible investment platform, supported by growing customer adoption and higher investment activity. Monthly gross investment exceeded TZS50 billion, nearly tripling year-on-year. We also extended the service to merchants, enabling them to invest surplus working capital more easily and further supporting financial discipline and wealth creation across our ecosystem.
- Our **merchant** platform continued to scale, with the active merchant base increasing by 25.2% to more than 650 000. Transaction value grew by more than 40% to exceed TZS2 trillion per month, reflecting an increased uptake of this service by both customers and businesses. This growth underscores the structural shift towards digital payments and our role in supporting Tanzania's transition to a cashless economy.

Financially, we delivered a strong set of results for the quarter. **Service revenue** grew by 21.7% to TZS510.9 billion, driven by continued momentum in data and M-Pesa services, which grew by 26.3% and 26.0%, respectively. **EBITDA** increased by 37.0%, with the margin expanding by 5.3 percentage points to 38.3%, reflecting strong revenue growth and continued efficiency gains. **Operating profit** increased by 174.4%, while **net profit** after tax more than quadrupled to TZS47.3 billion, supported by strong operating performance and a lower comparative base following temporary RAN modernisation costs in the prior year. These results demonstrate the strength, resilience and scalability of our business.

This strong financial performance was supported by solid commercial execution and continued customer growth. Our customer base[2] grew by 21.6% to 28.6 million, underpinned by increased adoption of M-Pesa and data services, where customers grew by 15.5% and 16.0%, respectively. Smartphone adoption also continued to strengthen, with smartphone users increasing by 23.0%. This momentum reflects sustained investment in broadband coverage and partnership-led initiatives to broaden access to affordable smart devices through strategic trade partnerships.

Looking ahead, we are confident in our growth trajectory for the remainder of the financial year, while staying mindful of volatility in the external environment. We will continue to invest in broadband coverage, RAN modernisation and digital financial services capabilities to support service quality, innovation and long-term competitiveness. The M-Pesa platform modernisation, together with the ongoing RAN modernisation programme, provides a strong foundation to support future growth, enhance customer experience and unlock further opportunities across our connectivity and financial services portfolio.

We are encouraged by the opportunities ahead as we deepen our role in Tanzania's digital and financial ecosystem. Our focus is on delivering long-term value to customers, communities and shareholders, supported by a committed workforce and strong partnerships. While the operating environment continues to evolve, our resilient strategy positions us well to navigate market dynamics, execute on our strategic priorities and deliver sustainable growth.

I would like to extend my sincere appreciation to our customers for their continued trust, and to our employees and partners for their dedication and commitment.

Thank you
Philip Besiimire

1 Unless otherwise specified, all percentage growth/decline in this report are year-on-year growths comparing quarter to June 2026 against quarter to June 2025.
2 In this report, unless otherwise specified, customers are reported in accordance with Vodacom Group definition of a customer.

Salient features for the quarter

Customers **+21.6%**

M-Pesa customers **+15.5%**

Data customers **+16.0%**

Service revenue **+21.7%**

Net profit after tax **TZS47.3 billion** **>+200%**

Operating free cash flow **TZS18.0 billion** **>+200%**

Capital expenditure of **TZS123.2 billion, +94.6%**

Summary of financials

TZS m – unless otherwise stated	Quarter 1 June 2026	Quarter 1 June 2025	YoY%
Service revenue	510 897	419 899	21.7
Revenue	515 294	435 857	18.2
EBITDA	197 264	144 020	37.0
EBITDA margin (%)	38.3	33.0	+5.3pp
Operating profit	105 848	38 579	174.4
Operating profit margin (%)	20.5	8.9	+11.6pp
Net profit after tax	47 346	8 507	>200
Net profit margin (%)	9.2	2.0	+7.2pp
Operating free cash flow	17 993	(13 848)	>200
Capital expenditure	123 200	63 322	94.6

Unaudited condensed statement of profit or loss and other comprehensive income

for the quarter ended 30 June 2026

TZS m	GROUP Quarter 1 Jun 2026	GROUP Quarter 1 Jun 2025	COMPANY Quarter 1 Jun 2026	COMPANY Quarter 1 Jun 2025
Revenue	**515 294**	435 857	**328 342**	287 427
Direct expenses	**(152 205)**	(131 358)	**(71 218)**	(66 314)
Operating expenses	**(148 293)**	(123 807)	**(117 348)**	(99 809)
Staff expenses	**(24 254)**	(22 559)	**(17 318)**	(16 409)
Publicity expenses	**(10 702)**	(11 765)	**(4 479)**	(6 831)
Tower lease and maintenance costs	**(39 019)**	(35 989)	**(39 019)**	(35 989)
Other operating expenses	**(86 396)**	(84 267)	**(63 450)**	(65 009)
Net loss on foreign currency transactions	**(2 416)**	(3 992)	**(2 232)**	(3 797)
Depreciation and amortisation	**(91 472)**	(105 486)	**(90 382)**	(103 995)
Net credit losses on financial assets	**(2 981)**	(1 862)	**(2 983)**	(1 859)
Operating profit/(loss)	**105 849**	38 579	**37 261**	(12 776)
Finance income	**21 145**	15 703	**1 807**	2 657
Dividend income	**–**	–	**76 737**	43 414
Finance costs	**(49 234)**	(36 745)	**(31 824)**	(24 900)
Net (loss)/gain on foreign currency transactions	**(2 825)**	385	**(2 995)**	769
Profit before tax	**74 935**	17 922	**80 986**	9 164
Income tax (expense)/credit	**(27 589)**	(9 415)	**(6 214)**	6 768
Net profit	**47 346**	8 507	**74 772**	15 932
Attributable to:				
Equity shareholders	**47 296**	8 471	**–**	–
Non-controlling interests	**50**	36	**–**	–

Unaudited condensed statement of financial position

as at 30 June 2026

TZS m	GROUP Quarter 1 Jun 2026	GROUP Quarter 1 Jun 2025	COMPANY Quarter 1 Jun 2026	COMPANY Quarter 1 Jun 2025
Assets				
Non-current assets	**2 000 108**	1 604 031	**1 972 927**	1 576 718
Goodwill	**1 639**	1 639	**–**	–
Property and equipment	**647 257**	539 775	**644 754**	534 796
Right of use assets	**790 430**	590 734	**790 430**	590 734
Intangible assets	**317 530**	294 866	**305 028**	274 471
Capacity prepayments	**126 724**	90 068	**126 724**	90 068
Trade and other receivables	**22 537**	9 882	**13 158**	9 082
Income tax receivables	**35 422**	34 298	**34 298**	34 298
Deferred tax assets	**57 473**	41 673	**56 939**	41 673
Other Investments	**1 096**	1 096	**1 096**	1 096
Investment in subsidiary	**–**	–	**500**	500
Current assets	**1 890 145**	1 483 458	**397 815**	361 929
Capacity prepayments	**19 810**	15 192	**19 810**	15 192
Inventories	**5 881**	6 593	**5 881**	6 593
Trade and other receivables	**119 371**	142 468	**192 474**	185 895
Government grant receivables	**10 034**	11 870	**10 034**	11 870
Income tax receivables	**38 413**	29 650	**34 885**	26 122
Mobile financial deposits	**1 335 102**	1 009 628	**–**	–
Cash and cash equivalents	**361 534**	268 057	**134 731**	116 257
Total assets	**3 890 253**	3 087 489	**2 370 742**	1 938 647
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	**443 385**	342 842	**334 590**	262 282
Equity attributable to the owners of the parent	**1 025 518**	924 975	**916 723**	844 415
Non-controlling interest	**98**	68	**–**	–
Total equity	**1 025 616**	925 043	**916 723**	844 415
Non current liabilities	**901 797**	649 163	**901 797**	648 957
Lease liabilities	**872 786**	628 203	**872 786**	628 203
Other financial liabilities	**16 306**	12 546	**16 306**	12 546
Deferred tax liabilities	**–**	206	**–**	–
Provisions	**12 705**	8 208	**12 705**	8 208
Current liabilities	**1 962 840**	1 513 283	**552 222**	445 275
Lease liabilities	**65 331**	69 320	**65 331**	69 320
Other financial liabilities	**19 899**	5 815	**19 899**	5 815
Trade and other payables	**508 995**	416 251	**436 873**	364 649
Derivative financial liabilities	**1 696**	–	**1 696**	–
Mobile financial payables	**1 335 102**	1 009 628	**–**	–
Income tax payables	**6 903**	7 343	**3 837**	2 171
Government grants	**3 961**	852	**3 961**	852
Provisions	**20 398**	3 781	**20 146**	2 218
Dividend payables	**555**	293	**479**	250
Total liabilities	**2 864 637**	2 162 446	**1 454 019**	1 094 232
Total equity and liabilities	**3 890 253**	3 087 489	**2 370 742**	1 938 647

Unaudited condensed statement of changes in equity

for the quarter ended 30 June 2026

TZS m	Share capital	Share premium	Capital contribution	Retained earnings	Equity attributable to owners of Parent	Non contro-lling Interest	Total
GROUP							
At 1 April 2026	**112 000**	**442 435**	**27 698**	**396 089**	**978 222**	**125**	**978 347**
Total comprehensive income for the period	**–**	**–**	**–**	**47 296**	**47 296**	**50**	**47 346**
Transaction with owners:							
Dividend declared	**–**	**–**	**–**	**–**	**–**	**(77)**	**(77)**
At 30 June 2026	**112 000**	**442 435**	**27 698**	**443 385**	**1 025 518**	**98**	**1 025 616**
At 1 April 2025	112 000	442 435	27 698	334 371	916 504	75	916 579
Total comprehensive income for the period	–	–	–	8 471	8 471	36	8 507
Transaction with owners:							
Dividend declared	–	–	–	–	–	(43)	(43)
At 30 June 2025	112 000	442 435	27 698	342 842	924 975	68	925 043
COMPANY							
At 1 April 2026	**112 000**	**442 435**	**27 698**	**259 818**	**–**	**–**	**841 951**
Total comprehensive income for the period	**–**	**–**	**–**	**74 772**	**–**	**–**	**74 772**
Transaction with owners:							
Dividend declared	–	–	–	–	–	–	–
At 30 June 2026	**112 000**	**442 435**	**27 698**	**334 590**	**–**	**–**	**916 723**
At 1 April 2025	112 000	442 435	27 698	246 350	–	–	828 483
Total comprehensive income for the period	–	–	–	15 932	–	–	15 932
Transaction with owners:							
Dividend declared	–	–	–	–	–	–	–
At 30 June 2025	112 000	442 435	27 698	262 282	–	–	844 415

Unaudited condensed statement of cash flow

for the quarter ended 30 June 2026

TZS m	GROUP Quarter 1 Jun 2026	GROUP Quarter 1 Jun 2025	COMPANY Quarter 1 Jun 2026	COMPANY Quarter 1 Jun 2025
Cash flow from operating activities				
Cash generated from/(used in) operations	**300 616**	179 958	**49 230**	(2 940)
Income taxes paid	**(25 249)**	(19 144)	**(7 286)**	(5 684)
Net cash generated from/(used in) operating activities	**275 367**	160 814	**41 944**	(8 624)
Cash flow from investing activities				
Additions to property and equipment and intangible assets	**(124 426)**	(49 105)	**(124 426)**	(49 105)
Proceeds from sale of property and equipment	**57**	43	**57**	43
Finance income received	**3 727**	3 724	**1 807**	2 657
Dividend income received	**–**	–	**76 737**	43 414
Cash held in restricted deposits	**(108 954)**	(86 393)	**–**	–
Interest received from M-Pesa deposits	**17 417**	11 979	**–**	–
Net cash used in investing activities	**(211 436)**	(119 752)	**(45 082)**	(2 991)
Cash flow from financing activities				
Dividends paid	**(398)**	(27)	**(398)**	(2)
Payment of lease liabilities – principal	**(29 166)**	(36 500)	**(29 166)**	(36 500)
Payment of lease liabilities – interest	**(30 628)**	(24 385)	**(30 628)**	(24 385)
Settlement of derivative financial liabilities	**(96)**	(93)	**(96)**	(93)
Principal payment of other financial liabilities	**(440)**	(35)	**(440)**	(35)
Withholding tax paid on shareholder's loan	**–**	(799)	**–**	(799)
Interest payment on other financial liabilities	**(126)**	(188)	**(126)**	(188)
Interest paid to M-Pesa customers	**(6 947)**	(9 311)	**–**	–
Net cash used in financing activities	**(67 801)**	(71 338)	**(60 854)**	(62 002)
Net decrease in cash and cash equivalents	**(3 870)**	(30 276)	**(63 992)**	(73 617)
Cash and cash equivalents at the beginning of the quarter	**365 577**	298 467	**198 983**	189 624
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	**523**	(134)	**353**	250
Cash and cash equivalents at the end of the quarter	**362 230**	268 057	**135 344**	116 257

These quarterly financial statements have been prepared using accounting policies that are consistent with those adopted in the preceding audited annual financial statements.

The quarterly unaudited condensed consolidated and separate financial statements were approved and authorised for issue by the Board of Directors on 14 July 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

Forward-looking statements

This update which sets out the quarterly results for Vodacom Tanzania Public Limited Company for the three months ended 30 June 2026, contains 'forward-looking statements', which have not been reviewed or reported on by the Group's auditors, with respect to the Group's financial condition, results of operations and businesses and certain 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.