

# Quarterly report

## for the quarter ended 30 September 2023

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

Together we can



# Condensed statement of profit or loss and other comprehensive income

## for the quarter ended 30 September 2023

TZS m	Group		Company	
	Quarter 2		Quarter 2	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Revenue	322 769	272 525	233 857	207 065
Direct expenses	(105 844)	(91 297)	(55 035)	(51 322)
<b>Operating expenses</b>	<b>(113 083)</b>	<b>(96 159)</b>	<b>(92 278)</b>	<b>(78 962)</b>
Staff expenses	(19 030)	(15 723)	(14 157)	(11 181)
Publicity expenses	(9 190)	(8 911)	(5 202)	(4 887)
Tower lease and maintenance costs	(34 579)	(28 826)	(34 579)	(28 826)
Other operating expenses	(50 284)	(42 699)	(38 340)	(34 068)
<b>Depreciation and amortization</b>	<b>(64 942)</b>	<b>(63 192)</b>	<b>(63 259)</b>	<b>(61 429)</b>
<b>Net credit/(loss) on financial assets</b>	<b>386</b>	<b>(1 032)</b>	<b>396</b>	<b>(983)</b>
<b>Operating profit</b>	<b>39 286</b>	<b>20 845</b>	<b>23 681</b>	<b>14 369</b>
Finance income	5 675	6 425	19 173	84 941
Finance costs	(14 188)	(18 940)	(8 940)	(14 751)
Net gain/(loss) on foreign currency transactions	3 390	(624)	3 408	(692)
<b>Profit before tax</b>	<b>34 163</b>	<b>7 706</b>	<b>37 322</b>	<b>83 867</b>
Income tax credit	2 460	30 685	7 508	33 082
<b>Profit for the quarter</b>	<b>36 623</b>	<b>38 391</b>	<b>44 830</b>	<b>116 949</b>

# Condensed statement of financial position

## as at 30 September 2023

TZS m	GROUP		COMPANY	
	Quarter 2		Quarter 2	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
<b>ASSETS</b>				
<b>Non-current assets</b>	<b>1 251 467</b>	<b>1 217 224</b>	<b>1 220 123</b>	<b>1 186 835</b>
Goodwill	1 639	1 639	–	–
Property and equipment	597 532	587 588	595 214	582 530
Intangible assets	203 775	72 565	181 496	49 948
Right of use assets <sup>1</sup>	305 494	413 125	305 494	413 125
Capacity prepayments	34 229	46 253	34 229	46 253
Trade and other receivables	10 391	13 646	9 591	13 646
Income tax receivables	36 120	42 511	33 098	42 511
Deferred tax assets	62 287	39 897	60 501	38 322
Investment in subsidiary	–	–	500	500
<b>Current assets</b>	<b>993 093</b>	<b>955 246</b>	<b>268 086</b>	<b>318 114</b>
Capacity prepayments	14 310	16 720	14 310	16 720
Inventory	6 076	4 680	6 076	4 680
Trade and other receivables	150 237	108 805	164 398	113 654
Income tax receivables	13 362	24 196	9 748	21 067
Mobile financial deposits	660 778	513 229	–	–
Cash and cash equivalents	148 330	287 616	73 554	161 993
<b>Non-current assets held for sale<sup>2</sup></b>	<b>8 871</b>	<b>–</b>	<b>8 871</b>	<b>–</b>
<b>Total assets</b>	<b>2 253 431</b>	<b>2 172 470</b>	<b>1 497 080</b>	<b>1 504 949</b>
<b>EQUITY AND LIABILITIES</b>				
Capital and reserves	829 048	806 257	770 860	686 114
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	246 915	224 124	188 727	103 981
<b>Non-current liabilities</b>	<b>333 090</b>	<b>442 957</b>	<b>333 090</b>	<b>442 957</b>
Lease liabilities <sup>1</sup>	326 231	436 139	326 231	436 139
Government grants	59	80	59	80
Trade and other payables	–	244	–	244
Provisions	6 800	6 494	6 800	6 494
<b>Current liabilities</b>	<b>1 091 293</b>	<b>923 256</b>	<b>393 130</b>	<b>375 878</b>
Lease liabilities	91 458	88 083	91 458	88 083
Government grants	15 767	785	15 767	785
Mobile financial payables	660 778	513 229	–	–
Trade and other payables	317 197	310 733	280 041	276 904
Provisions	6 093	10 426	5 864	10 106
<b>Total liabilities</b>	<b>1 424 383</b>	<b>1 366 213</b>	<b>726 220</b>	<b>818 835</b>
<b>Total equity and liabilities</b>	<b>2 253 431</b>	<b>2 172 470</b>	<b>1 497 080</b>	<b>1 504 949</b>

1 The decrease in Right-of-use assets is mainly driven by the amortisation of leases and conversion of lease contracts from USD to TZS whereas payments and the aforementioned lease currency conversion are the main drivers to the decline in the non-current lease liabilities.

2 This relates to fiber assets that are anticipated to be transferred to the Government within a year as part of an agreement between the fiber consortium members and the Government of Tanzania.

# Condensed statement of changes in equity

## for the quarter ended 30 September 2023

TZS m	Share capital	Share premium	Revaluation Reserves	Retained Earnings	Total
<b>GROUP</b>					
<b>Quarter ended 30 September 2023</b>					
At 1 July 2023	112 000	442 435	27 698	232 590	814 723
Total comprehensive income for the period	–	–	–	36 623	36 623
Dividends	–	–	–	(22 298)	(22 298)
<b>At 30 September 2023</b>	<b>112 000</b>	<b>442 435</b>	<b>27 698</b>	<b>246 915</b>	<b>829 048</b>
<b>COMPANY</b>					
At 1 July 2023	112 000	442 435	27 698	166 175	748 308
Total comprehensive income for the period	–	–	–	44 830	44 830
Dividends	–	–	–	(22 278)	(22 278)
<b>At 30 September 2023</b>	<b>112 000</b>	<b>442 435</b>	<b>27 698</b>	<b>188 727</b>	<b>770 860</b>
<b>GROUP</b>					
At 1 July 2022	112 000	442 435	27 698	185 817	767 950
Total comprehensive income for the period	–	–	–	38 391	38 391
Dividends	–	–	–	(84)	(84)
<b>At 30 September 2022</b>	<b>112 000</b>	<b>442 435</b>	<b>27 698</b>	<b>224 124</b>	<b>806 257</b>
<b>COMPANY</b>					
At 1 July 2022	112 000	442 435	27 698	(12 968)	569 165
Total comprehensive income for the period	–	–	–	116 949	116 949
<b>At 30 September 2022</b>	<b>112 000</b>	<b>442 435</b>	<b>27 698</b>	<b>103 981</b>	<b>686 114</b>

# Condensed statement of cash flows

## for the quarter ended 30 September 2023

TZS m	GROUP		COMPANY	
	Quarter 2		Quarter 2	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
<b>Cash generated from operations</b>	<b>151 598</b>	130 248	<b>41 891</b>	95 630
Income tax paid	(5 197)	(8 138)	(1 193)	(5 338)
<b>Net cash generated from operating activities</b>	<b>146 401</b>	122 110	<b>40 698</b>	90 292
<b>Cash flows from investing activities</b>				
Additions to property and equipment and intangible assets	(25 655)	(38 503)	(23 497)	(38 504)
Dividends income received	–	–	19 293	83 718
Finance income received	971	2 231	430	1 223
Cash held in restricted deposits	(79 529)	(34 376)	–	–
Interest received from M-Pesa deposits	5 254	4 194	–	–
<b>Net cash used in investing activities</b>	<b>(98 959)</b>	(66 454)	<b>(3 774)</b>	46 437
<b>Cash flows from financing activities</b>				
Dividends payable	(2)	(8)	(1)	(8)
Payment of lease liabilities – interest	(7 452)	(14 466)	(7 452)	(14 590)
Interest paid to M-Pesa customers	(4 523)	(3 505)	–	–
Spectrum license payment	(39 438)	–	(39 438)	–
Payment of lease liabilities – principal	(22 566)	(10 496)	(22 566)	(10 372)
<b>Net cash used in financing activities</b>	<b>(73 981)</b>	(28 475)	<b>(69 457)</b>	(24 970)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(26 539)</b>	27 181	<b>(32 533)</b>	111 759
Cash and cash equivalents at the beginning of the quarter	173 228	260 946	104 428	50 813
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	1 641	(511)	1 659	(579)
<b>Cash and cash equivalents at the end of the quarter</b>	<b>148 330</b>	287 616	<b>73 554</b>	161 993

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**  
Financial Director