NICOL

The Economic Shield of The Nation

2025 ANNUAL REPORT

NATIONAL INVESTMENTS PLC

SHAPING *the* FUTURE GROWTH

NTCOL
The Economic Shield of The Nation

CONTENTS

COMPANY PROFILE

Established in **1999** by a founding group of **116 visionary Tanzanians**, National Investments Plc (NICOL) was created to democratize access to investment and promote broad-based economic participation. With strong public backing and support from respected national figures including current Chairman **Dr. Gideon Kaunda**-NICOL evolved into one of Tanzania's leading collective investment companies.

Formally incorporated under the Companies Act and **re-listed on the Dar es Salaam Stock Exchange (DSE) in 2018**, NICOL's mission is to **economically empower Tanzanians** through ownership in productive ventures across key sectors of the economy.

> *NICOL is not just an investment company-it is a trusted vehicle for building wealth, enabling opportunity, and driving inclusive economic growth in Tanzania.*

TZS **257** BILLION IN ASSETS

As at **31st December 2025**, NICOL's **total assets exceeded TZS 257 billion**, triple of TZS 88 billion recorded at the time of re-listing in 2018. This strong growth reflects disciplined investment, sound governance, and a consistent focus on shareholder value creation.

With a diverse shareholder base of over **30,000 investors**, NICOL maintains a well-balanced portfolio spanning **banking, telecommunications, manufacturing, capital markets, real estate, and government bonds**. The company continues to deliver competitive returns while contributing to Tanzania's broader development agenda.

Looking ahead, NICOL is focused on **portfolio diversification, launching a REIT**, enhancing ESG integration, and expanding its role in regional capital markets, cementing its position as a national platform for shared prosperity.

WASIFU WA KAMPUNI

Ikiwa imeanzishwa mwaka **1999** na baadhi ya wanahisa wapatao **116 ambao walikua na maono makubwa**, *National Investments Plc (NICOL)* ilibuniwa kwa lengo la **kurahisisha upatikanaji wa fursa za uwekezaji** na kuhimiza ushiriki mpana wa wananchi katika maendeleo ya uchumi. Kwa msaada mkubwa kutoka kwa wananchi pamoja na viongozi mashuhuri wa kitaifa—akiwemo **Mwenyekiti wa sasa, Dkt. Gideon Kaunda**—NICOL imekua miongoni mwa kampuni za uwekezaji wa pamoja zinazoongoza nchini Tanzania.

NICOL ilisajiliwa rasmi chini ya **Sheria ya Makampuni** na **ikarejeshwa kwenye Soko la Hisa la Dar es Salaam (DSE)** mwaka **2018**. Dhamira yake kuu ni **kuwawezesha Watanzania kiuchumi** kwa kuwaunganisha katika umiliki wa miradi yenye tija katika sekta kuu za uchumi.

Hadi tarehe **31 Desemba 2025**, NICOL ilikuwa imefikisha **mtaji wa mali unaozidi TZS bilioni 257**, mara tatu ya **TZS bilioni 88** zilizorekodiwa wakati wa kurejeshwa kwenye soko la hisa mwaka 2018. Ukuaji huu mkubwa ni matokeo ya **uwekezaji wa nidhamu, utawala bora**, na mtazamo wa kudumu katika **kuongeza thamani kwa wanahisa**.

Ikiwa na zaidi ya **wanahisa 30,000** kutoka sekta mbalimbali, NICOL inamiliki **mfuko mseto wa uwekezaji** uliosawazishwa vizuri unaojumuisha **secta za fedha mabenki, mawasiliano, viwanda, masoko ya mitaji, mali isiyohamishika, na dhamana za serikali**. Kampuni inaendelea kutoa faida shindani huku ikichangia katika ajenda ya maendeleo ya Taifa.

Kwa kuangalia mbele, NICOL inalenga **kuongeza mseto wa uwekezaji wake**, **kuzindua Mfuko wa Uwekezaji wa Mali Isiyohamishika (REIT)**, kuimarisha utekelezaji wa vigezo vya **ESG (Mazingira, Jamii, na Utawala)**, pamoja na kupanua nafasi yake katika **masoko ya mitaji ya kikanda**—huku ikijikita kama **jukwaa la kitaifa la ustawi wa pamoja**.

> *NICOL si kampuni tu ya uwekezaji ni chombo cha kuaminika cha kujenga utajiri, kufungua fursa, na kuendeleza ukuaji jumuishi wa uchumi wa Tanzania. Uwepo wa Kampuni ya NICOL ni fulsa sahihi inayoweza kutumika kuwezesha wananchi wengi zaidi kumiliki secta muhimu za uchumi wa Taifa.*

TZS **257** MTAJI WA MALI

Our Vision, Mission Statement & Values

OUR VISION

To develop and increase participation of local Tanzanians in the management and control of the National economy.

OUR VALUES

The Company provides services anchored in transparency, efficiency, commitment, integrity and accountability to the shareholders and general public.

OUR MISSION

To be the leading Collective Investment Scheme in the country, mobilizing resources from public and participating in viable economic ventures through equity ownership and investments

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VALUES

TRANSPARENCY

To have a work culture where employees rigorously communicate with their peers and exchange ideas and thoughts, which progressively builds up and maintains trust and respect.

INTEGRITY

Honesty and adherence to the codes of conduct that sustains high regard in the eyes of the public nationally and internationally.

PROFESSIONALISM

- *To act professionally in all actions and dealings with our shareholders, clients and partners.*

MIRAMBO STREET PROPERTIES LTD

STRENGTHENING OUR DIVERSIFIED PORTFOLIO

Mirambo Street Properties Ltd (MSP) is a key investment within NICOL's diversified portfolio and a strong pillar of our real estate strategy.

Through Mirambo Building, a prime commercial property strategically located in Dar es Salaam, MSP generates **stable and recurring rental income** from quality institutional and corporate tenants. This **contributes positively to the Group's performance** and complements our investments in listed equities and fixed-income securities.

The performance of MSP reinforces NICOL's commitment to building a balanced and resilient portfolio that creates **sustainable earnings** and **long-term value** for shareholders.

We will continue to enhance the quality, efficiency and value of our property investments while pursuing opportunities that drive growth and deliver superior returns.

PRIME ASSET

Strategically located commercial property in the heart of Dar es Salaam.

QUALITY TENANTS

Home to reputable institutional and corporate tenants on long-term leases.

RECURRING INCOME

Generating stable rental income and contributing positively to Group results.

2025 PERFORMANCE HIGHLIGHTS

TOTAL RENTAL INCOME	PROFIT AFTER TAX	OCCUPANCY RATE
TZS 1,889m	TZS 544m	100%
(AUDITED)	(AUDITED)	(AS AT 31 DEC 2025)

Mirambo Street Properties – strengthening diversification, recurring income and long-term value for NICOL shareholders.

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The Economic Shield of The Nation

National Investments PLC
50 Mirambo Street
3rd Floor, Mirambo House
P.O. Box 7465
Dar Es Salaam
Phone: +255 22 2111399
0733 006 177 / 0768 008 800
E-mail: invest@nicol.co.tz

NOTICE OF THE 12TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF NATIONAL INVESTMENTS PLC

Notice is hereby given that the 12th Annual General Meeting of the Shareholders of the National Investments PLC (NICOL) will be held at the Rock City Mall in Mwanza City and virtually on Saturday, 05th September 2026 at 10:00 am. Registration will be open effective from 08:00am.

The agenda will be as follows:

12.1. NOTICE AND QUORUM OF THE MEETING
12.2. ADOPTION OF THE AGENDA FOR THE 12TH ANNUAL GENERAL MEETING.
12.3. CONFIRMATION OF THE MINUTES OF THE 11TH ANNUAL GENERAL MEETING.
12.4. MATTERS ARISING FROM THE 11TH ANNUAL GENERAL MEETING.
12.5. TO RECEIVE, CONSIDER AND ADOPT THE DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2025.
12.6. DIVIDEND DECLARATION FOR THE FINANCIAL YEAR 2025.
12.7. TO RECEIVE AND APPROVE THE PROPOSAL FOR DIRECTORS' REMUNERATION.
12.8. RESIGNATION AND APPOINTMENT OF DIRECTORS
12.9. TO RECEIVE AND APPROVE THE APPOINTMENT OF EXTERNAL AUDITORS FOR THE FINANCIAL YEAR 2026.
12.10. ANY OTHER BUSINESS.

IMPORTANT NOTES:

1. Members wishing to attend the meeting must submit one of the following: a copy of his/her Identity, Passport, Voters ID card, National ID or driving license.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/her behalf in accordance with the provision of the Articles of the Company. The proxy form must be deposited at the registered office of the company (physical or by email to invest@nicol.co.tz) not later than 04:00 pm Thursday, 03rd September 2026.
3. Copies of the Annual Report and proxy forms will be available at National Investments PLC Office 50 Mirambo Street, 3rd Floor, Mirambo House and on the company's website www.nicol.co.tz For more details, please contact 0733 006 177, 0768 00 88 00 or +255 22 2111 399 and WhatsApp number 0733 006 177.

BY ORDER OF THE BOARD

Adv. Benjamin Mwakagamba

Company Secretary
NATIONAL INVESTMENTS PLC

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National Investments PLC
50 Mirambo Street
3rd Floor, Mirambo House
P.O. Box 7465
Dar Es Salaam
Phone: +255 22 2111399
0733 006 177 / 0768 008 800
E-mail: invest@nicol.co.tz

TAARIFA YA MKUTANO MKUU WA KUMI NA MBILI (12) WA WANAHISA WA NATIONAL INVESTMENTS PLC (NICOL)

Taarifa inatolewa kwamba Mkutano Mkuu wa Kumi na Mbili (12) wa mwaka wa Wanahisa wa National Investments PLC (NICOL) utafanyika siku ya Jumamosi tarehe 05 Septemba 2026 kuanzia saa 4:00 asubuhi. Katika Ukumbi wa Mikutano wa Rock City Mall, Mwanza na kwa njia ya Mtandao. Dawati la usajili litafunguliwa mapema kuaanzia saa mbili (2:00) asubuhi.

Ajenda ya Mkutano ni Kama Ifuatavyo:

- 12.1. MATANGAZO NA AKIDI YA MKUTANO
- 12.2. KUPITISHA AJENDA ZA MKUTANO MKUU WA KUMI NA MBILI (12)
- 12.3. KUTHIBITISHA KUMBUKUMBU ZA MKUTANO MKUU WA KUMI NA MOJA (11).
- 12.4. YATOKANAYO NA MKUTANO WA KUMI NA MOJA (11) WA WANAHISA
- 12.5. KUPOKEA, KUJADILI NA KUPITISHA RIPOTI YA WAKURUGENZI NA TAARIFA ZA FEDHA KWA MWAKA ULIOISHIA 31 DESEMBA 2025
- 12.6. KUIDHINISHA GAWIO LA MWAKA WA FEDHA 2025.
- 12.7. KUPOKEA NA KUIDHINISHA MALIPO YA WAKURUGENZI.
- 12.8. KUJIUZULU NA UTEUZI WA WAKURUGENZI
- 12.9. KUPOKEA NA KUTHIBITISHA UTEUZI WA WAKAGUZI WA HESABU KWA MWAKA UNAOISHIA 31 DESEMBA 2026
- 12.10. MENGINEYO.

MAELEZO MUHIMU:

1. Wanahisa wanaotarajia kuhudhuria mkutano ni lazima wawasilishea nakala ya kitambulisho kama Kitambulisho cha Taifa, kitambulisho cha mpiga kura, pasipoti ya kusafiri au Leseni ya Udereva.
2. Tarehe ya kufunga Daftari la Wanahisa wanaostahili kushiriki mkutano itakuwa Jumatatu tarehe 31 Agosti 2026.
3. Mwanahisa anayestahili kuhudhuria mkutano na kupiga kura ana haki ya kuteua mwakilishi ahudhurie kwa niaba yake, iwapo yeye atashindwa kufanya hivyo , kwa kuzingatia vipengele vya kanuni za kampuni.
4. Nakala za Taarifa ya Mwaka na fomu za uwakilishi zitapatikana katika ofisi ya NICOL au kwa kutembelea tovuti ya NICOL www.nicol.co.tz. Fomu ya uwakilishi lazima ijazwe na kuwasilishwa kwenye ofisi za NICOL zilizopo Ghorofa ya 3, Mirambo House, Mtaa wa 50 Mirambo Dar es Salaam au kwa barua pepe invest@nicol.co.tz kabla ya saa 10 jioni, siku ya Alhamisi tarehe 03 Septemba 2026.
5. Kwa maelezo zaidi, wasiliana nasi kupitia namba zifuatazo: 0733 006 177, 0768 00 88 00 au +255 22 2111 399 na WhatsApp 0768 00 88 00 au 0733 006 177.

KWA IDHINI YA BODI YA WAKURUGENZI

Benjamin Mwakagamba (Wakili)

Katibu wa Kampuni

NATIONAL INVESTMENTS PLC

TO:

The Company Secretary,
National Investments Plc
3rd Floor, Mirambo House,
50 Mirambo Street,
P.O Box 7465,
Dar es Salaam.

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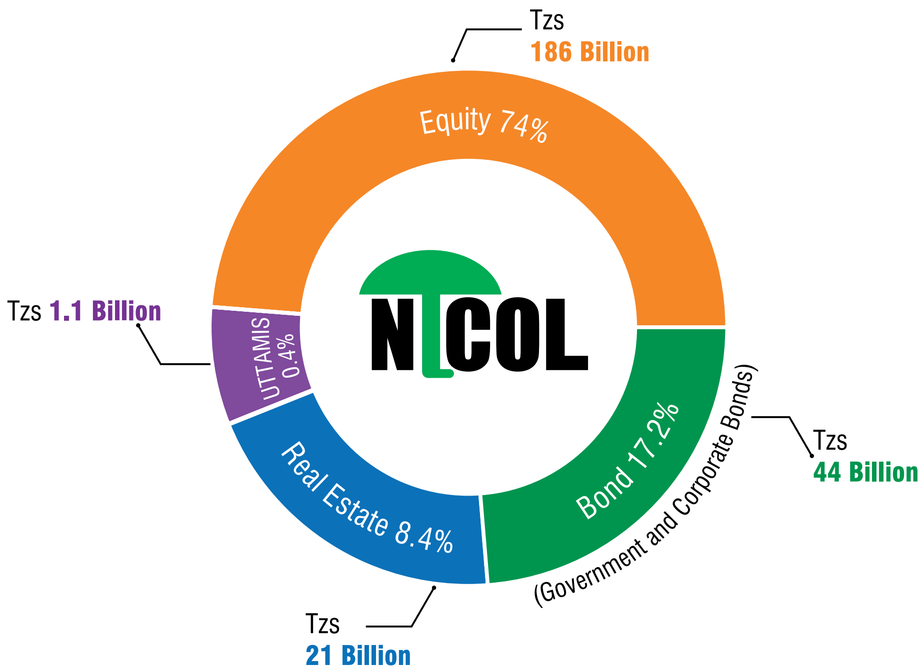
I/We .... of .... with cellphone number .... and CDS account Number .... being a member/shareholder of the National Investments PLC and entitled to vote, hereby appoint .... with cellphone number .... as my/our proxy, to attend on my/our behalf and vote for me/us at the **12TH SHAREHOLDERS ANNUAL GENERAL MEETING** of the Company to be held online and at the **Rock City Mall in Mwanza** on Saturday 05th September 2026, and at my adjournment there of.

Signature(s) of member (s) ____________________ Date: ________________________

Note:

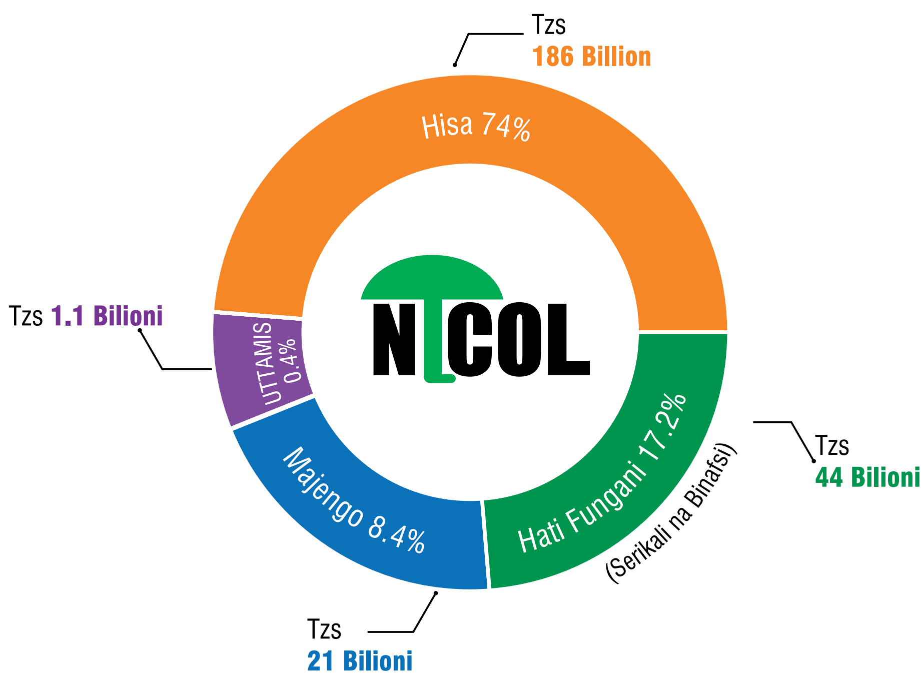
1. A member entitled to attend, and vote may appoint, in writing a proxy to act on his/her behalf, to attend, vote and speak instead of him/her. A proxy need not be a member of the Company.
2. In the case of a member being an individual, the proxy form must be attached with a copy of the shareholder's identity card.
3. In the case of a member being a corporate, the proxy form must be completed under its common seal and the hand of an officer or attorney duly authorized in writing.
4. The form must be properly filed, signed and returned electronically through e mail address **invest@nicol.co.tz** or deposited for the attention of the Company Secretary at 3rd Floor, Mirambo House, 50 Mirambo Street, Dar es Salaam not later than 04:00 pm Thursday, 3rd September 2026.

INVESTMENT PORTFOLIO



NICOL PLC is well positioned to expand its investments in sectors with sustainable returns whilst aligning to our risk management framework The Management Team, Investment Team and Board is equipped with skills and expertise in sourcing investment opportunities and engage potential business partners to increase the value of our investments.

NMB	**NMB BANK**	Tzs' **172** billion
DSE Creating Opportunities	**DSE**	Tzs' **9.2** billion
	TBL	Tzs' **1.1** billion
CRDB BANK The bank that listens	**CRDB BANK**	Tzs' **3.3** billion
vodacom	**Vodacom**	Tzs' **655** million
	Other Companies	Tzs' **225** million

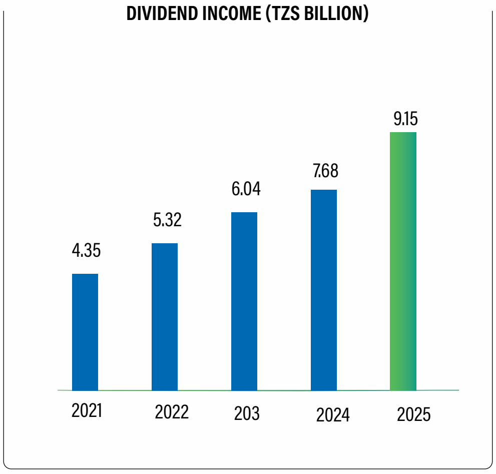


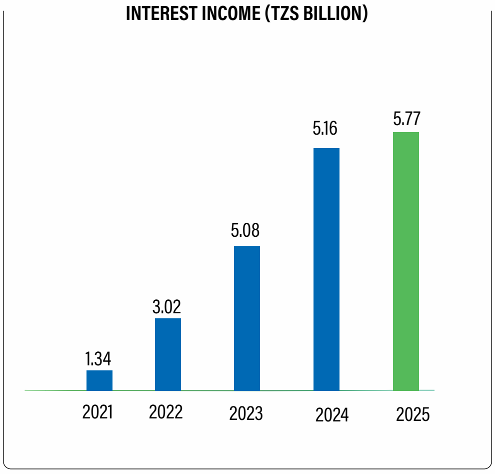
NICOL PLC iko katika nafasi nzuri ya kupanua uwekezaji wake katika sekta zinazotoa mapato endelevu, huku ikizingatia mfumo wetu wa udhibiti wa hatari. Timu ya Uongozi, Timu ya Uwekezaji na Bodi ya Wakurugenzi zina ujuzi na utaalamu wa kutafuta fursa za uwekezaji na kushirikiana na washirika watarajiwa wa kibiashara ili kuongeza thamani ya uwekezaji wetu.

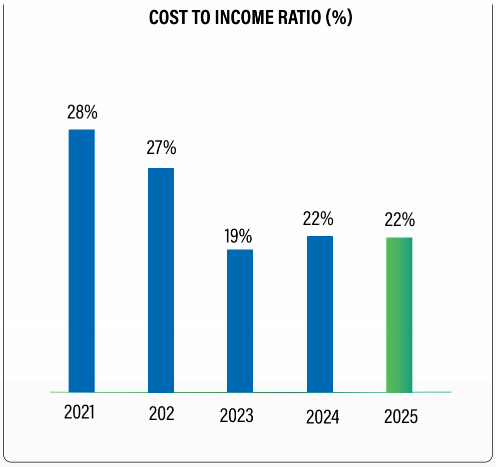
NMB	NMB BANK	Tzs' bilioni **172**
DSE Creating Opportunities	DSE	Tzs' bilioni **9.2**
	TBL	Tzs' bilioni **1.1**
CRDB BANK The bank that listens	CRDB BANK	Tzs' bilioni **3.3**
vodacom	Vodacom	Tzs' milioni **655**
	Kampuni Nyingine	Tzs' milioni **225**

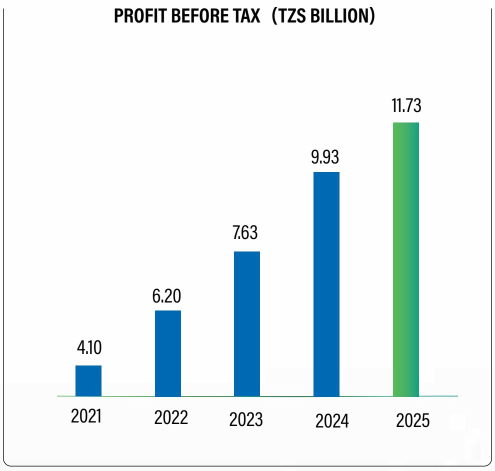
HIGHLIGHTS OF FINANCIAL PERFORMANCE

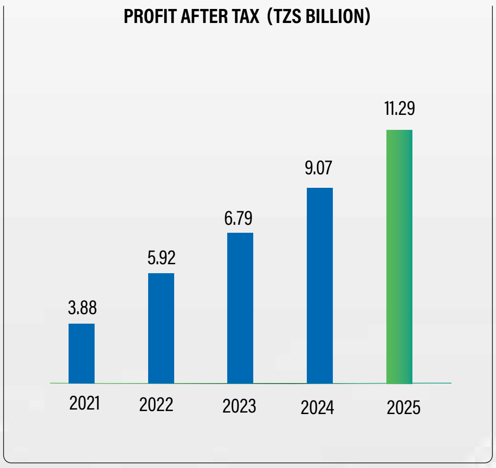
FOR THE FIVE YEARS FROM 2021 TO 2025

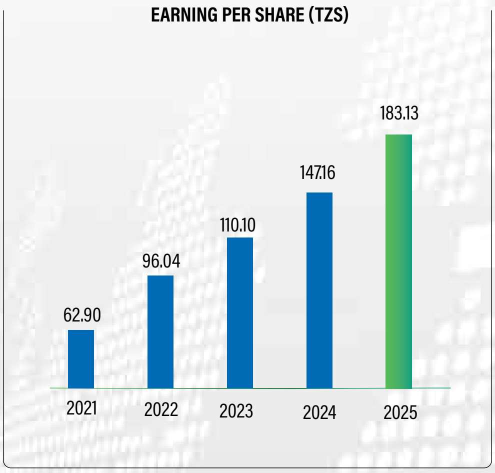


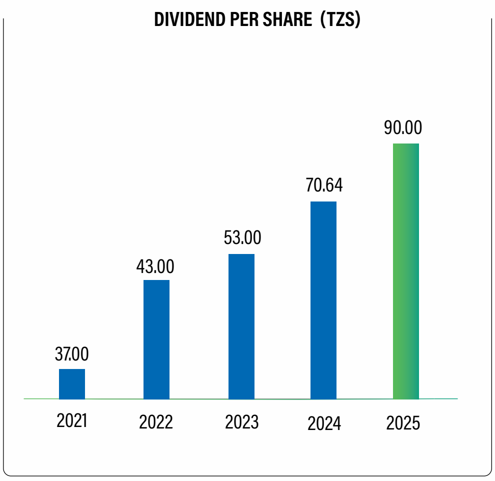




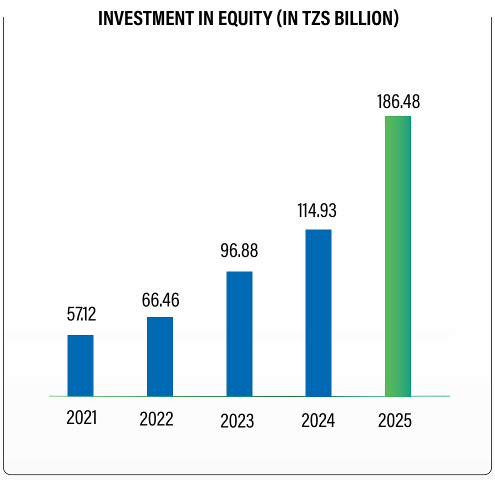


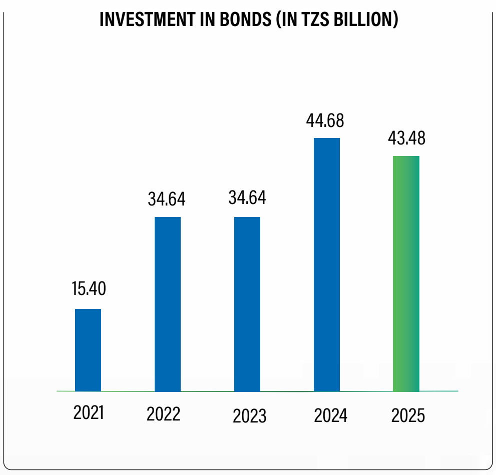


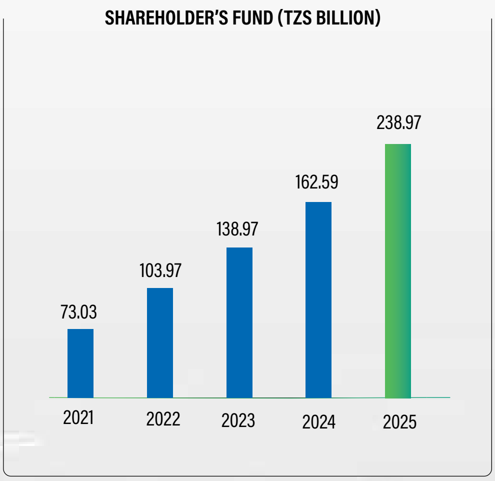


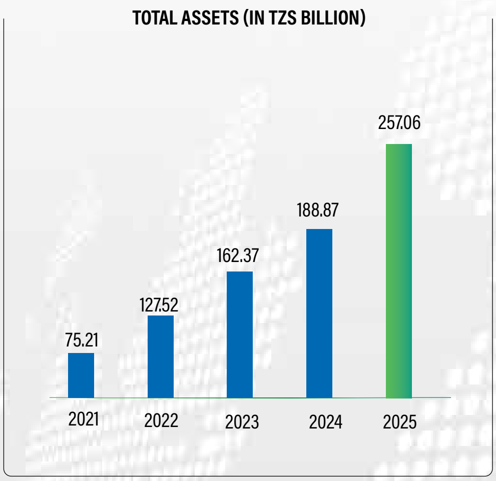

DIVIDEND PER SHARE (TZS)
37.00
43.00
53.00
70.64
90.00
2021
2022
2023
2024
2025

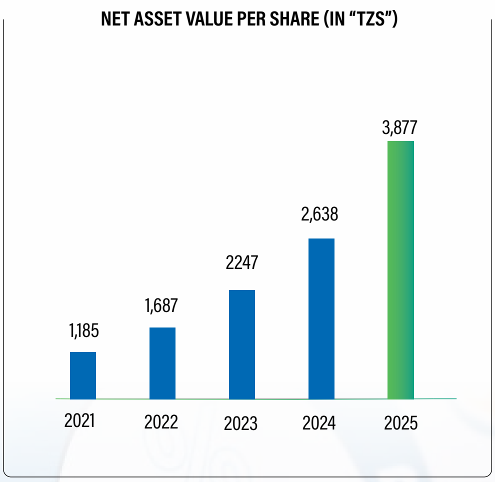

DIVIDED PER SHARE/EARNING PER SHARE (%)
59%
45%
48%
48%
49%
2021
2022
2023
2024
2025

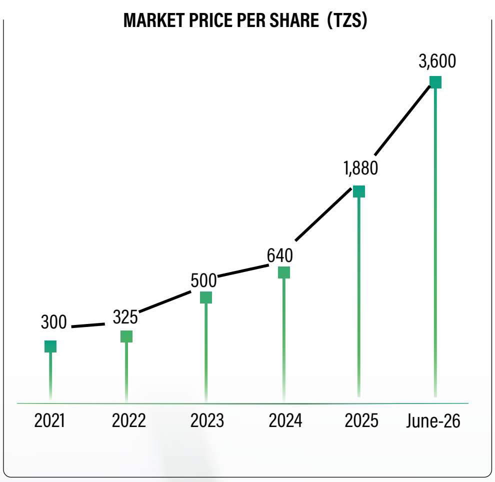

INVESTMENT IN EQUITY (IN TZS BILLION)
57.12
66.46
96.88
114.93
186.48
2021
2022
2023
2024
2025


INVESTMENT IN BONDS (IN TZS BILLION)
15.40
34.64
34.64
44.68
43.48
2021
2022
2023
2024
2025


SHAREHOLDER'S FUND (TZS BILLION)
73.03
103.97
138.97
162.59
238.97
2021
2022
2023
2024
2025


TOTAL ASSETS (IN TZS BILLION)
75.21
127.52
162.37
188.87
257.06
2021
2022
2023
2024
2025


NET ASSET VALUE PER SHARE (IN "TZS")
1,185
1,687
2247
2,638
3,877
2021
2022
2023
2024
2025


MARKET PRICE PER SHARE (TZS)
300
325
500
640
1,880
3,600
2021
2022
2023
2024
2025
June-26


FINANCES
INFOGRAPHIC

PERFORMANCE REVIEW

The year 2025 was another positive year for NICOL. The Company continued to strengthen its financial position, broaden its investment base and consolidate the progress achieved over recent years.

Gideon H. Kaunda (PhD)
Chairman of the Board of Directors
National Investments Plc

CHAIRMAN'S STATEMENT
TO THE SHAREHOLDERS
For the Year Ended 31st December 2025

Dear Shareholders,

On behalf of the Board of Directors of National Investments Plc ("NICOL" or "the Company"), I am pleased to present the Chairman's Statement for the financial year ended 31st December 2025.

Foremost, I wish to express the Board's sincere appreciation to our Shareholders for their continued confidence, trust and support. This confidence remains fundamental to the progress of NICOL and reinforces our responsibility to safeguard your investment, pursue sustainable growth and deliver long-term shareholder value.

The year 2025 was another positive year for NICOL. The Company continued to strengthen its financial position, broaden its investment base and consolidate the progress achieved over recent years. The Board is encouraged by the continued development of the Group and remains committed to ensuring that this progress translates into sustainable returns and value creation for our Shareholders.

"As we enter 2026, the final year of implementation of the current strategic plan, our focus is on consolidating the progress achieved during the strategic period and positioning the company for its next strategic cycle commencing in 2027.

ECONOMIC AND INVESTMENT ENVIRONMENT

Tanzania's economy continued to demonstrate resilience during 2025, supported by investment in infrastructure, expansion of private-sector activity and growth across key sectors of the economy.

The investment environment remained dynamic, particularly within the capital and money markets, requiring institutional investors to remain responsive to movements in interest rates, Government securities yields and equity-market valuations.

Against this background, NICOL continued to maintain a prudent and diversified investment approach, balancing the objectives of capital preservation, recurring income and long-term capital appreciation.

The Board remains confident in Tanzania's long-term economic prospects and believes that continued development of the country's capital markets and productive sectors will provide further opportunities for NICOL to deploy capital prudently and create sustainable value.

STRATEGIC DIRECTION

The year 2025 represented an important period in the implementation of NICOL's **Strategic Plan 2022–2026**, under which the Company continued to pursue investment diversification, sustainable growth and enhancement of shareholder value.

As we enter **2026, the final year of implementation of the current Strategic Plan**, our focus is on consolidating the

TZS 4000
PER SHARE IN 2026

progress achieved during the strategic period and positioning the Company for its next strategic cycle commencing in **2027**.

The Board remains committed to ensuring that NICOL's future strategic direction builds upon the progress achieved to date, while maintaining disciplined investment, appropriate diversification and prudent management of the Company's resources.

PERFORMANCE AND SHAREHOLDER VALUE

The Board is pleased with the overall performance of the Group for the financial year ended 31st December 2025. The results achieved reflect the continued benefits of NICOL's diversified investment approach and the disciplined management of the Group's resources.

The Group recorded **earnings per share of TZS 183.13** for the year under review, demonstrating the continued capacity of the Company's investment portfolio to generate value for Shareholders.

Of particular significance to the Board is the progress NICOL has made in delivering returns and creating value for its Shareholders since the **re-listing of the Company's shares on the Dar-Es Salaam Stock Exchange in 2018**.

Since re-listing, NICOL has maintained a consistent record of **annual dividend payments**, reflecting the Company's commitment to ensuring that Shareholders participate directly in the financial progress of their Company.

Equally encouraging has been the substantial appreciation in the market value of NICOL shares. From approximately **TZS 300 per share at the time of re-listing in 2018**, the share price increased to **TZS 640 per share in 2024** and subsequently reached a closing market price of **TZS 4,000 per share on 19th August 2026** at the Dar es Salaam Stock Exchange.

The combination of consistent dividend payments and significant appreciation in the market value of NICOL shares represents a remarkable achievement in the Company's journey since re-listing. It reflects the strengthening of NICOL's underlying value and growing investor confidence in the Company.

While market prices are influenced by prevailing market conditions and other external factors, the Board remains firmly committed to those fundamentals within our responsibility- **sound governance, prudent investment decisions,**

disciplined capital allocation and sustainable financial performance—which we believe are essential to long-term shareholder value creation.

CORPORATE GOVERNANCE

Strong corporate governance remains fundamental to NICOL's continued development as a public company listed on the Dar- Es- Salaam Stock Exchange.

During the year, the Board continued to exercise oversight over the Company's strategy, investments, financial performance, risk management and regulatory compliance.

Building upon the governance reforms undertaken in recent years, including the review of the Company's Memorandum and Articles of Association and adoption of the Dividend Policy, the Board remains committed to ensuring that the Company's governance framework continues to support the evolving needs of NICOL and its subsidiaries.

As the Group continues to grow, we recognize that governance, risk management and internal-control systems must evolve correspondingly with the scale and complexity of our investments. The Board therefore remains committed to transparency, accountability and responsible stewardship of Shareholders' investments.

DIVIDEND TO SHAREHOLDERS

The Board recognizes that the creation of shareholder value should be reflected not only in the long-term growth of the Company but also through appropriate and sustainable returns to Shareholders.

In view of the financial performance achieved during the year, and after considering the Company's financial position and future investment requirements, the Board has recommended a **dividend of TZS 90 per share** for the financial year ended 31st December 2025, subject to approval by Shareholders at this 12th Annual General Meeting.

> *the Board has recommended **a dividend of TZS 90 per share for the financial year ended 31st December 2025**, subject to approval by Shareholders at this 12th Annual General Meeting.*

This represents a 28.5% increase from the **TZS 70 per share** dividend declared in respect of the previous financial year and continues NICOL's consistent record of annual dividend payments since re-listing in 2018.

The recommendation has been made in accordance with the Company's Dividend Policy and reflects the Board's objective of maintaining an appropriate balance between providing returns to Shareholders and retaining sufficient resources to support the Company's future growth and investment opportunities.

OUTLOOK

The Board looks to the future with confidence.

The year **2026 represents the final year of implementation of NICOL's Strategic Plan 2022–2026** and provides an important opportunity to consolidate the progress achieved while establishing a strong foundation for the Company's next strategic cycle commencing in 2027.

Our focus will remain on prudent investment diversification, disciplined capital allocation and the pursuit of opportunities capable of strengthening recurring income and long-term capital appreciation.

At the same time, the Board will continue to strengthen corporate governance, risk management and institutional capacity to ensure that NICOL remains well positioned to manage an increasingly diversified investment portfolio.

We believe that the Company has established a sound foundation for its next phase of development. Our responsibility remains to ensure that growth is pursued prudently, investments are undertaken on sound commercial principles and the interests of our Shareholders remain central to every strategic decision.

CLOSING REMARKS

On behalf of the Board of Directors, I wish once again to express our sincere gratitude to our valued Shareholders for their continued confidence and support.

I also extend the Board's appreciation to Management and employees of NICOL and its subsidiaries for their dedication and contribution to the progress achieved during the year.

Our appreciation is equally extended to our Regulators, particularly the **Capital Markets and Securities Authority (CMSA)** and the **Dar-Es-Salaam Stock Exchange (DSE)**, as well as our financial

institutions, business partners, professional advisers and other stakeholders for their continued advise, unwavering support and cooperation.

As we enter the final year of our current Strategic Plan, the Board remains steadfast in its commitment to **sound governance, prudent investment management and sustainable shareholder value creation**.

With the continued confidence of our Shareholders and support of our stakeholders, we look forward to building upon the progress achieved and further strengthening **National Investments Plc as a dynamic, diversified and progressive investment Company delivering sustainable long-term value to its Shareholders and adding value to the efforts of our national economic development agenda.**

Thank you.

GIDEON H. KAUNDA (PHD)
Chairman of the Board of Directors
National Investments Plc

Mwaka 2025 ulikuwa kipindi muhimu katika utekelezaji wa Mpango Mkakati wa NICOL wa 2023–2026, ambapo Kampuni iliendelea kutekeleza malengo ya kupanua mseto wa uwekezaji, kukuza biashara kwa njia endelevu na kuongeza thamani kwa Wanahisa.

GIDEON H. KAUNDA (PHD)
Mwenyekiti wa Bodi ya Wakurugenzi
National Investments Plc

Kwa niaba ya Bodi ya Wakurugenzi ya **National Investments Plc ("NICOL")**, ninayo furaha kuwasilisha kwenu Taarifa ya Mwenyekiti kwa mwaka wa fedha ulioishia tarehe 31 Desemba 2025.

Awali ya yote, napenda kutoa shukrani za dhati za Bodi kwa Wanahisa wetu kwa kuendelea kuwa na imani, kutuamini na kutupatia ushirikiano. Imani hii ni msingi muhimu wa maendeleo ya NICOL na inaendelea kutukumbusha wajibu wetu wa kulinda uwekezaji wenu, kukuza Kampuni kwa njia endelevu na kujenga thamani ya muda mrefu kwa Wanahisa.

> *"Tunapoingia mwaka 2026, ambao ni mwaka wa mwisho wa utekelezaji wa Mpango Mkakati wa sasa, mkazo wetu ni kuimarisha mafanikio yaliyopatikana katika kipindi hiki cha kimkakati na kuiweka Kampuni katika nafasi nzuri kwa ajili ya awamu inayofuata ya mkakati itakayoanza mwaka 2027.*

Mazingira ya uwekezaji yaliendelea kubadilika, hususan katika masoko ya mitaji na fedha, hali iliyohitaji wawekezaji wa kitaasisi kuendelea kuwa makini na mabadiliko ya viwango vya riba, mapato ya dhamana za Serikali na thamani za hisa katika soko.

Katika mazingira hayo, NICOL iliendelea kutekeleza mkakati wa uwekezaji wenye tahadhari na mseto, kwa kuzingatia uwiano kati ya **uhifadhi wa mtaji, mapato ya mara kwa mara na ongezeko la thamani ya mtaji kwa muda mrefu**.

Mwaka 2025 ulikuwa mwaka mwingine wenye mafanikio kwa NICOL. Kampuni iliendelea kuimarisha hali yake ya kifedha, kupanua wigo wa uwekezaji na kuendeleza mafanikio yaliyopatikana katika miaka ya hivi karibuni. Bodi imeridhishwa na maendeleo endelevu ya Kampuni na itaendelea kuhakikisha kuwa maendeleo haya yanatafsiriwa kuwa mapato endelevu na ongezeko la thamani kwa Wanahisa wetu.

MAZINGIRA YA UCHUMI NA UWEKEZAJI

Uchumi wa Tanzania uliendelea kuonesha uimara katika mwaka 2025, ukichangiwa na uwekezaji katika miundombinu, kupanuka kwa shughuli za sekta binafsi na ukuaji katika sekta mbalimbali muhimu za uchumi.

Bodi inaendelea kuwa na imani na matarajio ya muda mrefu ya uchumi wa Tanzania na inaamini kuwa maendeleo endelevu ya masoko ya mitaji pamoja na sekta za uzalishaji yataendelea kuipatia NICOL fursa za kuwekeza mtaji wake kwa uangalifu na kujenga thamani endelevu.

MWELEKEO WA KIMKAKATI

Mwaka 2025 ulikuwa kipindi muhimu katika utekelezaji wa **Mpango Mkakati wa NICOL wa 2022–2026**, ambapo Kampuni iliendelea kutekeleza malengo ya kupanua mseto wa uwekezaji, kukuza biashara kwa njia endelevu na kuongeza thamani kwa Wanahisa.

Tunapoingia mwaka **2026, ambao ni mwaka wa mwisho wa utekelezaji wa Mpango Mkakati wa sasa**, mkazo wetu ni kuimarisha mafanikio yaliyopatikana katika kipindi hiki cha kimkakati na kuiweka Kampuni katika nafasi nzuri kwa ajili ya awamu inayofuata ya mkakati itakayoanza mwaka **2027**.

Bodi itaendelea kuhakikisha kuwa mwelekeo wa kimkakati wa NICOL katika siku zijazo unajengwa juu ya mafanikio yaliyopatikana, sambamba na kudumisha nidhamu katika uwekezaji, mseto unaofaa na usimamizi makini wa rasilimali za Kampuni.

UTENDAJI NA THAMANI KWA WANAHISA

Bodi imeridhishwa na utendaji wa jumla wa Kampuni kwa mwaka wa fedha ulioishia tarehe 31 Desemba 2025. Matokeo yaliyopatikana yanaakisi manufaa yanayoendelea kupatikana kutokana na mkakati wa NICOL wa kuwa na uwekezaji wenye mseto pamoja na usimamizi wenye nidhamu wa rasilimali za Kampuni.

Kampuni kwa ujumla ilifikia **faida kwa kila hisa ya TZS 183.13** kwa mwaka husika, jambo linaloonesha uwezo endelevu wa jalada la uwekezaji la Kampuni katika kujenga thamani kwa Wanahisa.

Jambo lenye umuhimu mkubwa kwa Bodi ni maendeleo ambayo NICOL imeyapata katika kutoa mapato na kujenga thamani kwa Wanahisa tangu **hisa za Kampuni zilipoorodheshwa tena katika Soko la Hisa la Dar es Salaam mwaka 2018**.

Tangu kuorodheshwa tena, NICOL imedumisha rekodi ya **kulipa gawio kila mwaka**, jambo linaloonesha dhamira ya Kampuni ya kuhakikisha kuwa Wanahisa wanashiriki moja kwa moja katika mafanikio ya kifedha ya Kampuni yao.

Jambo lingine la kutia moyo ni ongezeko kubwa la thamani ya hisa za NICOL katika soko. Kutoka takribani **TZS 300 kwa kila hisa wakati wa kuorodheshwa tena mwaka 2018**, bei ya hisa iliongezeka hadi **TZS 640 kwa kila hisa mwaka 2024**, na baadaye kufikia bei ya kufunga soko ya **TZS 4,000 kwa kila hisa tarehe 19 Agosti 2026** katika Soko la Hisa la Dar es Salaam.

Mchanganyiko wa ulipaji endelevu wa gawio na ongezeko kubwa la thamani ya hisa za NICOL katika soko ni mafanikio makubwa katika safari ya Kampuni tangu kuorodheshwa tena. Mafanikio haya yanaakisi kuimarika kwa thamani ya msingi ya NICOL pamoja na kuongezeka kwa imani ya wawekezaji katika Kampuni.

Pamoja na kwamba bei za hisa huathiriwa na hali ya soko na mambo mengine ya nje, Bodi itaendelea kuweka mkazo katika mambo yaliyo ndani ya wajibu wetu—**utawala bora, maamuzi makini ya uwekezaji, mgawanyo wa mtaji wenye nidhamu na utendaji endelevu wa kifedha**—ambayo tunaamini ni msingi wa kujenga thamani ya muda mrefu kwa Wanahisa.

UTAWALA BORA WA KAMPUNI

Utawala bora wa kampuni unaendelea kuwa msingi muhimu wa maendeleo ya NICOL kama kampuni ya umma iliyoorodheshwa katika Soko la Hisa la Dar es Salaam.

Katika mwaka husika, Bodi iliendelea kutekeleza wajibu wake wa usimamizi na uangalizi wa mkakati wa Kampuni, uwekezaji, utendaji wa kifedha, usimamizi wa vihatarishi na uzingatiaji wa matakwa ya kisheria na kiudhibiti.

Ikiendeleza maboresho ya utawala yaliyofanyika katika miaka ya hivi karibuni, ikiwa ni pamoja na mapitio ya **Hati na Kanuni za Kampuni (Memorandum and Articles of Association)** pamoja na kupitishwa kwa **Sera ya Gawio**, Bodi itaendelea kuhakikisha kuwa mfumo wa utawala wa Kampuni unaendana na mahitaji yanayobadilika ya NICOL na kampuni zake tanzu.

Kadiri Kampuni inavyoendelea kukua, tunatambua kuwa mifumo ya utawala, usimamizi wa vihatarishi na udhibiti wa ndani lazima nayo iendelee kuimarishwa kulingana na ukubwa na mseto wa uwekezaji wetu. Kwa msingi huo, Bodi itaendelea kusimamia uwazi, uwajibikaji na usimamizi wenye dhamana wa uwekezaji wa Wanahisa.

GAWIO KWA WANAHISA

Bodi inatambua kuwa ujenzi wa thamani kwa Wanahisa unapaswa kuonekana si tu katika ukuaji wa muda mrefu wa Kampuni, bali pia kupitia mapato stahiki na endelevu kwa Wanahisa.

> ***Bodi imependekeza gawio la TZS 90 kwa kila hisa kwa mwaka wa fedha ulioishia tarehe 31 Desemba 2025, likisubiri idhini ya Wanahisa katika Mkutano Mkuu wa 12 wa Mwaka.***

Kwa kuzingatia utendaji wa kifedha uliopatikana katika mwaka husika, pamoja na hali ya kifedha ya Kampuni na mahitaji yake ya uwekezaji kwa siku zijazo, Bodi imependekeza **gawio la TZS 90 kwa kila hisa** kwa mwaka wa fedha ulioishia tarehe 31 Desemba 2025, likisubiri idhini ya Wanahisa katika **Mkutano Mkuu wa 12 wa Mwaka**.

Gawio hili ni ongezeko la asilimia 28.5 kutoka **TZS 70 kwa kila hisa** lililotangazwa kwa mwaka wa fedha uliotangulia na linaendeleza rekodi ya NICOL ya kulipa gawio kila mwaka tangu hisa za Kampuni zilipoorodheshwa tena mwaka 2018.

Pendekezo hili limefanywa kwa kuzingatia Sera ya Gawio ya Kampuni na linaakisi lengo la Bodi la kudumisha uwiano unaofaa kati ya kutoa mapato kwa Wanahisa na kubakiza rasilimali za kutosha kwa ajili ya ukuaji wa Kampuni na fursa za uwekezaji za siku zijazo.

MWELEKEO WA BAADAYE

Bodi inaangalia mustakabali wa Kampuni kwa matumaini na imani.

Mwaka **2026 ni mwaka wa mwisho wa utekelezaji wa Mpango Mkakati wa NICOL wa 2022–2026**, na hivyo unatoa fursa muhimu ya kuimarisha mafanikio yaliyopatikana huku tukiweka msingi imara kwa awamu inayofuata ya kimkakati itakayoanza mwaka 2027.

Mkazo wetu utaendelea kuwa katika kupanua mseto wa uwekezaji kwa uangalifu, mgawanyo wa mtaji wenye nidhamu na kutafuta fursa zitakazoongeza mapato ya mara kwa mara pamoja na ongezeko la thamani ya mtaji kwa muda mrefu.

Wakati huo huo, Bodi itaendelea kuimarisha utawala bora, usimamizi wa vihatarishi na uwezo wa kitaasisi ili kuhakikisha kuwa NICOL inabaki katika nafasi nzuri ya kusimamia jalada la uwekezaji linalozidi kukua na kuwa na mseto mpana.

Tunaamini kuwa Kampuni imejenga msingi imara kwa awamu inayofuata ya maendeleo yake. Wajibu wetu utaendelea kuwa kuhakikisha kuwa ukuaji unafikiwa kwa uangalifu, uwekezaji unafanywa kwa misingi thabiti ya kibiashara na maslahi ya Wanahisa wetu yanaendelea kuwa kiini cha kila uamuzi wa kimkakati.

HITIMISHO NA SHUKRANI

Kwa niaba ya Bodi ya Wakurugenzi, napenda kwa mara nyingine kutoa shukrani zetu za dhati kwa Wanahisa wetu tunaowathamini kwa kuendelea kuwa na imani na kutupatia ushirikiano.

Pia napenda kutoa shukrani za Bodi kwa Menejimenti na wafanyakazi wa NICOL pamoja na kampuni zake tanzu kwa kujituma na mchango wao katika maendeleo yaliyopatikana katika mwaka husika.

Shukrani zetu pia tunazielekeza kwa mamlaka zetu za usimamizi, hususan **Mamlaka ya Masoko ya Mitaji na Dhamana (CMSA)** na **Soko la Hisa la Dar es Salaam (DSE)**, pamoja na taasisi za fedha, washirika wetu wa biashara, washauri wa kitaalamu na wadau wengine kwa ushauri, msaada thabiti na ushirikiano wao endelevu.

Tunapoingia katika mwaka wa mwisho wa Mpango Mkakati wetu wa sasa, Bodi inaendelea kusimamia kwa dhati misingi ya **utawala bora, usimamizi makini wa uwekezaji na ujenzi endelevu wa thamani kwa Wanahisa**.

Kwa kuendelea kuwa na imani ya Wanahisa wetu na msaada wa wadau wetu, tunatazamia kuendeleza mafanikio yaliyopatikana na kuimarisha zaidi **National Investments Plc kuwa kampuni ya uwekezaji yenye nguvu, mseto na mtazamo wa maendeleo, inayojenga thamani endelevu ya muda mrefu kwa Wanahisa wake na kuchangia katika juhudi za Taifa za kuendeleza uchumi.**

Asanteni.

GIDEON H. KAUNDA (PHD)
Mwenyekiti wa Bodi ya Wakurugenzi
National Investments Plc

“The year 2025 marked another important period in the Group’s growth and transformation. Management remained focused on strengthening the investment portfolio, diversifying income sources and enhancing the contribution of our subsidiaries.

ERASTO NGAMILAGA
Chief Executive Officer
National Investments Plc

CHIEF EXECUTIVE OFFICER'S REPORT
TO SHAREHOLDERS
For the Year Ended 31st December 2025

Dear Shareholders,

It is with a profound sense of gratitude and responsibility that I present the Chief Executive Officer's Report on the performance and progress of **National Investments Plc and its subsidiaries ("NICOL" or "the Group")** for the financial year ended 31st December 2025. I wish to express my sincere appreciation to our Shareholders for their continued confidence and to the Board of Directors for its guidance and strategic oversight.

The year 2025 marked another important period in the Group's growth and transformation. Management remained focused on strengthening the investment portfolio, diversifying income sources and enhancing the contribution of our subsidiaries.

The Group's investment model is increasingly anchored on three principal pillars **listed equities, fixed-income securities and real estate** providing a stronger and more diversified platform for sustainable growth.

The progress achieved provides a solid foundation as we enter **2026, the final year of implementation of the Group's current five-year Strategic Plan**.

1. PERFORMANCE OVERVIEW

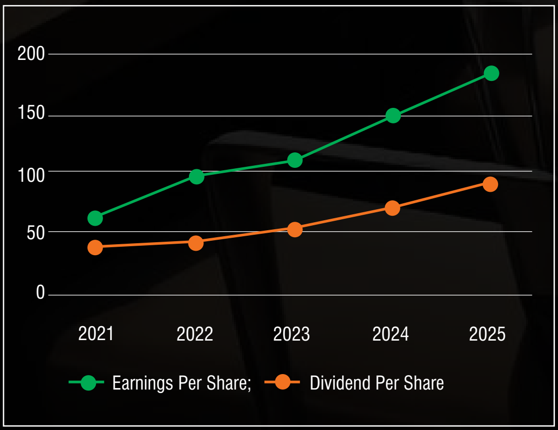
The Group maintained a positive growth trajectory during 2025. Total income increased to **TZS 17.33 billion**, from **TZS 15.60 billion in 2024**, while profit after tax increased from **TZS 9.07 billion to TZS 11.29 billion**.

Earnings per share increased from **TZS 147.16 to TZS 183.13**, reflecting continued growth in value attributable to Shareholders.

The performance reflects the benefits of the Group's increasingly diversified investment structure and Management's continued focus on sustainable earnings and disciplined investment.

Five-Year Growth in Income and Profit

NICOL Group performance from 2021 to 2025 (TZS billion).



TZS 11.29
BILLION PROFIT AFTER TAX

2. FIVE-YEAR GROWTH AND TRANSFORMATION

The Group has recorded significant growth over the past five years. Between 2021 and 2025, **total income increased from TZS 5.69 billion to TZS 17.33 billion**, while **profit after tax increased from TZS 3.88 billion to TZS 11.29 billion**.

Over the same period, **total assets increased from TZS 75.21 billion to TZS 257.06 billion**, while **equity attributable to owners increased from TZS 73.03 billion to TZS 238.97 billion**. Investment securities similarly increased from **TZS 57.12 billion to TZS 186.48 billion**.

This growth has translated into improved shareholder returns, with earnings per share increasing from **TZS 62.90 to TZS 183.13** and dividend per share rising from **TZS 37 to the proposed TZS 90**.

Group five-year performance at a Glance

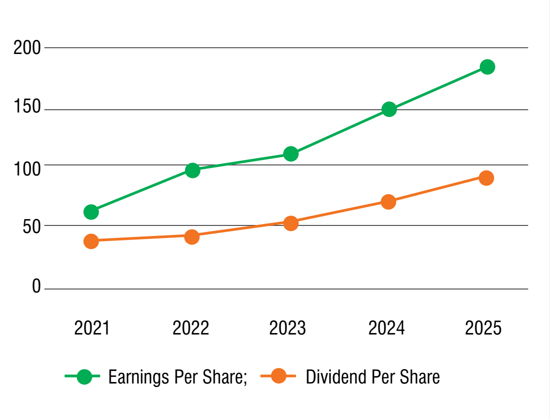
Key Performance Indicator	2021	2022	2023	2024	2025
Total Income (TZS bn)	5.69	8.56	12.39	15.6	17.33
Profit After Tax (TZS bn)	3.88	5.92	6.79	9.07	11.29
Total Assets (TZS bn)	75.21	127.52	162.37	188.87	257.06
Equity Attributable to Owners (TZS bn)	73.03	103.97	138.52	162.58	238.97
Investment Securities (TZS bn)	57.12	66.46	96.88	114.93	186.48
Earnings Per Share (TZS)	62.9	96.04	110.1	147.16	183.13
Dividend Per Share (TZS)	37	43	53	70	90*

**The TZS 90 dividend per share for 2025 represents the dividend recommended by the Board and is subject to Shareholders' approval at the Annual General Meeting.*

The five-year trend demonstrates the significant strengthening of the Group's earnings capacity, investment portfolio and capital base.

Earnings and Dividend Per Share

Five-year trend in earnings and dividend per share (TZS).



3. DIVERSIFICATION OF INCOME SOURCES

The Group has progressively diversified its income beyond its historical reliance on listed-equity dividends.

Dividend income increased from **TZS 4.35 billion in 2021 to TZS 9.15 billion in 2025**, while interest income increased from **TZS 1.34 billion to TZS 5.77 billion**. Real estate has also emerged as an additional recurring income stream, contributing approximately **TZS 2.25 billion in 2025**.

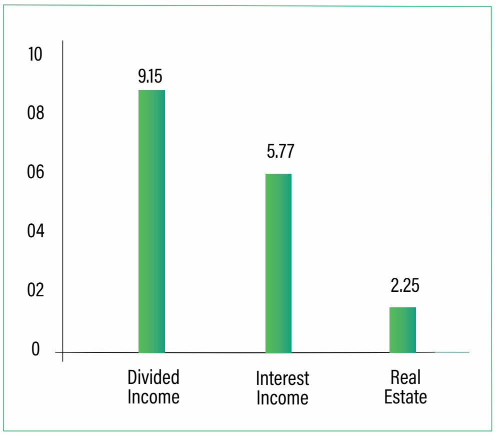
The Group is therefore increasingly supported by three principal investment pillars:

Listed Equities | Fixed-Income Investments | Real Estate

Management will continue strengthening this diversification to enhance recurring income, manage concentration risk and support sustainable long-term returns.

Diversification of Group Income - 2025

Major income streams for the year ended 31 December 2025 (TZS billion).



4. LISTED EQUITY INVESTMENTS

Listed equities remained the largest component of the Group's investment portfolio and a major source of dividend income and capital appreciation.

The value of investment securities increased from **TZS 114.93 billion in 2024 to TZS 186.48 billion in 2025**, while dividend income increased from **TZS 7.68 billion to TZS 9.15 billion**.

Management continues to focus on quality strategic holdings while seeking opportunities to improve portfolio diversification and risk-adjusted returns.

5. FIXED INCOME INVESTMENTS

Fixed-income securities continued to provide predictable income, liquidity and stability to the Group's portfolio.

As at 31st December 2025, Government and corporate bonds amounted to approximately **TZS 43.68 billion**, compared with **TZS 44.88 billion in 2024**. Interest income increased from **TZS 5.16 billion to TZS 5.77 billion**.

Management will continue to assess yields, maturity profiles and liquidity requirements to maintain an appropriate balance between income generation, capital preservation and investment flexibility.

6. REAL ESTATE AND SUBSIDIARY DEVELOPMENT

Real estate continued to strengthen its position as the Group's third major investment pillar.

Through **NICOLAND Development Company Limited and Mirambo Street Properties Limited**, the Group has expanded its participation in property investment, development and management.

Mirambo Building at 50 Mirambo Street, Dar es Salaam, the principal asset of Mirambo Street Properties Limited, has strengthened the Group's recurring rental-income base. Real-estate income amounted to approximately **TZS 2.25 billion in 2025**.

Management will continue pursuing opportunities to create value through acquisition, development, improved asset utilisation and, where appropriate, disposal and recycling of capital into new investments.

> *Dividend income increased from* ***TZS 4.35 billion in 2021 to TZS 9.15 billion in 2025,*** *while interest income increased from* ***TZS 1.34 billion to TZS 5.77 billion.*** *Real estate has also emerged as an additional recurring income stream, contributing approximately* ***TZS 2.25 billion in 2025.***

7. STRATEGIC PLAN – COMPLETING THE FIVE-YEAR CYCLE

The year **2026 marks the final year of implementation of the Group's current five-year Strategic Plan**.

During the strategic period, the Group has made significant progress in strengthening its investment portfolio, diversifying income sources, expanding its asset base and building a stronger platform for sustainable growth.

Our focus in 2026 will be to consolidate these achievements, complete outstanding strategic priorities and assess the lessons from the current strategic cycle.

This process will provide the foundation for the **next Strategic Plan commencing in 2027**, which will build upon the progress achieved while positioning the Group to pursue emerging investment opportunities.

8. CONTRIBUTION TO NATIONAL ECONOMIC DEVELOPMENT

NICOL's purpose extends beyond creating value for Shareholders to contributing positively to Tanzania's economic development.

Over the five-year period up to **31st December 2025, NICOL and its subsidiaries are estimated to have contributed more than TZS 4 billion to Government through taxes and statutory contributions**, including corporate income tax, withholding taxes, capital gains tax, employee-related taxes, levies and other applicable Government charges.

The Group is proud that its growth has enabled it to create value for Shareholders while also contributing to national revenue and economic activity.

As NICOL continues to grow, we remain committed to responsible investment, compliance with our statutory obligations and creating sustainable value for both **our Shareholders and the wider Tanzanian economy**.

9. CAPITAL ALLOCATION AND INVESTMENT DISCIPLINE

Disciplined capital allocation remains fundamental to the Group's sustainable growth.

Investment opportunities are assessed based on strategic fit, expected risk-adjusted returns, liquidity requirements and their contribution to portfolio diversification.

Our objective is not simply to increase the size of the investment portfolio, but to continuously improve its **quality, diversification, resilience and capacity to create sustainable long-term value**.

10. PRIORITIES FOR 2026

As the final year of the current five-year Strategic Plan, **2026 will be a year of consolidation and transition**.

Management will focus on strengthening returns from existing investments, improving income diversification, enhancing subsidiary performance and pursuing commercially attractive opportunities consistent with the Group's investment mandate and risk appetite.

Over the five-year period up to 31st December 2025, NICOL and its subsidiaries are estimated to have contributed more than TZS 4 billion to Government through taxes and statutory contributions including corporate income tax, withholding taxes, capital gains tax, employee-related taxes, levies and other applicable Government charges.

We will also continue strengthening investment analysis, risk management, internal controls and subsidiary oversight while preparing the strategic framework that will guide the Group from **2027 onwards**.

11. OUTLOOK

The progress achieved over the past five years gives Management confidence in the future of the Group.

NICOL has progressively evolved from an investment structure predominantly driven by listed equities into a broader investment Group supported by **listed equities, fixed-income investments and real estate**.

The Group has simultaneously strengthened its asset base, shareholders' equity, earnings capacity and ability to provide sustainable returns.

As we enter the next phase of development, Management will remain focused on investment quality, disciplined capital allocation and prudent risk management. We believe the Group is well positioned to continue its development as a **strong, diversified and professionally managed investment Group**.

12. APPRECIATION

I wish to express my sincere appreciation to the **Board of Directors** for its continued guidance and strategic oversight, and to Management and employees across the Group for their dedication and contribution during the year.

I equally thank our **Shareholders** for their continued confidence and trust, together with the **Capital Markets and Securities Authority (CMSA), Dar es Salaam Stock Exchange (DSE)**, Government authorities, financial institutions, investee companies, tenants, business partners, professional advisers and other stakeholders for their continued cooperation and support.

As Management, we recognise the responsibility entrusted to us to safeguard and productively deploy the Group's resources.

As we enter the final year of our current five-year Strategic Plan, our focus remains clear: **to consolidate the progress achieved, successfully conclude the current strategic cycle and position the Group for its next phase of sustainable growth, diversification and shareholder value creation, while continuing to contribute positively to Tanzania's economic development.**

Thank you.

CPA ERASTO G. NGAMILAGA
Chief Executive Officer
National Investments Plc

"Mwaka 2025 ulikuwa kipindi kingine muhimu katika ukuaji na mageuzi ya Kampuni. Menejimenti iliendelea kuweka mkazo katika kuimarisha uwekezaji, kupanua vyanzo vya mapato na kuongeza mchango wa kampuni zetu tanzu.

ERASTO NGAMILAGA
Chief Executive Officer
National Investments PLC

TAARIFA YA AFISA MTENDAJI MKUU
KWA WANAHISA
Kwa Mwaka Ulioishia Tarehe 31 Desemba 2025

Ndugu Wanahisa,

Nachukua fursa hii kuwasilisha Taarifa ya Afisa Mtendaji Mkuu kuhusu utendaji na maendeleo ya **National Investments Plc na kampuni zake tanzu ("NICOL" au "Group")** kwa mwaka wa fedha ulioishia tarehe 31 Desemba 2025. Napenda kutoa shukrani zangu za dhati kwa Wanahisa wetu kwa kuendelea kuwa na imani na Kampuni, na kwa Bodi ya Wakurugenzi kwa miongozo na usimamizi wake wenye thamani kubwa.

Mwaka 2025 ulikuwa kipindi kingine muhimu katika ukuaji na mageuzi ya Kampuni. Menejimenti iliendelea kuweka nguvu katika kuimarisha uwekezaji, kupanua vyanzo vya mapato na kuongeza mchango wa kampuni zetu tanzu.

Mfumo wa uwekezaji wa Kampuni unazidi kuimalika katika nguzo kuu tatu **uwekezaji katika hisa za kampuni zilizoorodheshwa, uwekezaji katika dhamana za mapato ya kudumu na uwekezaji katika mali isiyohamishika**—na hivyo kujenga msingi imara na wenye mseto mpana zaidi kwa ukuaji endelevu.

Maendeleo yaliyopatikana yanaweka msingi mzuri tunapoingia mwaka **2026, ambao ni mwaka wa mwisho wa utekelezaji wa Mpango Mkakati wa sasa wa miaka mitano wa Kampuni**.

1. MUHTASARI WA UTENDAJI

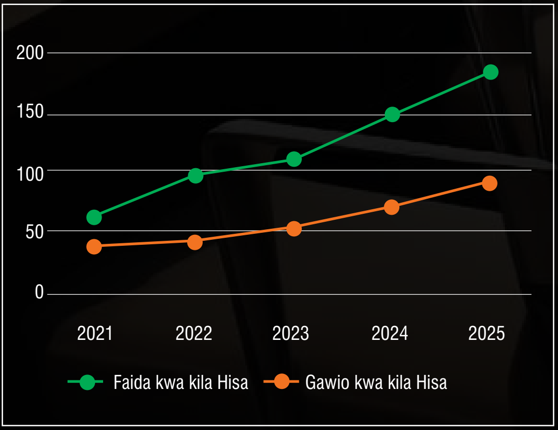
Kampuni imeendelea kudumisha mwenendo chanya wa ukuaji katika mwaka 2025. Jumla ya mapato iliongezeka hadi kufikia **TZS bilioni 17.33**, kutoka **TZS bilioni 15.60 mwaka 2024**, huku faida baada ya kodi ikiongezeka kutoka **TZS bilioni 9.07 hadi TZS bilioni 11.29**.

Faida kwa kila hisa iliongezeka kutoka **TZS 147.16 hadi TZS 183.13**, ikionyesha ukuaji endelevu wa thamani inayopatikana kwa Wanahisa.

Utendaji huu unaonesha manufaa ya muundo wa uwekezaji wa Kampuni unaozidi kuwa na mseto, pamoja na jitihada endelevu za Menejimenti katika kuhakikisha mapato endelevu na uwekezaji wenye nidhamu.

Ukuaji wa Mapato na Faida kwa Miaka Mitano

Mwenendo wa utendaji wa Kampuni ya NICOL kuanzia mwaka 2021 hadi 2025 (TZS bilioni).



TZS **11.29**

BILLION FAIDA BAADA YA KODI

2. UKUAJI NA MAGEUZI KATIKA KIPINDI CHA MIAKA MITANO

Kampuni kwa ujumla ilipata ukuaji mkubwa katika kipindi cha miaka mitano iliyopita. Kati ya mwaka 2021 na 2025, **jumla ya mapato iliongezeka kutoka TZS bilioni 5.69 hadi TZS bilioni 17.33**, huku **faida baada ya kodi ikiongezeka kutoka TZS bilioni 3.88 hadi TZS bilioni 11.29**.

Katika kipindi hicho, **jumla ya mali iliongezeka kutoka TZS bilioni 75.21 hadi TZS bilioni 257.06**, huku **mtaji unaohusishwa na wamiliki ukiongezeka kutoka TZS bilioni 73.03 hadi TZS bilioni 238.97**. Uwekezaji katika dhamana za kifedha pia uliongezeka kutoka **TZS bilioni 57.12 hadi TZS bilioni 186.48**.

Ukuaji huu umeenda sambamba na ongezeko la mapato kwa Wanahisa, ambapo faida kwa kila hisa iliongezeka kutoka **TZS 62.90 hadi TZS 183.13**, huku gawio kwa kila hisa likiongezeka kutoka **TZS 37 hadi TZS 90 iliyopendekezwa**.

Muhtasari wa Utendaji wa Kampunikwa Miaka Mitano

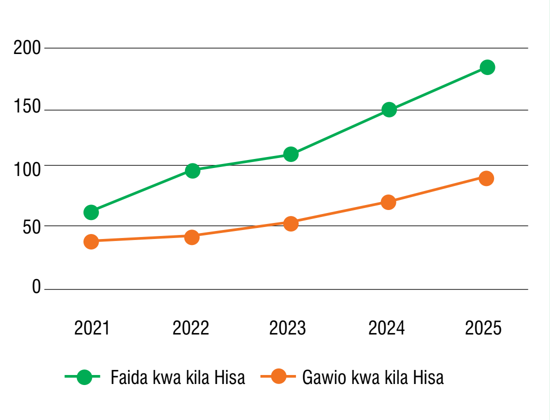
Viashiria Kikuu cha Utendaji	2021	2022	2023	2024	2025
	TZS Bln	TZS Bln	TZS Bln	TZS Bln	TZS Bln
Jumla ya Mapato	5.69	8.56	12.39	15.6	17.33
Faida Baada ya Kodi	3.88	5.92	6.79	9.07	11.29
Jumla ya Mali	75.21	127.52	162.37	188.87	257.06
Mtaji Unao-husishwa na Wamiliki	73.03	103.97	138.52	162.58	238.97
Uwekezaji ka-tika Dhamana za Kifedha	57.12	66.46	96.88	114.93	186.48
Faida kwa Kila Hisa	62.9	96.04	110.1	147.16	183.13
Gawio kwa Kila Hisa	37	43	53	70	90*

**Gawio la TZS 90 kwa kila hisa kwa mwaka 2025 ni pendekezo la Bodi na linategemea idhini ya Wanahisa katika Mkutano Mkuu wa Mwaka.*

Mwenendo huu wa miaka mitano unaonesha kuimarika kwa uwezo wa Kampunikatika kuzalisha mapato, kukuza jalada la uwekezaji na kuimarisha msingi wake wa mtaji.

Mwenendo wa Faida na Gawio kwa Kila Hisa

Mwenendo wa miaka mitano wa faida na gawio kwa kila hisa (TZS).



3. MSETO WA VYANZO VYA MAPATO

Kampuni imeendelea kupanua vyanzo vyake vya mapato zaidi ya utegemezi wake wa awali katika gawio kutoka kwenye hisa za kampuni zilizoorodheshwa.

Mapato ya gawio yaliongezeka kutoka **TZS bilioni 4.35 mwaka 2021 hadi TZS bilioni 9.15 mwaka 2025**, huku mapato ya riba yakiongezeka kutoka **TZS bilioni 1.34 hadi TZS bilioni 5.77**. Uwekezaji katika mali isiyohamishika pia imeibuka kuwa chanzo kingine cha mapato ya mara kwa mara, ukichangia takribani **TZS bilioni 2.25 mwaka 2025**.

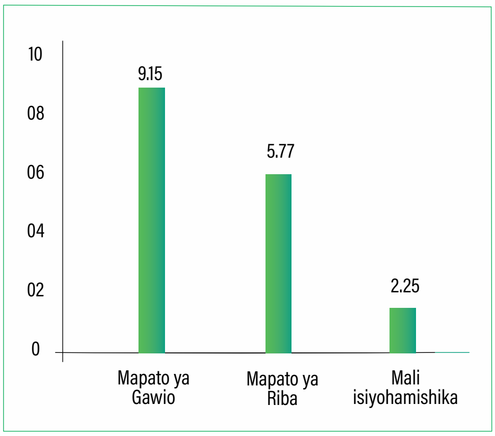
Hivyo, Kampuni inazidi kujengwa katika nguzo kuu tatu za uwekezaji:

Hisa Zilizoorodheshwa | Uwekezaji Katika Dhamana za Mapato ya Kudumu | Mali Isiyohamishika

Menejimenti itaendelea kuimarisha mseto huu ili kuongeza mapato ya mara kwa mara, kudhibiti hatari ya utegemezi wa uwekezaji katika eneo moja na kuendeleza mapato endelevu ya muda mrefu.

Mseto wa Vyanzo vya Mapato – 2025

Vyanzo vikuu vya mapato kwa mwaka ulioishia tarehe 31 Desemba 2025 (TZS bilioni).



4. UWEKEZAJI KATIKA HISA ZILIZOORODHESHWA

Uwekezaji katika hisa zilizoorodheshwa uliendelea kuwa sehemu kubwa zaidi ya jalada la uwekezaji la Kampuni na chanzo muhimu cha mapato ya gawio pamoja na ongezeko la thamani ya mtaji.

Thamani ya uwekezaji katika dhamana za kifedha iliongezeka kutoka **TZS bilioni 114.93 mwaka 2024 hadi TZS bilioni 186.48 mwaka 2025**, huku mapato ya gawio yakiongezeka kutoka **TZS bilioni 7.68 hadi TZS bilioni 9.15**.

Menejimenti itaendelea kuweka nguvu katika uwekezaji wenye ubora na thamani ya kimkakati, sambamba na kutafuta fursa za kuongeza mseto wa uwekezaji na kuboresha uwiano wa hatari na mapato ya uwekezaji.

5. UWEKEZAJI DHAMANA ZA MAPATO YA KUDUMU

Uwekezaji wa mapato ya kudumu uliendelea kutoa mapato yanayotabirika, ukwasi na uthabiti katika jalada la uwekezaji la Kampuni.

Kufikia tarehe 31 Desemba 2025, dhamana za Serikali na kampuni zilifikia takribani **TZS bilioni 43.68**, ikilinganishwa na **TZS bilioni 44.88 mwaka 2024**. Mapato ya riba yaliongezeka kutoka **TZS bilioni 5.16 hadi TZS bilioni 5.77**.

Menejimenti itaendelea kutathmini viwango vya mapato, vipindi vya ukomavu wa dhamana na mahitaji ya ukwasi ili kudumisha uwiano unaofaa kati ya uzalishaji wa mapato, uhifadhi wa mtaji na unyumbufu wa uwekezaji.

6. MALI ISIYOHAMISHIKA NA MAENDELEO YA KAMPUNI TANZU

Uwekezaji katika mali isiyohamishika uliendelea kuimarisha nafasi yake kama nguzo ya tatu muhimu ya uwekezaji wa Kampuni.

Kupitia **NICOLAND Development Company Limited na Mirambo Street Properties Limited**, Kampuni imepanua ushiriki wake katika uwekezaji, uendelezaji na usimamizi wa mali isiyohamishika.

Jengo la Mirambo lililopo 50 Mirambo Street, Dar es Salaam, ambalo ni mali kuu ya Mirambo Street Properties Limited, limeimarisha msingi wa mapato ya mara kwa mara yatokanayo na upangishaji. Mapato yatokanayo na mali isiyohamishika yalifikia takribani **TZS bilioni 2.25 mwaka 2025**.

> *Mapato ya gawio yaliongezeka kutoka **TZS bilioni 4.35 mwaka 2021 hadi TZS bilioni 9.15 mwaka 2025**, huku mapato ya riba yakiongezeka kutoka **TZS bilioni 1.34 hadi TZS bilioni 5.77**. Uwekezaji katika mali isiyohamishika pia ikeibuka kuwa chanzo kingine cha mapato ya mara kwa mara, ukichangia takribani **TZS bilioni 2.25 mwaka 2025**.*

Menejimenti itaendelea kutafuta fursa za kuongeza thamani kupitia ununuzi, uendelezaji na matumizi bora ya mali, pamoja na, pale inapofaa, kuuza mali na kuelekeza upya mtaji katika fursa mpya za uwekezaji.

7. MPANGO MKAKATI WA MIAKA MITANO

Mwaka **2026 ni mwaka wa mwisho wa utekelezaji wa Mpango Mkakati wa sasa wa miaka mitano wa Kampuni**.

Katika kipindi cha Mpango Mkakati, Kampuni imepiga hatua kubwa katika kuimarisha jalada lake la uwekezaji, kupanua vyanzo vya mapato, kukuza msingi wa mali na kujenga jukwaa imara zaidi kwa ukuaji endelevu.

Katika mwaka 2026, tutalenga kuimarisha mafanikio yaliyopatikana, kukamilisha vipaumbele vya kimkakati vilivyosalia na kutathmini mafunzo yaliyopatikana katika kipindi cha sasa cha Mpango Mkakati.

Mchakato huu utaweka msingi wa **Mpango Mkakati unaofuata utakaoanza mwaka 2027**, ambao utajengwa juu ya mafanikio yaliyopatikana na kuliweka Kampunikatika nafasi nzuri ya kutumia fursa mpya za uwekezaji.

8. MCHANGO KATIKA MAENDELEO YA UCHUMI WA TAIFA

Dhamira ya NICOL inaenda zaidi ya kujenga thamani kwa Wanahisa; inalenga pia kutoa mchango chanya katika maendeleo ya uchumi wa Tanzania.

Katika kipindi cha miaka mitano hadi kufikia **31 Desemba 2025, NICOL na kampuni zake tanzu zinakadiriwa kuwa zimelipa na kuwasilisha Serikalini zaidi ya TZS bilioni 4 kupitia kodi na michango mbalimbali ya kisheria**. Hii inajumuisha kodi ya mapato ya kampuni, kodi za zuio, kodi ya faida ya mtaji, kodi zinazohusiana na wafanyakazi, tozo na malipo mengine yanayostahili kulipwa Serikalini.

Mchango huu unaakisi wigo mpana wa mchango wa Kampuni katika uchumi na nafasi yake katika kusaidia mapato ya Serikali na shughuli za kiuchumi. Tunajivunia kwamba ukuaji wa NICOL unaendelea kujenga thamani kwa Wanahisa huku ukichangia maendeleo ya uchumi wa Tanzania.

Kadiri Kampuni inavyoendelea kukua, tutaendelea kuzingatia uwekezaji wenye uwajibikaji, kutekeleza kikamilifu wajibu wetu wa kisheria na kujenga thamani endelevu kwa **Wanahisa wetu na uchumi mpana wa Tanzania**.

9. MGAWANYO WA MTAJI NA NIDHAMU YA UWEKEZAJI

Mgawanyo wa mtaji wenye nidhamu unaendelea kuwa msingi muhimu wa ukuaji endelevu wa Kampuni.

Fursa za uwekezaji zinatathminiwa kwa kuzingatia ulinganifu wake na mkakati wa Kampuni, matarajio ya mapato kulingana na kiwango cha hatari, mahitaji ya ukwasi na mchango wake katika kuongeza mseto wa jalada la uwekezaji.

Lengo letu si kuongeza tu ukubwa wa jalada la uwekezaji, bali kuendelea kuboresha **ubora wake, mseto, uimara na uwezo wa kujenga thamani endelevu ya muda mrefu**.

10. VIPAUMBELE KWA MWAKA 2026

Kwa kuwa ni mwaka wa mwisho wa Mpango Mkakati wa sasa wa miaka mitano, **mwaka 2026 utakuwa mwaka wa kuimarisha mafanikio yaliyopatikana na kujiandaa kwa awamu inayofuata**.

Menejimenti italenga kuimarisha mapato kutoka katika uwekezaji uliopo, kuongeza mseto wa vyanzo vya mapato,

> **_Katika kipindi cha miaka mitano hadi kufikia 31 Desemba 2025, NICOL na kampuni zake tanzu zinakadiriwa kuwa zimelipa na kuwasilisha Serikalini zaidi ya TZS bilioni 4 kupitia kodi na michango mbalimbali ya kisheria. Hii inajumuisha kodi ya mapato ya kampuni, kodi za zuio, kodi ya faida ya mtaji, kodi zinazohusiana na wafanyakazi, tozo na malipo mengine yanayostahili kulipwa Serikalini._**

kuboresha utendaji wa kampuni tanzu na kutafuta fursa za uwekezaji zenye mvuto wa kibiashara zinazoendana na mamlaka ya uwekezaji ya Kampunina **kiwango cha hatari kilichoainishwa**.

Pia tutaendelea kuimarisha **uchambuzi wa uwekezaji, usimamizi makini wa vihatarishi na mifumo ya udhibiti wa ndani**, sambamba na kuandaa mfumo wa kimkakati utakaoongoza Kampunikuanzia **mwaka 2027 na kuendelea**.

11. MWELEKEO WA BAADAYE

Maendeleo yaliyopatikana katika kipindi cha miaka mitano iliyopita yanaipa Menejimenti imani katika mustakabali wa Kampuni.

NICOL imeendelea kubadilika kutoka muundo wa uwekezaji uliotegemea kwa kiasi kikubwa hisa zilizoorodheshwa na kuwa Kampunipana zaidi la uwekezaji lenye mseto unaojumuisha **hisa zilizoorodheshwa, uwekezaji wa mapato ya kudumu na mali isiyohamishika**.

Wakati huo huo, Kampunilimeimarisha msingi wake wa mali, mtaji wa Wanahisa, uwezo wa kuzalisha mapato na uwezo wa kutoa mapato endelevu kwa Wanahisa.

Tunapoingia katika awamu inayofuata ya maendeleo, Menejimenti itaendelea kuweka mkazo katika ubora wa uwekezaji, mgawanyo wa mtaji wenye nidhamu na usimamizi makini wa vihatarishi. Tunaamini Kampuniliko katika nafasi nzuri ya kuendelea kujijenga kuwa **Kampuniimara, lenye mseto na linalosimamiwa kwa weledi, lenye uwezo wa kujenga thamani endelevu ya muda mrefu**.

12. SHUKRANI

Napenda kutoa shukrani zangu za dhati kwa **Bodi ya Wakurugenzi** kwa miongozo na usimamizi wake wa kimkakati, na kwa Menejimenti pamoja na wafanyakazi wote wa Kampunikwa kujituma na mchango wao katika kipindi cha mwaka.

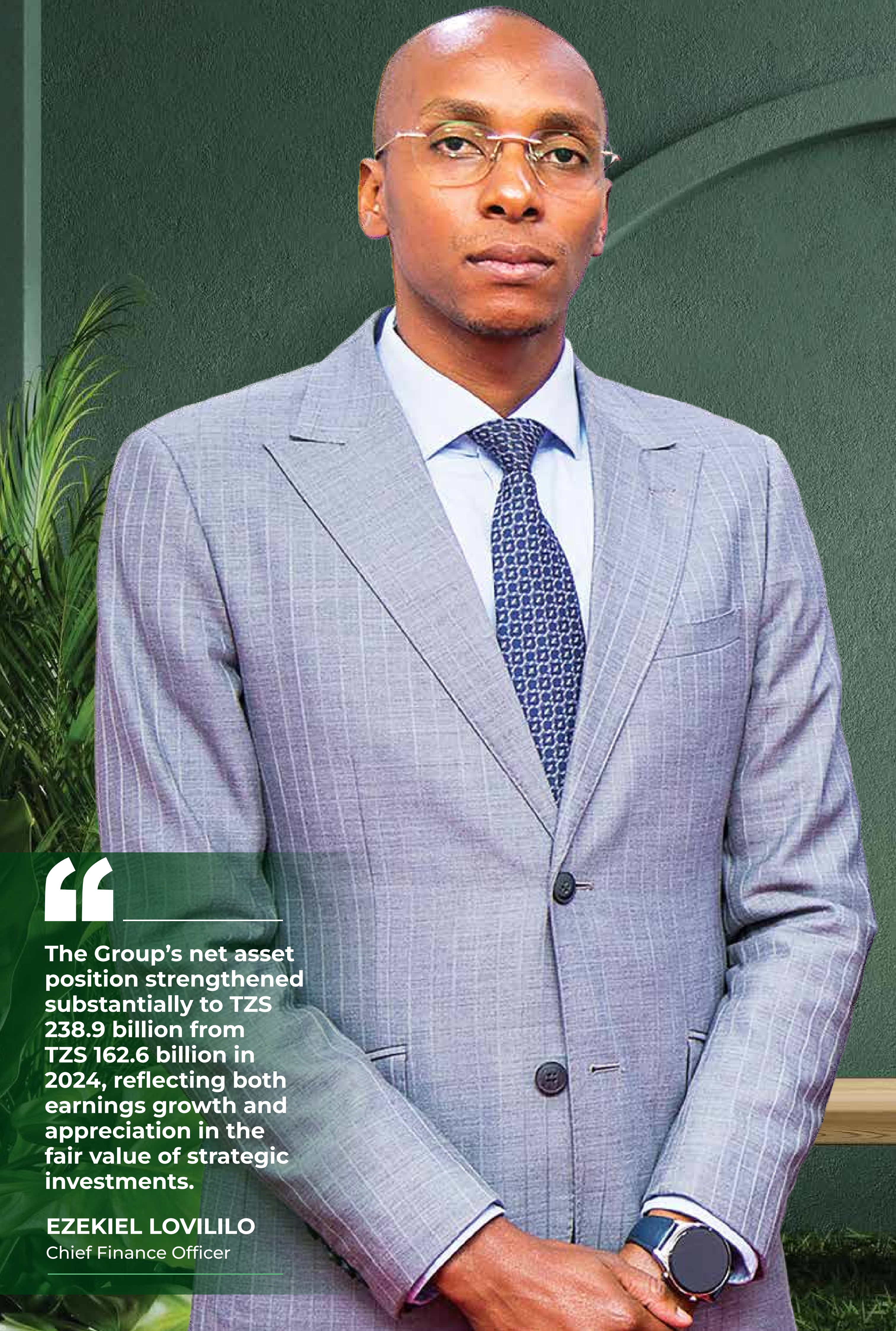
Vilevile, ninawashukuru **Wanahisa wetu** kwa kuendelea kuwa na imani na Kampuni, pamoja na **Mamlaka ya Masoko ya Mitaji na Dhamana (CMSA), Soko la Hisa la Dar es Salaam (DSE)**, mamlaka za Serikali, taasisi za fedha, kampuni ambazo Kampunilimewekeza, wapangaji, washirika wa biashara, washauri wa kitaalamu na wadau wengine kwa ushirikiano na msaada wao endelevu.

Kama Menejimenti, tunatambua wajibu tuliopewa wa kulinda na kutumia kwa tija rasilimali za Kampuni.

Tunapoingia katika mwaka wa mwisho wa Mpango Mkakati wetu wa sasa wa miaka mitano, dira yetu iko wazi: **kuimarisha mafanikio yaliyopatikana, kukamilisha kwa mafanikio kipindi cha sasa cha kimkakati na kuliweka Kampunikatika nafasi nzuri kwa awamu inayofuata ya ukuaji endelevu, mseto wa uwekezaji na ujenzi wa thamani kwa Wanahisa, huku tukiendelea kutoa mchango chanya katika maendeleo ya uchumi wa Tanzania.**

Asanteni.

CPA ERASTO G. NGAMILAGA
Afisa Mtendaji Mkuu
National Investments PLC



> The Group's net asset position strengthened substantially to TZS 238.9 billion from TZS 162.6 billion in 2024, reflecting both earnings growth and appreciation in the fair value of strategic investments.

EZEKIEL LOVILILO
Chief Finance Officer

*Group revenue increased by **11% to TZS 17.3 billion from TZS 15.6 billion in 2024,** while operating profit increased by **11.6% to TZS 13.5 billion. Profit** after tax grew significantly to **TZS 11.26 billion** compared to TZS 9.07 billion in the prior year.*

1. OVERVIEW

Dear Shareholders,

On behalf of Management, I am pleased to present the Chief Finance Officer's Report for the financial year ended 31 December 2025 for National Investments Public Limited Company (NICOL) Group.

The 2025 financial year marked another year of resilient growth and disciplined financial stewardship for NICOL despite a dynamic macroeconomic and capital market environment. The Group continued to strengthen its investment portfolio, improve profitability, enhance governance structures, and position itself for long-term sustainable value creation.

During the year, the Group recorded strong financial performance supported by growth in investment income, positive market performance at the Dar es Salaam Stock Exchange (DSE), prudent cost management, and disciplined capital allocation.

Group revenue increased by 11% to TZS 17.3 billion from TZS 15.6 billion in 2024, while operating profit increased by 11.6% to TZS 13.5 billion. Profit after tax grew significantly to TZS 11.26 billion compared to TZS 9.07 billion in the prior year.

The Group's net asset position strengthened substantially to TZS 238.9 billion from TZS 162.6 billion in 2024, reflecting both earnings growth and appreciation in the fair value of strategic investments.

The year was characterized by strong capital market performance, enhanced portfolio valuation gains, improved shareholder returns, strengthened governance and risk oversight, continued ESG and sustainability integration, and strategic positioning for the next five-year growth phase.

The Group maintained a prudent liquidity profile and continued to manage risks conservatively while preserving flexibility to capitalize on future investment opportunities.

As we transition into the 2026–2030 strategic cycle, Management remains focused on disciplined capital allocation, portfolio diversification, operational efficiency, digital transformation, and sustainable shareholder value creation.

MACROECONOMIC AND CAPITAL MARKET ENVIRONMENT

The Tanzanian economy remained resilient during 2025, supported by continued growth in key sectors including banking, telecommunications, infrastructure, mining, tourism, and manufacturing.

> ***The Dar es Salaam Stock Exchange recorded one of its strongest years in recent history. Total market capitalization increased to approximately TZS 24 trillion compared to TZS 17.8 trillion in 2024, representing growth of approximately 34%.***

Inflation remained relatively stable during the year while monetary conditions supported private sector activity and financial market growth. The continued expansion of domestic institutional investment and increasing retail investor participation positively supported the capital markets environment.

The Dar es Salaam Stock Exchange recorded one of its strongest years in recent history. Total market capitalization increased to approximately TZS 24 trillion compared to TZS 17.8 trillion in 2024, representing growth of approximately 34%.

The strong performance of domestic listed equities, particularly in the banking and financial services sector, significantly contributed to upward movement in equity valuations across the market.

The introduction of the Volume Weighted Average Price (VWAP) pricing methodology enhanced market transparency and improved price discovery mechanisms, further strengthening investor confidence.

These developments positively impacted NICOL's portfolio valuation and contributed to the increase in fair value gains recognized during the year.

LIQUIDITY AND TREASURY MANAGEMENT

NICOL maintained adequate liquidity throughout the year to meet operational obligations, investment commitments, and shareholder expectations.

The Group's liquidity management framework focuses on maintaining sufficient cash reserves, matching investment durations with funding requirements, diversifying income streams, preserving financial flexibility, and monitoring cash flow forecasts and obligations.

Primary liquidity sources during the year included dividend income, interest income, rental income and investment proceeds.

Management continued to monitor liquidity risk conservatively through regular cash flow forecasting, investment maturity analysis, and funding assessments.

The Directors remain satisfied that the Group has sufficient financial resources to continue operating as a going concern.

FINANCIAL HIGHLIGHTS DASHBOARD

KPI	2025 (TZS)	2024 (TZS)	CHANGE
Revenue	17.3 Bn	15.6 Bn	+11%
Operating profit	13.5 Bn	12.1 Bn	+12%
Profit After Tax	11.3 Bn	9.1 Bn	+24%
Asset Value	239 Bn	163 Bn	+47%
Net Asset Value (NAV)	3,877	2,638	+47%
Earnings Per Share	183	147	+24%
Dividend Per Share	90	70	+29%

GROUP FINANCIAL PERFORMANCE

Group revenue increased from TZS 15.6 billion in 2024 to TZS 17.3 billion in 2025, representing an increase of 11%. The growth was primarily driven by increased dividend income from portfolio investments, growth in interest income, and stronger performance from strategic investee companies.

The Company continued to benefit from its diversified investment strategy across banking, telecommunications, industrial, and services sectors.

Operating profit increased to TZS 13.5 billion from TZS 12.1 billion in the prior year, representing growth of 11.6%.

Group profit after tax increased to TZS 11.26 billion compared to TZS 9.07 billion in 2024.

The increase in profitability reflects revenue growth across investment activities, positive capital market performance, strong investment income, effective cost containment measures and decreased financing costs.

Net profit margin improved significantly from 58% in 2024 to 65% in 2025, demonstrating strong earnings quality and operational efficiency.

Group's Profit and Loss Summary (TZS '000')	2021	2022	2023	2024	2025	Change
Gross profit (Land sale)	-	-	-	641,253	**(95,841)**	-115%
Investment Income	5,689,948	8,342,351	11,123,629	12,836,470	**14,923,940**	16%
Rental Income	-	-	-	1,863,348	**2,060,136**	11%
Other Income	-	218,381	1,265,850	261,346	**443,542**	70%
Administrative Expenses	(1,323,233)	(2,095,439)	(1,473,739)	(2,602,469)	**(2,710,286)**	4%
Other operating expenses	(256,495)	(180,935)	(833,029)	(898,714)	**(1,082,364)**	20%
Operating profit	4,110,220	6,284,358	10,082,711	12,101,234	**13,539,127**	12%
Finance costs	(11,242)	(87,685)	(2,447,987)	(2,171,309)	**(1,808,572)**	-17%
Profit before tax	4,098,979	6,196,673	7,634,724	9,929,925	**11,730,555**	18%
Tax charge	(221,992)	(277,344)	(848,446)	(859,695)	**(443,333)**	-48%
Profit after tax	3,876,987	5,919,329	6,786,278	9,070,230	**11,287,222**	24%
Return on equity (%)	5%	6%	5%	6%	**5%**	
Return on investment assets (%)	8%	8%	8%	8%	**6.5%**	
Cost to income ratio (%)	28%	27%	19%	22%	**22%**	
Earnings per share (TZS)	63	96	110	147	**183**	
Dividend per share (TZS)	37	43	53	70	**90**	

The decline in return on capital employed was primarily attributable to the substantial increase in asset base and fair value adjustments during the year. While profitability improved strongly, the rapid growth in equity and investment values diluted the return percentage.

This outcome reflects a capital preservation and long-term value creation profile rather than deterioration in operational performance.

GROUP FINANCIAL POSITION

The Group maintained a strong and resilient financial position during 2025. Net assets increased significantly by 76.4 billion from

TZS 162.6 billion to TZS 238.9 billion, driven by retained earnings growth, fair value appreciation of quoted investments, portfolio expansion, strong profitability and improved market conditions.

Total borrowing declined by 21% from TZS 16.2 billion to TZS 12.7 billion, further strengthening the Group's balance sheet and reducing financing risk.

The Group's capital structure remained stable with issued and fully paid share capital of TZS 7.7 billion comprising 61,634,834 ordinary shares.

The Company continued to maintain a conservative leverage position while preserving adequate liquidity to support future investment opportunities.

The strength of the balance sheet enhances investment capacity, dividend sustainability, market confidence, financial resilience, and strategic flexibility.

Group's Balance Sheet Summary (TZS '000')	2021	2022	2023	2024	2025
Goodwill	-	-	-	168,980	**168,980**
Property, plant and equipment	1,694,972	1,923,888	2,308,107	22,203,279	**529,679**
Right of use asset	95,787	27,912	268,608	202,574	**138,022**
Corporate Bonds	-	-	202,702	202,962	**202,962**
Investment securities	57,123,378	66,464,348	96,877,777	114,933,931	**186,484,485**
Government securities	15,400,196	34,637,359	34,637,359	44,675,021	**43,480,055**
Trade and other receivables	259,435	743,905	17,916,130	1,444,354	**935,347**
Inventories	-	-	9,549,356	2,120,398	**2,120,398**
Investment UTT	-	-	-	-	**1,148,128**
Investment property	-	1,754,294	-	-	**21,386,852**
Deposits with financial institutions	-	10,021,918	-	-	**-**
Cash and cash equivalents	636,834	11,949,680	611,376	2,919,311	**355,798**
Total Assets	**75,210,602**	**127,523,304**	**162,371,415**	**188,870,810**	**257,062,808**
Lease liabilities	73,637	6,025	277,055	171,353	**124,099**
Trade and other payables	1,039,966	769,338	1,596,869	609,724	**1,066,352**
Dividends payable	1,063,790	1,182,463	1,882,761	2,926,892	**4,189,807**
Bank overdraft	-	-	-	6,108,984	**-**
Tax payable	-	-	485,556	304,282	**-**
Borrowings	-	21,600,000	19,614,286	16,161,905	**12,709,524**
Total liabilities	2,177,393	23,557,826	23,856,527	26,283,140	**18,089,782**
Total equity	73,033,209	103,965,478	138,514,888	162,587,670	**238,973,026**
Total equity and liabilities	**75,210,602**	**127,523,304**	**162,371,415**	**162,587,670**	**257,062,808**

SHAREHOLDER VALUE CREATION

NICOL remains committed to delivering sustainable long-term shareholder value.

During the year, net assets increased significantly, earnings improved strongly, market valuations strengthened, dividend sustainability improved, shareholder confidence strengthened.

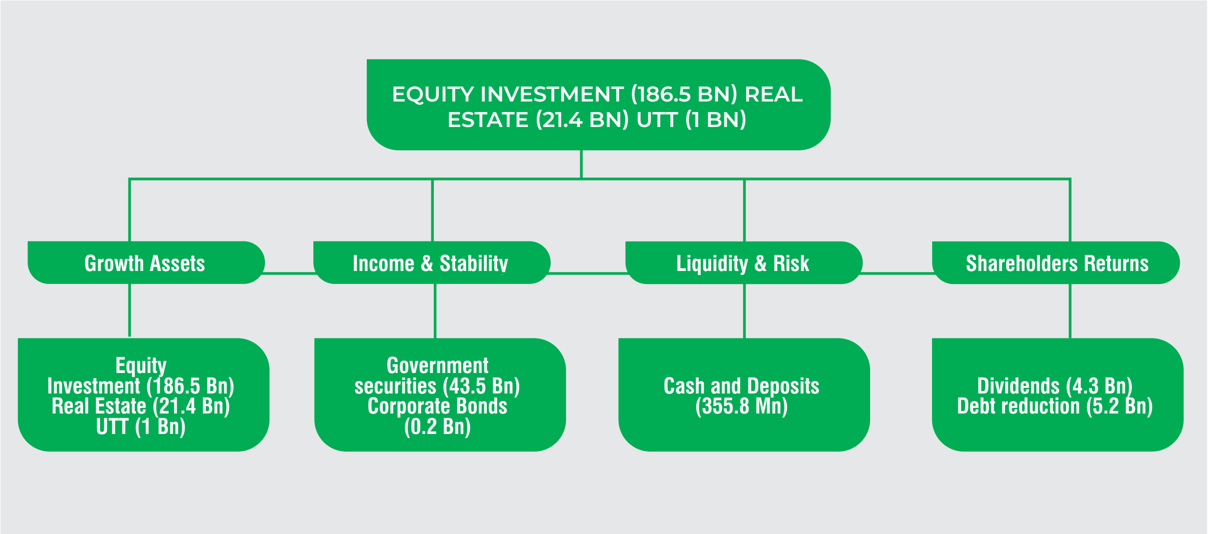
The Group maintained a progressive dividend philosophy balancing the shareholder returns, capital preservation, investment growth and long-term sustainability.

The 2024 final dividend of TZS 70 per share was approved and paid during 2025, representing total dividend distribution of TZS 4.31 billion. TZS 90 per share is proposed as the dividend for 2025, representing total dividend distribution of TZS 5.5 billion. The Board will continue evaluating future dividend proposals based on profitability, liquidity position, investment opportunities, capital requirements and long-term strategic objectives.

NICOL's Net Asset Value (NAV) per share increased to TZS 3,877 in 2025, reflecting strong intrinsic shareholder value growth.

NICOL's share price increased from TZS 640 in 2024 to TZS 1,880 during the close of the year 2025, this signifies a capital gain in share price of 194% during the year. As at 30 June 2026 the share price stood at TZS 3,600 which is equivalent to 91% increase from the close of 2025.

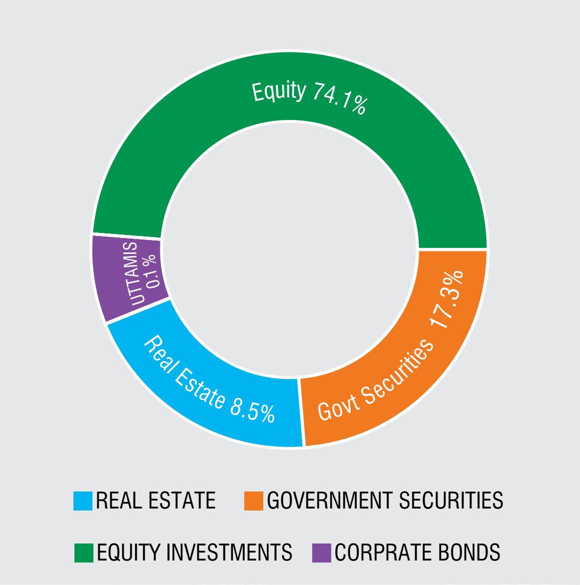
CAPITAL ALLOCATION FRAMEWORK



The Group's capital allocation strategy remains focused on achieving an optimal balance between long-term capital appreciation, income generation, liquidity preservation, and shareholder return. During the year, 79.6% of deployed capital was allocated to equity investments, reflecting the Group's conviction in long-term value creation through strategic participation in listed investments. Government securities and corporate bonds accounted for 16.7%, providing portfolio diversification, income stability, and downside risk protection.

The Group maintained prudent liquidity through cash and deposit holdings while continuing to strengthen its financial position through debt reduction initiatives (5.2 billion was paid during the year). In line with its commitment to shareholder value creation, the Group distributed TZS 4.3 billion in dividends during the year. This disciplined capital allocation framework supports sustainable growth while preserving financial flexibility and enhancing long-term shareholder returns.

PORTFOLIO ALLOCATION



The investment portfolio remains predominantly allocated to equity investments, representing 74.1% of total assets under management, reflecting the Company's long-term capital appreciation strategy. Government securities account for 17.3%, providing stability and liquidity, while real estate contributes 8.5% through asset-backed value creation. Exposure to corporate bonds remains minimal at 0.1%, indicating a selective approach to fixed-income investments. This allocation reflects a deliberate investment strategy focused on maximizing shareholder value through equity exposure while maintaining prudent diversification through government securities and real estate investments. This allocation positions the Group to capture long-term growth opportunities while managing market and liquidity risks.

RISK MANAGEMENT

The Group maintains a comprehensive enterprise risk management framework that assesses risks based on their likelihood of occurrence and potential impact on strategic objectives. The portfolio concentration, market volatility, liquidity management, and regulatory developments remain the most significant risks requiring ongoing monitoring and mitigation.

The risk heat map below demonstrates the trend of the potential risks in 2025.

RISK	TREND
Market volatility risk	↑
Concentration risk	↑
Liquidity risk	↓
Regulatory risk	→

Management continues to implement diversification strategies, maintain adequate liquidity reserves, strengthen governance structures, and conduct regular stress testing to enhance the Group's resilience and support sustainable value creation.

SUSTAINABILITY AND ESG PERFORMANCE

Sustainability remains an integral component of NICOL's long-term value creation strategy, supporting portfolio resilience, risk management, sound governance, and sustainable shareholder return. During the year, the Group continued strengthening the integration of environmental, social, and governance (ESG) considerations across its investment and operational activities, with a focus on sustainable finance, governance and ethics, human capital development, cybersecurity, and responsible investment practices.

NICOL recorded total greenhouse gas emissions of 64.85 tCO_2e in 2025, with the majority attributable to indirect Scope 3 emissions, reflecting the Group's investment holding structure. As part of its

> *The Group maintained prudent liquidity through cash and deposit holdings while continuing to strengthen its financial position through debt reduction initiatives (5.2 billion was paid during the year).*

> ***The outlook for 2026 remains positive although global and regional uncertainties continue to require prudent financial and investment management.***

environmental stewardship initiatives, the Group planted 1,000 trees during the year to support environmental conservation, community development, and long-term carbon sequestration. Additional efforts focused on digitalization, energy efficiency, responsible procurement, waste management, and sustainable operational practices.

Management remains committed to embedding sustainability principles into decision-making processes to enhance long-term stakeholder value and support the Group's sustainable growth objectives.

STRATEGIC PRIORITIES FOR 2027–2031

As we are coming to an end of our strategic plan, NICOL is in the final stages of development of its 2027-2031 strategic plan.

This strategic phase will focus on portfolio diversification, sustainable investment growth, revenue diversification, enhanced risk management, ESG integration, operational efficiency, and shareholder value optimization.

Management will continue evaluating investment opportunities aligned with long-term economic trends, climate resilience, financial sustainability, and responsible investment principles.

The Group also intends to strengthen ESG reporting, climate risk integration, internal capabilities and governance systems.

Management's focus extends beyond financial reporting to capital allocation, portfolio optimization, risk-adjusted return enhancement and long-term value creation. The Group's financial strategy for the 2027–2031 period will emphasize disciplined investment selection, balance sheet strength, sustainable dividends and growth in intrinsic shareholder value.

OUTLOOK FOR 2026

The outlook for 2026 remains positive although global and regional uncertainties continue to require prudent financial and investment management.

Key opportunities include continued growth of the Tanzanian capital markets, expanding domestic investment participation, financial sector growth, infrastructure expansion, digital transformation opportunities, and sustainable finance initiatives.

Key risks that will continue to be monitored include global market volatility, inflationary pressures, interest rate movements, climate-related risks, cybersecurity threats and regulatory developments.

Management remains confident that NICOL's strong balance sheet, diversified portfolio, governance framework, liquidity position, risk management systems and long-term investment strategy position the

Group favorably for continued sustainable growth.

APPRECIATION

On behalf of Management, I extend sincere appreciation to:

- Our shareholders for their continued trust and confidence;
- The Board of Directors for strategic guidance and oversight;
- Regulators and stakeholders for their continued support;
- Management and employees for their commitment and professionalism;
- Our investee companies and business partners for their collaboration.

NICOL remains committed to prudent financial stewardship, disciplined capital allocation, and sustainable long-term shareholder value creation.

Thank you.

EZEKIEL LOVILILO

Chief Finance Officer
National Investments PLC

> **Hali ya mali halisi za Kampuni ziliimarika kwa kiwango kikubwa na kufikia shilingi bilioni 238.9 kutoka shilingi bilioni 162.6 mwaka 2024.**

EZEKIEL LOVILILO
AFISA MKUU WA FEDHA
National Investments Plc

*Mapato ya Kampuni yaliongezeka kwa **asilimia 11** na kufikia **shilingi bilioni 17.3** kutoka shilingi bilioni 15.6 mwaka 2024, huku faida ya uendeshaji **ikiongezeka kwa asilimia 11.6 na kufikia shilingi bilioni 13.5.** Aidha, faida baada ya kodi iliongezeka kwa kiwango kikubwa na kufikia **shilingi bilioni 11.26 ikilinganishwa na shilingi bilioni 9.07** katika mwaka uliotangulia.*

1. UTANGULIZI

Waheshimiwa Wanahisa,

Kwa heshima na shukrani kubwa na kwa niaba ya Menejimenti napenda kuwasilisha Ripoti ya Afisa Mkuu wa Fedha kwa mwaka wa fedha ulioishia tarehe 31 Desemba 2025.

Mwaka wa fedha 2025 ulikuwa mwaka mwingine wa ukuaji imara na usimamizi makini wa fedha kwa NICOL, licha ya mabadiliko yaliyojitokeza katika mazingira ya uchumi mpana na masoko ya mitaji. Katika kipindi hicho, Kampuni iliendelea kuimarisha uwekezaji wake, kuongeza faida, kuboresha mifumo ya utawala bora wa kampuni, na kujiweka katika nafasi nzuri ya kuendelea kuunda thamani endelevu kwa wanahisa kwa muda mrefu.

Katika mwaka huo, Kampuni ilipata matokeo mazuri ya kifedha yaliyotokana na ongezeko la mapato ya uwekezaji, utendaji mzuri wa Soko la Hisa la Dar es Salaam (DSE), usimamizi madhubuti wa gharama, pamoja na ugawaji wa mtaji uliofanyika kwa umakini na nidhamu.

Mapato ya Kampuni yaliongezeka kwa asilimia 11 na kufikia shilingi bilioni 17.3 kutoka shilingi bilioni 15.6 mwaka 2024, huku faida ya uendeshaji ikiongezeka kwa asilimia 11.6 na kufikia shilingi bilioni 13.5. Aidha, faida baada ya kodi iliongezeka kwa kiwango kikubwa na kufikia shilingi bilioni 11.26 ikilinganishwa na shilingi bilioni 9.07 katika mwaka uliotangulia.

Hali ya mali halisi za Kampuni ziliimarika kwa kiwango kikubwa na kufikia shilingi bilioni 238.9 kutoka shilingi bilioni 162.6 mwaka 2024. Ukuaji huu ulitokana na ongezeko la faida pamoja na kuimarika kwa thamani ya uwekezaji katika kampuni mbalimbali NICOL ilipowekeza kimkakati.

Mwaka 2025 ulijulikana kwa mafanikio mbalimbali, ikiwemo utendaji mzuri wa masoko ya mitaji, ongezeko la thamani ya uwekezaji, kuboreshwa kwa manufaa kwa wanahisa, kuimarishwa kwa mifumo ya utawala bora na usimamizi wa vihatarishi, kuendelea kuunganisha masuala ya mazingira, jamii na utawala bora (ESG) katika shughuli za kampuni, pamoja na kujiandaa kwa awamu mpya ya ukuaji chini ya Mpango Mkakati wa Miaka Mitano unaofuata.

Kampuni iliendelea kudumisha kiwango kizuri cha ukwasi na kusimamia vihatarishi kwa tahadhari kubwa, huku likihifadhi

> ***Soko la Hisa na Mitaji la Dar es Salaam (DSE) lilishuhudia moja ya miaka yake bora zaidi katika historia ya hivi karibuni. Jumla ya mtaji wa soko iliongezeka na kufikia takribani shilingi trilioni 24 ikilinganishwa na shilingi trilioni 17.8 mwaka 2024, ikiwa ni ongezeko la takribani asilimia 34.***

uwezo wa kutumia fursa mpya za uwekezaji zitakazojitokeza.

Tunapoingia katika kipindi cha utekelezaji wa Mpango Mkakati wa miaka 2026–2030, Menejimenti itaendelea kuweka mkazo katika ugawaji wa mtaji kwa ufanisi, kuboresha mchanganyiko wa uwekezaji (portfolio diversification), kuongeza ufanisi wa shughuli za kampuni, kuharakisha matumizi ya teknolojia za kidijitali, na kuendelea kujenga thamani endelevu kwa wanahisa.

MAZINGIRA YA UCHUMI MPANA NA SOKO LA MITAJI

Uchumi wa Tanzania uliendelea kuonesha uimara katika mwaka 2025, ukichangiwa na ukuaji endelevu katika sekta muhimu zikiwemo benki, mawasiliano, miundombinu, madini, utalii na viwanda.

Mfumuko wa bei uliendelea kuwa katika kiwango tulivu kwa kipindi chote cha mwaka, huku sera za fedha zikiendelea kusaidia ukuaji wa shughuli za sekta binafsi na maendeleo ya masoko ya fedha. Aidha, kuongezeka kwa uwekezaji kutoka kwa taasisi za ndani pamoja na ongezeko la ushiriki wa wawekezaji binafsi kulichangia kwa kiasi kikubwa kuimarika kwa mazingira ya soko la hisa na mitaji.

Soko la Hisa na Mitaji la Dar es Salaam (DSE) lilishuhudia moja ya miaka yake bora zaidi katika historia ya hivi karibuni. Jumla ya mtaji wa soko iliongezeka na kufikia takribani shilingi trilioni 24 ikilinganishwa na shilingi trilioni 17.8 mwaka 2024, ikiwa ni ongezeko la takribani asilimia 34.

Utendaji mzuri wa hisa za kampuni zilizoorodheshwa nchini, hususan katika sekta za benki na huduma za kifedha, ulichangia kwa kiasi kikubwa kuongezeka kwa thamani ya hisa katika soko.

Aidha, kuanza kutumika kwa mfumo wa upangaji bei kuliboresha uwazi wa soko na kuimarisha utaratibu wa ugunduzi wa bei, hatua ambayo iliendelea kuongeza imani ya wawekezaji katika soko la hisa na mitaji.

Maendeleo hayo yaliathiri kwa namna chanya thamani ya uwekezaji wa NICOL na kuchangia ongezeko la thamani la Kampuni kutokana na Kampuni ilipowekeza kama iliyooneshwa katika mwaka husika.

USIMAMIZI WA UKWASI NA HAZINA

Katika kipindi chote cha mwaka, NICOL iliendelea kudumisha kiwango cha kutosha cha ukwasi ili kutimiza majukumu yake ya uendeshaji, kutekeleza ahadi za uwekezaji, pamoja na kukidhi matarajio ya wanahisa.

Mfumo wa usimamizi wa ukwasi wa Kampuni

unalenga kuhakikisha kunakuwepo akiba ya kutosha ya fedha taslimu, kulinganisha muda wa uwekezaji na mahitaji ya uwepo wa fedha kwaajili ya uwekezaji, kutofautisha vyanzo vya mapato, kuhifadhi uwezo wa kifedha, pamoja na kufuatilia makadirio ya mtiririko wa fedha na majukumu ya kifedha kwa wakati.

Vyanzo vikuu vya ukwasi katika mwaka vilijumuisha mapato ya gawio, mapato ya riba, mapato ya kodi za pango, pamoja na mapato yaliyotokana na uwekezaji.

Menejimenti iliendelea kusimamia kwa umakini hatari ya ukwasi kupitia maandalizi ya mara kwa mara ya makadirio ya mtiririko wa fedha, uchambuzi wa muda wa ukomavu wa uwekezaji, na tathmini za mahitaji ya upatikanaji fedha.

Bodi ya Wakurugenzi inaendelea kuridhika kwamba Kampuni ina rasilimali za kutosha za kifedha zinazowezesha kuendelea na shughuli zake kama taasisi inayoendelea kuwepo.

MUHTASARI WA VIASHIRIA VIKUU VYA MATOKEO YA KIFEDHA

Kiashiria Muhimu cha Utendaji (KPI)	2025 (TZS)	2024 (TZS)	Badiliko
Mapato	17.3 Bn	15.6 Bn	+11%
Faida ya uendeshaji Faida ya mwaka	13.5 Bn 11.3 Bn	12.1 Bn 9.1 Bn	+12% +24%
Thamani ya mali	239 Bn	163 Bn	+47%
Thamani ya Mali kwa Hisa Pato kwa Hisa	3,877 183	2,638 147	+47% +24%
Gawio kwa Hisa	90	70	+29%

UCHAMBUZI WA TAARIFA YA MAPATO NA MATUMIZI

Mapato ya Kampuni yaliongezeka kutoka shilingi bilioni 15.6 mwaka 2024 hadi kufikia shilingi bilioni 17.3 mwaka 2025, sawa na ongezeko la asilimia 11. Ukuaji huu ulichangiwa kwa kiasi kikubwa na ongezeko la mapato ya gawio yatokanayo na uwekezaji wa Kampuni, ongezeko la mapato ya riba, pamoja na kuimarika kwa utendaji wa kampuni ambazo Kampuni iliwekeza kimkakati.

Kampuni iliendelea kunufaika na mkakati wake wa uwekezaji uliotawanyika katika sekta mbalimbali, zikiwemo benki, mawasiliano, viwanda na huduma.

Faida ya uendeshaji iliongezeka kutoka shilingi bilioni 12.1 mwaka uliotangulia hadi kufikia shilingi bilioni 13.5 mwaka 2025, ikiwa ni ongezeko la asilimia 11.6.

Faida baada ya kodi iliongezeka na kufikia shilingi bilioni 11.26 ikilinganishwa na shilingi bilioni 9.07 mwaka 2024.

Ongezeko hili la faida lilitokana na ukuaji wa mapato kutoka katika shughuli za uwekezaji, kuimarika kwa utendaji wa soko la mitaji, ongezeko la mapato ya uwekezaji, udhibiti madhubuti wa gharama za uendeshaji, pamoja na kupungua kwa gharama za upatikanaji fedha.

Aidha, kiwango cha faida halisi kiliongezeka kwa kiasi kikubwa kutoka asilimia 58 mwaka 2024 hadi asilimia 65 mwaka 2025, hali inayoonesha ubora wa mapato ya Kampuni pamoja na kuimarika kwa ufanisi wa shughuli zake za uendeshaji.

Taarifa ya Mapato na Matumizi	2021 TZS '000'	2022 TZS '000'	2023 TZS '000'	2024 TZS '000'	2025 TZS '000'	Badiliko
Faida Kuu (Mauzo ya Ardhi)	-	-	-	641,253	**(95,841)**	-115%
Mapato ya Uwekezaji	5,689,948	8,342,351	11,123,629	12,836,470	**14,923,940**	16%
Mapato mengineyo	-	218,381	1,265,850	261,346	**443,542**	70%
Gharama za uendeshaji	(1,323,233)	(2,095,439)	(1,473,739)	(2,602,469)	**(2,710,286)**	4%
Gharama nyingine za uendeshaji	(256,495)	(180,935)	(833,029)	(898,714)	**(1,082,364)**	20%
Faida ya uendeshaji	4,110,220	6,284,358	10,082,711	12,101,234	**13,539,127**	12%
Gharama za riba	(11,242)	(87,685)	(2,447,987)	(2,171,309)	**(1,808,572)**	-17%
Faida Kabla ya Kodi	4,098,979	6,196,673	7,634,724	9,929,925	**11,730,555**	18%
Gharama za Kodi ya Mapato	(221,992)	(277,344)	(848,446)	(859,695)	**(443,333)**	-48%
Faida ya Mwaka	3,876,987	5,919,329	6,786,278	9,070,230	**11,287,222**	24%
Uwiano faida kwa mtaji (%)	5%	6%	5%	6%	**5%**	
Uwiano mali zilizowekezwa (%)	8%	8%	8%	8%	**6.5%**	
Uwiano gharama na mapato (%)	28%	27%	19%	22%	**22%**	
Pato kwa Hisa (TZS)	63	96	110	147	**183**	
Gawio kwa Hisa (TZS)	37	43	53	70	**90**	

Mapungufu katika uwiano wa Marejesho ya Mtaji yalichangiwa zaidi na ongezeko kubwa la msingi wa mali na marekebisho ya thamani ya uwekezaji kwa thamani halisi ya soko yaliyofanyika katika kipindi cha mwaka. Ingawa faida iliongezeka kwa kiwango kikubwa, ukuaji wa haraka wa mtaji na thamani ya uwekezaji ulipunguza uwiano wa marejesho ya mtaji kwa asilimia. Matokeo haya yanaonesha mkakati wa kuhifadhi mtaji na kujenga thamani ya muda mrefu, na sio kushuka kwa ufanisi wa uendeshaji wa Kampuni.

UCHAMBUZI WA MIZANIA YA KAMPUNI

Kampuni iliendelea kuwa na hali imara na yenye uwezo wa kustahimili changamoto za kifedha mwaka 2025. Jumla ya mali halisi iliongezeka kwa kiasi kikubwa kwa TZS bilioni 76.4, kutoka TZS bilioni 162.6 hadi TZS bilioni 238.9. Ongezeko hili lilitokana na ukuaji wa faida zilizobaki ndani ya kampuni, ongezeko la thamani ya uwekezaji wa hisa zinazouzwa sokoni, ukuzwaji wa mgawanyo wa uwekezaji, faida kubwa iliyopatikana, pamoja na maboresho ya hali ya soko.

Jumla ya mikopo na madeni ya kifedha ilipungua kwa asilimia 21, kutoka TZS bilioni 16.2 hadi TZS bilioni 12.7, hali iliyoongeza uimara wa mizania ya Kampuni na kupunguza hatari zinazotokana na gharama za upatikanaji fedha.

Muundo wa mtaji wa Kampuni uliendelea kuwa thabiti, ukiwa na mtaji wa hisa uliotolewa na kulipwa kikamilifu wa TZS bilioni 7.7, unaojumuisha hisa za kawaida jumla ya hisa 61,634,834.

Kampuni iliendelea kudumisha kiwango cha chini cha matumizi ya mikopo huku ikihakikisha uwepo wa ukwasi wa kutosha ili kuwezesha fursa za uwekezaji za baadaye.

Uimara wa mizania ya kampuni unaongeza uwezo wa uwekezaji, uendelevu wa malipo ya gawio kwa wanahisa, kuimarisha imani ya soko, kuongeza uwezo wa kukabiliana na changamoto za kifedha, pamoja na kutoa unyumbufu wa kimkakati katika kufanya maamuzi ya uwekezaji.

Taarifa ya Mizania (TZS '000')	2021	2022	2023	2024	2025
Thamani isiyoonekana	-	-	-	168,980	**168,980**
Mali isiyohamishika na vifaa	1,694,972	1,923,888	2,308,107	22,203,279	**529,679**
Haki ya kutumia jengo	95,787	27,912	268,608	202,574	**138,022**
Hati fungani za Kampuni Binafsi	-	-	202,702	202,962	**202,962**
Dhamana ya Uwekezaji	57,123,378	66,464,348	96,877,777	114,933,931	**186,484,485**
Hati fungani za Serikali	15,400,196	34,637,359	34,637,359	44,675,021	**43,480,055**
Madai ya Biashara na Madai Mengine	259,435	743,905	17,916,130	1,444,354	**935,347**
Akiba ya Mali za Kuuza	-	-	9,549,356	2,120,398	**2,120,398**
Uwekezaji UTTAMIS	-	-	-	-	**1,148,128**
Mali isiyohamishika ya Uwekezaji	-	1,754,294	-	-	**21,386,852**
Akiba kwenye Taasisi za Fedha	-	10,021,918	-	-	**-**
Fedha Taslimu	636,834	11,949,680	611,376	2,919,311	**355,798**
Jumla ya Mali	**75,210,602**	**127,523,304**	**162,371,415**	**188,870,810**	**257,062,808**
Dhima ya Ukodishaji	73,637	6,025	277,055	171,353	**124,099**
Madeni ya Biashara na Madeni Mengine	1,039,966	769,338	1,596,869	609,724	**1,066,352**
Madeni ya magawio	1,063,790	1,182,463	1,882,761	2,926,892	**4,189,807**
Salio Hasi la Akaunti ya Benki	-	-	-	6,108,984	**-**
Madeni la Kodi	-	-	485,556	304,282	**-**
Mkopo wa Benki	-	21,600,000	19,614,286	16,161,905	**12,709,524**
Jumla ya Madeni	2,177,393	23,557,826	23,856,527	26,283,140	**18,089,782**
Jumla ya Mtaji	73,033,209	103,965,478	138,514,888	162,587,670	**238,973,026**
Jumla ya Madeni na Mtaji	**75,210,602**	**127,523,304**	**162,371,415**	**162,587,670**	**257,062,808**

UJENZI WA THAMANI KWA WANAHISA

NICOL inaendelea kujidhihirisha katika dhamira yake ya kujenga thamani endelevu ya muda mrefu kwa wanahisa wake.

Katika mwaka husika, thamani halisi ya mali iliongezeka kwa kiwango kikubwa, mapato yaliongezeka kwa kasi, thamani ya soko iliimarika, uwezo wa kuendelea kutoa gawio uliimarika, na imani ya wanahisa iliendelea kuongezeka.

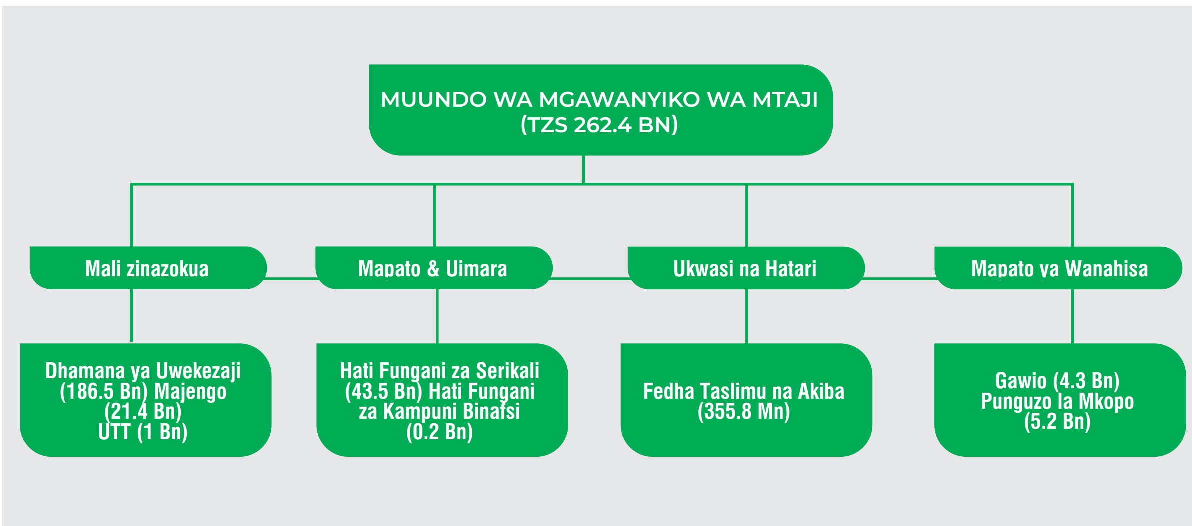
Kampuni iliendelea kutekeleza sera endelevu ya ugawaji wa gawio, ikizingatia uwiano kati ya kurejesha thamani kwa wanahisa, kuhifadhi mtaji, kukuza uwekezaji na kuhakikisha uendelevu wa muda mrefu.

Gawio la mwisho la mwaka 2024 la TZS 70 kwa kila hisa liliidhinishwa na kulipwa mwaka 2025, likiwakilisha jumla ya mgao wa gawio wa TZS bilioni 4.31. Gawio la TZS 90 kwa kila hisa limependekezwa kwa mwaka 2025, likiwakilisha jumla ya mgao wa TZS bilioni 5.5. Bodi itaendelea kutathmini mapendekezo ya gawio la baadaye kwa kuzingatia faida, hali ya ukwasi, fursa za uwekezaji, mahitaji ya mtaji na malengo ya kimkakati ya muda mrefu.

Thamani Halisi ya Mali kwa kila hisa ya NICOL iliongezeka hadi TZS 3,877 mwaka 2025, ikionesha ukuaji mkubwa wa thamani halisi kwa wanahisa.

Bei ya hisa ya NICOL iliongezeka kutoka TZS 640 mwaka 2024 hadi TZS 1,880 mwisho wa mwaka 2025, ikionesha ongezeko la thamani ya mtaji la asilimia 194 katika kipindi cha mwaka. Mpaka kufikia tarehe 31 Juni 2026 bei ya hisa ilifikia TZS 3,600 ikiwa ni ongezeko la asilimia 91.

MUUNDO WA MGAWANYO WA MTAJI



.Mkakati wa ugawaji wa mtaji wa Kampuni unaendelea kulenga kufikia uwiano bora kati ya ongezeko la thamani ya mtaji kwa muda mrefu, uzalishaji wa mapato, uhifadhi wa ukwasi na kurejesha thamani kwa wanahisa.

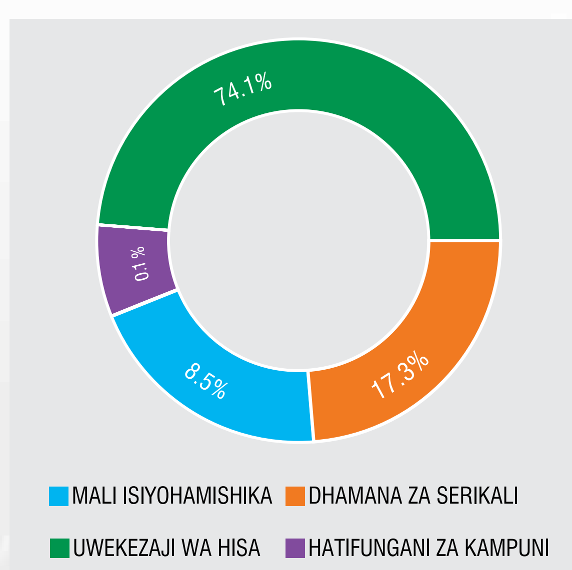
Katika mwaka husika, asilimia 79.6 ya mtaji uliowekezwa ulielekezwa kwenye uwekezaji wa hisa, jambo linaloonesha imani ya Kampuni katika ujenzi wa thamani ya muda mrefu kupitia uwekezaji wa kimkakati kwenye kampuni zilizoorodheshwa katika soko la mitaji.

Dhamana za Serikali na hati fungani za kampuni zilichangia asilimia 16.7, zikitoa mchanganyiko wa uwekezaji, uthabiti wa mapato na ulinzi dhidi ya hatari za kushuka kwa thamani ya soko.

Kampuni iliendelea kudumisha ukwasi wa kutosha kupitia fedha taslimu na amana, huku ikiimarisha hali yake ya kifedha kupitia hatua za kupunguza madeni ambapo kiasi cha TZS bilioni 5.2 kililipwa katika mwaka husika.

Kwa kuzingatia dhamira yake ya kujenga thamani kwa wanahisa, Kampuni ililipa gawio la TZS bilioni 4.3 katika mwaka 2025 ikiwa ni gawio lililotangazwa la mwaka 2024. Mfumo huu wa nidhamu ya ugawaji wa mtaji unaunga mkono ukuaji endelevu huku ukihifadhi uwezo wa kifedha na kuongeza marejesho ya muda mrefu kwa wanahisa.

MGAWANYO WA UWEKEZAJI



Mgawanyo wa uwekezaji unaendelea kutawaliwa na uwekezaji wa hisa, ambao unawakilisha asilimia 74.1 ya jumla ya mali za uwekezaji. Hii inaakisi mkakati wa kampuni wa kuongeza thamani ya mtaji kwa muda mrefu.

Dhamana za Serikali zinawakilisha asilimia 17.3, zikitoa uthabiti, ukwasi na ulinzi wa mtaji, wakati uwekezaji wa mali isiyohamishika unachangia asilimia 8.5 kupitia ujenzi wa thamani unaotokana na mali zenye msingi halisi.

Uwekezaji katika hati fungani za kampuni binafsi umebaki kuwa mdogo kwa asilimia 0.1, jambo linalooonesha mtazamo wa kuongeza uwekezaji kwenye eneo hili kwaajili ya kupata fursa za uwekezaji wa mapato ya kudumu na kutengeneza ukwasi muda wote.

Mgawanyo huu unaakisi mkakati makusudi wa uwekezaji unaolenga kuongeza thamani kwa wanahisa kupitia uwekezaji wa hisa huku ukidumisha mchanganyiko wa uwekezaji kupitia dhamana za Serikali na mali isiyohamishika.

Mkakati huu unaipa Kampuni uwezo wa kunufaika na fursa za ukuaji wa muda mrefu huku likidhibiti hatari za soko na ukwasi.

USIMAMIZI WA HATARI

Kampuni inaendelea kudumisha mfumo mpana wa usimamizi wa hatari za biashara, unaotathmini hatari kwa kuzingatia uwezekano wa kutokea kwake na athari zake kwa malengo ya kimkakati.

Mkusanyiko mkubwa wa uwekezaji katika baadhi ya sekta, mabadiliko ya thamani katika masoko ya mitaji, usimamizi wa ukwasi na mabadiliko ya kanuni na sera vinaendelea kuwa hatari kuu zinazohitaji ufuatiliaji wa karibu.

Ramani ya viwango vya hatari hapa chini inaonesha mwenendo wa hatari zilizojitokeza mwaka 2025.

HATARI	MWENENDO
Hatari ya Mabadiliko ya Bei katika Soko	↑
Hatari ya Mkusanyiko wa Uwekezaji	↑
Hatari ya Ukwasi	↓
Hatari ya Mabadililko ya Ka-nuni na Sheria	→

Uongozi unaendelea kutekeleza mikakati ya kuongeza mseto wa uwekezaji, kudumisha akiba ya kutosha ya ukwasi, kuimarisha mifumo ya utawala bora na kufanya majaribio ya uwezo wa kifedha ili kuongeza uimara wa Kampuni na kusaidia ujenzi endelevu wa thamani.

UTENDAJI WA UENDELEVU NA ESG

Uendelevu unaendelea kuwa sehemu muhimu ya mkakati wa NICOL wa kujenga thamani ya muda mrefu, ukiunga mkono uimara wa mgawanyo wa uwekezaji, usimamizi wa hatari, utawala bora na marejesho endelevu kwa wanahisa.

Katika mwaka husika, Kampuni iliendelea kuimarisha ujumuishaji wa masuala ya mazingira, jamii na utawala bora katika shughuli zake za uwekezaji na uendeshaji, ikilenga maeneo ya fedha endelevu, maadili na utawala bora, maendeleo ya rasilimali watu, usalama wa mtandao na uwekezaji wenye uwajibikaji.

NICOL ilirekodi jumla ya hewa chafuzi ya tani 64.85 za CO_2e mwaka 2025, ambapo sehemu kubwa ilitokana na uzalishaji usio wa moja kwa moja wa Scope 3, hali inayotokana na muundo wa Kampuni kama kampuni ya uwekezaji.

Kama sehemu ya jitihada za kulinda mazingira, Kampuni lilipanda miti 1,000 katika mwaka husika kwa ajili ya uhifadhi wa mazingira, maendeleo ya jamii na kuongeza uwezo wa kufyonza hewa ukaa kwa muda mrefu.

Jitihada nyingine zilijikita katika matumizi ya mifumo ya kidijitali, ufanisi wa matumizi ya nishati, manunuzi yenye uwajibikaji, usimamizi wa taka na kuimarisha shughuli endelevu za uendeshaji.

Uongozi unaendelea kujikita katika kuingiza misingi ya uendelevu kwenye michakato ya kufanya maamuzi ili kuongeza thamani ya muda mrefu kwa wadau na kuunga mkono malengo ya ukuaji endelevu wa Kampuni.

VIPAUMBELE VYA KIMKAKATI 2027–2031

Tunapoelekea kukamilisha kipindi cha utekelezaji wa mpango mkakati wetu uliopo, NICOL inakamilisha hatua za mwisho za maandalizi ya mpango mkakati wake wa mwaka 2027-2031.

Mpango mkakati utakaofata utalenga kuongeza mseto wa uwekezaji, ukuaji endelevu wa uwekezaji, kuongeza vyanzo vya mapato, kuimarisha usimamizi wa hatari, ujumuishaji wa ESG, ufanisi wa uendeshaji na kuongeza thamani kwa wanahisa.

Uongozi utaendelea kutathmini fursa za uwekezaji zinazolingana na mwenendo wa muda mrefu wa uchumi, uimara dhidi ya mabadiliko ya tabianchi, uendelevu wa kifedha na misingi ya uwekezaji wenye uwajibikaji.

Kampuni pia linalenga kuimarisha utoaji wa taarifa za ESG, ujumuishaji wa hatari za mabadiliko ya tabianchi, uwezo wa ndani na mifumo ya utawala bora.

Mtazamo wa Uongozi unaenda zaidi ya utoaji wa taarifa za kifedha pekee, ukijikita katika ugawaji wa mtaji, uboreshaji wa jalada la uwekezaji, kuongeza marejesho yanayozingatia hatari na kujenga thamani ya muda mrefu.

Mkakati wa kifedha wa Kampuni kwa kipindi cha 2027–2031 utazingatia uteuzi makini wa uwekezaji, kuimarisha mizania, gawio endelevu na ukuaji wa thamani halisi kwa wanahisa.

MWELEKEO WA MWAKA 2026

Mtazamo wa mwaka 2026 unaendelea kuwa chanya, ingawa changamoto za kiuchumi duniani na kikanda zinahitaji usimamizi makini wa fedha na uwekezaji.

> *Kampuni iliendelea kudumisha ukwasi wa kutosha kupitia fedha taslimu na amana, huku ikiimarisha hali yake ya kifedha kupitia hatua za kupunguza madeni ambapo kiasi cha TZS bilioni 5.2 kililipwa katika mwaka husika.*

Fursa kuu zinajumuisha ukuaji unaoendelea wa masoko ya mitaji Tanzania, ongezeko la ushiriki wa wawekezaji wa ndani, ukuaji wa sekta ya fedha, upanuzi wa miundombinu, fursa za mabadiliko ya kidijitali na mipango ya fedha endelevu.

Hatari kuu zitakazoendelea kufuatiliwa ni pamoja na mabadiliko ya masoko ya dunia, shinikizo la mfumuko wa bei, mabadiliko ya viwango vya riba, hatari zinazohusiana na tabianchi, vitisho vya usalama wa mtandao na mabadiliko ya kanuni na sera.

Uongozi una imani kuwa uimara wa mizania ya NICOL, mgawanyo wake wa uwekezaji uliogawanyika vizuri, mfumo wa utawala bora, nafasi nzuri ya ukwasi, mifumo ya usimamizi wa hatari na mkakati wa uwekezaji wa muda mrefu vinaweka Kampuni katika nafasi nzuri ya kuendelea kukua kwa uendelevu.

SHUKRANI

Kwa niaba ya Uongozi, napenda kutoa shukrani za dhati kwa:

- Wanahisa wetu kwa kuendelea kutuamini na kutupa ushirikiano;
- Bodi ya Wakurugenzi kwa mwongozo wa kimkakati na usimamizi wake;
- Wasimamizi wa sekta na wadau wetu kwa msaada wao unaoendelea;
- Uongozi na wafanyakazi kwa kujituma na weledi wao;
- Kampuni tunazowekeza na washirika wetu wa biashara kwa ushirikiano wao.

NICOL itaendelea kujikita katika usimamizi makini wa fedha, ugawaji wenye nidhamu wa mtaji na ujenzi endelevu wa thamani ya muda mrefu kwa wanahisa.

Asanteni.

EZEKIEL LOVILILO
AFISA MKUU WA FEDHA
National Investments PLC

OUR BUSINESS STRATEGY

OUR STRATEGIC OBJECTIVES 2022 – 2026

STRATEGIC OBJECTIVE	OUR COMMITTMENT	IMPLEMENTATION STATUS – 2025
1. Enhancing Shareholder Value	We are committed to maximizing shareholder returns by increasing earnings per share, ensuring consistent and progressive dividend payments, and improving the share price through sustainable business growth and strategic investments.	**Achieved with continued focus.** The Company made strong progress in maximizing shareholder returns in 2025. Profit after tax increased to TZS 10.41 billion, while the net profit margin improved from 58% to 65%. NAV increased to TZS 238.9 billion, with NAV per share reaching TZS 3,877. The proposed dividend of TZS 90 per share and a 91% increase in share price to TZS 3,600 further demonstrate improved shareholder value and market confidence. Overall, the Company substantially achieved its objective of enhancing earnings, dividends and long-term shareholder value.
2. Diversification of Investment Portfolio	We will continue to diversify our investment portfolio across key industries, balancing risk with potential returns. This strategy includes increasing investments in sectors such as financial services, real estate, and energy, while maintaining a focus on long-term growth industries.	**Achieved with continued focus** The Company made significant progress in diversifying its investment portfolio during 2025. The portfolio comprised equities (74%), government bonds (17%), real estate (8.5%), and corporate bonds (0.5%), providing exposure across different asset classes and sectors. The continued allocation to real estate and fixed-income investments alongside equities demonstrates an approach aimed at balancing risk, income generation and long-term capital growth. However, the portfolio remains highly concentrated in equities, indicating scope for further diversification, particularly into financial services, real estate and energy, in line with the Company's strategic objective.
3. Operational Efficiency & Cost Management	Maintaining operational efficiency is critical to our strategy. We will strive to reduce our cost-to-income ratio to below 25% through strict cost control measures and optimization of internal processes. This will allow us to reinvest savings into growth opportunities.	**Achieved** The Company successfully maintained strong operational efficiency in 2025, with a cost-to-income ratio of 22%, below the strategic target of 25%. This reflects effective cost control and disciplined expenditure management, with actual expenses of TZS 3.81 billion against a budget of TZS 4.03 billion, representing a 5% saving against budget. The performance provides capacity to redirect resources towards strategic investments and growth opportunities.
4. Strengthening Market Position	We aim to strengthen our market position by expanding our geographic footprint and increasing the company's presence across various sectors. This involves exploring new markets, enhancing the company's brand visibility, and tapping into emerging opportunities.	**Partially Achieved** The Company made progress in strengthening its market position in 2025 through continued investment across diverse asset classes and sectors, supporting portfolio growth and value creation. However, the 2025 portfolio remained concentrated in equities (74%), with more limited exposure to real estate (8.5%), government bonds (17%) and corporate bonds (0.5%). Therefore, while the Company continued to identify and participate in investment opportunities, further geographic and sector diversification and stronger brand visibility remain areas for continued focus to fully achieve this strategic objective.

STRATEGIC OBJECTIVE	OUR COMMITTMENT	IMPLEMENTATION STATUS – 2025
5. Innovation and Digital Transformation	Embracing technological innovation is key to future growth. We will leverage digital platforms and technologies to improve operational performance, enhance decision-making, and offer innovative solutions that align with modern business practices.	**In Progress** The Company made progress in strengthening its technology and digital capabilities, including the planned transition to a new accounting system scheduled to go live in 2026. This initiative is expected to improve financial reporting, data accuracy, internal controls and management decision-making. However, since the new system had not yet gone live in 2025, the objective remains in progress, with the full benefits expected to be realized from 2026 onward.
6. Corporate Social Responsibility & Sustainability	We are dedicated to making a positive social and environmental impact. Our strategy includes integrating sustainability initiatives into our business operations and contributing to the development of the communities in which we operate.	**In Progress** The Company made initial progress in integrating sustainability into its operations during 2025. Key initiatives included planting 1,000 trees and spending approximately TZS 5.8 million on environmental and social initiatives, while total greenhouse gas emissions were measured at 64.85 tCO_2e. The Company also continued developing its ESG reporting framework in line with GRI and IFRS S1 & S2. However, further integration of ESG considerations into business operations, investment decisions and community programmes is required. Overall, the objective is in progress, with scope for stronger and more measurable sustainability outcomes.
7. Governance & Risk Management	Strong governance and risk management practices are central to our strategic execution. We will ensure that the Board remains active in maintaining transparency, accountability, and compliance with all regulatory frameworks. Additionally, we will implement a comprehensive risk management framework to safeguard assets and investments.	**Achieved with continued focus** The Company maintained active Board oversight and governance structures in 2025 through its Board and committees, including BARC, BEC and BIFC, supporting accountability, transparency and strategic oversight. The Company also continued to strengthen risk management and internal controls. While the governance framework is in place, audit and governance reviews identified areas requiring improvement therefore further strengthening of risk management and internal controls is ongoing to ensure full implementation of this strategic objective.

PROJECTED STATEMENT OF PROFIT AND LOSS FOR THE FIVE YEARS 2022 - 2026

	2022 TZS '000'	2023 TZS '000'	2024 TZS '000'	2025 TZS '000'	2026 TZS '000'
Income					
Dividend Income	5,327,212	5,593,573	5,761,380	5,934,221	6,290,274
Interest Income	2,431,846	4,057,875	4,463,663	4,999,302	5,249,267
Other Income and Income from Subsidiaries		1,654,900	1,850,000	1,150,600	2,860,000
Total Income	**7,759,058**	**11,306,348**	**12,075,042**	**12,084,123**	**14,399,542**
Expenses					
Employees benefits	(602,675)	(662,943)	(729,237)	(765,699)	(816,593)
Administration expenses	(1,342,318)	(1,193,854)	(1,212,469)	(1,352,095)	(1,473,783)
Other expenses	(9,385)	(86,691)	(147,479)	(171,035)	(223,812)
Finance costs	(9,472)	(249,608)	(6,125)	(71,774)	
Profit before tax	**5,795,208**	**9,113,252**	**9,979,733**	**9,723,521**	**11,885,353**
Tax Charge	(263,620)	(201,502)	(130,734)	(125,997)	(175,312)
	5,531,588	**8,911,750**	**9,848,999**	**9,597,524**	**11,710,041**

ACTUAL RESULTS - STATEMENT OF PROFIT AND LOSS FOR THE FIVE YEARS 2021- 2025

	2021 TZS '000'	2022 TZS '000'	2023 TZS '000'	2024 TZS '000'	2025 TZS '000'
Income					
Dividend Income	4,354,438	5,322,391	6,039,217	7,675,659	9,152,148
Interest Income	1,335,510	3,019,960	5,084,412	5,160,811	5,771,792
Rental Income	-	-	-	1,863,348	2,060,136
Other Income	-	218,381	1,265,850	902,599	347,701
Total Income	**5,689,948**	**8,560,732**	**12,389,479**	**15,602,417**	**17,331,777**
Expenses					
Employees benefits	(416,814)	(656,720)	(786,837)	(895,641)	(950,818)
Administration expenses	(906,420)	(1,438,719)	(686,902)	(1,706,828)	(1,759,468)
Other expenses	(256,495)	(180,935)	(833,029)	(898,714)	(1,082,364)
Finance costs	(11,242)	(87,685)	(2,447,987)	(2,171,309)	(1,808,572)
Profit before tax	**4,098,977**	**6,196,673**	**7,634,724**	**9,929,925**	**11,730,555**
Tax Charge	(221,992)	**(277,344)**	**(848,446)**	(859,695)	(443,333)
Profit for the year	**3,876,985**	**5,919,329**	**6,786,278**	**9,070,230**	**11,287,222**
Basic Earning per Share	62.9	96.04	110.10	147.16	183.13
Diluted Earning per Share	62.9	96.04	110.10	147.16	183.13
Dividend per share	37	43	53	70	90
Dividend/EPS	59%	45%	48%	48%	49%

MALENGO YETU YA KIMKAKATI 2022–2026

LENGO LA KIMKAKATI	DHAMIRA YETU	HALI YA UTEKELEZAJI – 2025
1. Kuongeza Thamani kwa Wanahisa	Tumejizatiti kuongeza faida kwa wanahisa kwa kuongeza mapato kwa kila hisa, kuhakikisha malipo ya gawio yenye uthabiti na ongezeko endelevu, pamoja na kuboresha bei ya hisa kupitia ukuaji endelevu wa biashara na uwekezaji wa kimkakati.	**Limefikiwa, huku likiendelea kupewa kipaumbele.** Kampuni ilipiga hatua kubwa katika kuongeza thamani kwa wanahisa mwaka 2025. Faida baada ya kodi iliongezeka hadi TZS bilioni 10.41, huku uwiano wa faida halisi ukiongezeka kutoka asilimia 58 hadi asilimia 65. Thamani halisi ya mali iliongezeka hadi TZS bilioni 238.9, huku thamani ya mali kwa kila hisa (NAV) ikifikia TZS 3,877. Gawio lililopendekezwa la TZS 90 kwa kila hisa pamoja na ongezeko la asilimia 91 la bei ya hisa hadi TZS 3,600 vinaonesha kuimarika kwa thamani kwa wanahisa na imani ya soko. Kwa ujumla, Kampuni ilifikia kwa kiwango kikubwa lengo la kuongeza mapato, gawio na thamani ya wanahisa kwa muda mrefu.
2. Kuongeza Mseto wa Jalada la Uwekezaji	Tutaendelea kuongeza mseto wa jalada letu la uwekezaji katika sekta mbalimbali muhimu, kwa kusawazisha vihatarishi na uwezekano wa kupata faida. Mkakati huu unajumuisha kuongeza uwekezaji katika sekta kama huduma za kifedha, mali isiyohamishika na nishati, huku tukizingatia sekta zenye fursa za ukuaji wa muda mrefu.	**Limefikiwa, huku likiendelea kupewa kipaumbele.** Kampuni ilipiga hatua kubwa katika kuongeza mseto wa jalada lake la uwekezaji mwaka 2025. Jalada lilijumuisha hisa (asilimia 74), hati fungani za Serikali (asilimia 17), mali isiyohamishika (asilimia 8.5) na hati fungani za kampuni (asilimia 0.5), hivyo kutoa mwonekano katika aina mbalimbali za mali na sekta. Kuendelea kuweka uwekezaji katika mali isiyohamishika na uwekezaji wenye mapato ya kudumu pamoja na hisa kunaonesha mkakati wa kusawazisha vihatarishi, uzalishaji wa mapato na ukuaji wa mtaji wa muda mrefu. Hata hivyo, jalada bado limejikita zaidi katika hisa, jambo linaloonesha umuhimu wa kuendelea kuongeza mseto wa jalada la uwekezaji, hususan katika huduma za kifedha, mali isiyohamishika na nishati, kulingana na lengo la kimkakati la Kampuni.
3. Ufanisi wa Uendeshaji na Usimamizi wa Gharama	Kudumisha ufanisi wa uendeshaji ni muhimu katika utekelezaji wa mkakati wetu. Tutajitahidi kupunguza uwiano wa gharama kwa mapato hadi chini ya asilimia 25 kupitia udhibiti madhubuti wa gharama na uboreshaji wa michakato ya ndani. Hii itatuwezesha kuelekeza akiba inayopatikana katika fursa za ukuaji.	**Limefikiwa.** Kampuni ilifanikiwa kudumisha ufanisi mzuri wa uendeshaji mwaka 2025, ikiwa na uwiano wa gharama kwa mapato wa asilimia 22, ambao uko chini ya lengo la kimkakati la asilimia 25. Hii inaonesha udhibiti madhubuti wa gharama na matumizi yenye nidhamu, ambapo gharama halisi zilikuwa TZS bilioni 3.81 ikilinganishwa na bajeti ya TZS bilioni 4.03, sawa na akiba ya asilimia 5 dhidi ya bajeti. Utendaji huu umeiwezesha Kampuni kuwa na uwezo wa kuelekeza rasilimali zaidi katika uwekezaji wa kimkakati na fursa za ukuaji.

LENGO LA KIMKAKATI	DHAMIRA YETU	HALI YA UTEKELEZAJI – 2025
4. Kuimarisha Nafasi ya Kampuni katika Soko	Tunalenga kuimarisha nafasi yetu katika soko kwa kupanua wigo wetu wa kijiografia na kuongeza uwepo wa Kampuni katika sekta mbalimbali. Hii inahusisha kuchunguza masoko mapya, kuimarisha mwonekano wa chapa ya Kampuni na kutumia fursa zinazoibuka.	**Limefikiwa kwa sehemu.** Kampuni ilipiga hatua katika kuimarisha nafasi yake katika soko mwaka 2025 kupitia kuendelea kuwekeza katika aina mbalimbali za mali na sekta, jambo lililochangia ukuaji wa jalada na uongezaji wa thamani. Hata hivyo, jalada la 2025 liliendelea kujikita zaidi katika hisa (asilimia 74), huku uwekezaji katika mali isiyohamishika ukiwa asilimia 8.5, hati fungani za Serikali (asilimia 17) na hati fungani za kampuni (asilimia 0.5). Kwa hiyo, ingawa Kampuni iliendelea kutambua na kushiriki katika fursa za uwekezaji, kuongeza mseto wa kijiografia na kisekta pamoja na kuimarisha mwonekano wa chapa bado ni maeneo yanayohitaji kupewa kipaumbele ili kufikia kikamilifu lengo hili la kimkakati.
5. Ubunifu na Mageuzi ya Kidijitali	Kukumbatia ubunifu wa kiteknolojia ni muhimu kwa ukuaji wa baadaye. Tutatumia majukwaa na teknolojia za kidijitali kuboresha utendaji wa uendeshaji, kuimarisha ufanyaji wa maamuzi na kutoa suluhisho bunifu yanayoendana na taratibu za kisasa za biashara.	**Linaendelea kutekelezwa.** Kampuni ilipiga hatua katika kuimarisha uwezo wake wa kiteknolojia na kidijitali, ikiwa ni pamoja na mpango wa kuhamia kwenye mfumo mpya wa uhasibu uliopangwa kuanza kutumika mwaka 2026. Mpango huu unatarajiwa kuboresha taarifa za kifedha, usahihi wa takwimu, udhibiti wa ndani na ufanyaji wa maamuzi ya kiutawala. Hata hivyo, kwa kuwa mfumo mpya ulikuwa bado haujaanza kutumika mwaka 2025, lengo hili bado linaendelea kutekelezwa, huku manufaa yake kamili yakitarajiwa kuonekana kuanzia mwaka 2026.
6. Wajibu wa Kampuni kwa Jamii na Uendelevu	Tumejizatiti kuleta matokeo chanya kwa jamii na mazingira. Mkakati wetu unajumuisha kuunganisha masuala ya uendelevu katika shughuli zetu za biashara na kuchangia maendeleo ya jamii tunakofanyia shughuli.	**Linaendelea kutekelezwa.** Kampuni ilianza kupiga hatua katika kuunganisha masuala ya uendelevu katika shughuli zake mwaka 2025. Mipango muhimu ilijumuisha upandaji wa miti 1,000 na matumizi ya takribani TZS milioni 5.8 katika shughuli za kimazingira na kijamii, huku jumla ya uzalishaji wa gesi joto ikipimwa kuwa tani 64.85 za CO_2e. Kampuni pia iliendelea kuendeleza mfumo wake wa utoaji taarifa za ESG kwa kuzingatia GRI na IFRS S1 & S2. Hata hivyo, bado kuna haja ya kuimarisha zaidi ujumuishaji wa masuala ya ESG katika shughuli za biashara, maamuzi ya uwekezaji na programu za kijamii. Kwa ujumla, lengo hili linaendelea kutekelezwa, huku kukiwa na fursa ya kupata matokeo makubwa zaidi na yanayoweza kupimika katika eneo la uendelevu.
7. Utawala Bora na Usimamizi wa Vihatarishi	Mifumo imara ya utawala bora na usimamizi wa vihatarishi ni msingi wa utekelezaji wa mkakati wetu. Tutahakikisha Bodi inaendelea kuwa na jukumu madhubuti katika kudumisha uwazi, uwajibikaji na uzingatiaji wa matakwa yote ya kisheria na udhibiti. Aidha, tutatekeleza mfumo jumuishi wa usimamizi wa vihatarishi ili kulinda mali na uwekezaji wa Kampuni.	**Limefikiwa, huku likiendelea kupewa kipaumbele.** Kampuni iliendelea kuwa na usimamizi madhubuti wa Bodi na mifumo ya utawala bora mwaka 2025 kupitia Bodi na kamati zake, ikiwemo Kamati Tendaji ya Bodi (BEC) , Kamati ya Ukaguzi na Usimamizi wa Vihatarishi (BARC), na Kamati ya Uwekezaji na Utafutaji Fedha (BIFC), ambazo ziliwezesha uwajibikaji, uwazi na usimamizi wa kimkakati. Kampuni pia iliendelea kuimarisha usimamizi wa vihatarishi na mifumo ya udhibiti wa ndani. Hata hivyo, mapitio ya ukaguzi na utawala bora yalibainisha maeneo yanayohitaji maboresho. Kwa hiyo, juhudi za kuimarisha zaidi usimamizi wa vihatarishi na udhibiti wa ndani zinaendelea ili kuhakikisha lengo hili la kimkakati linatekelezwa kikamilifu.

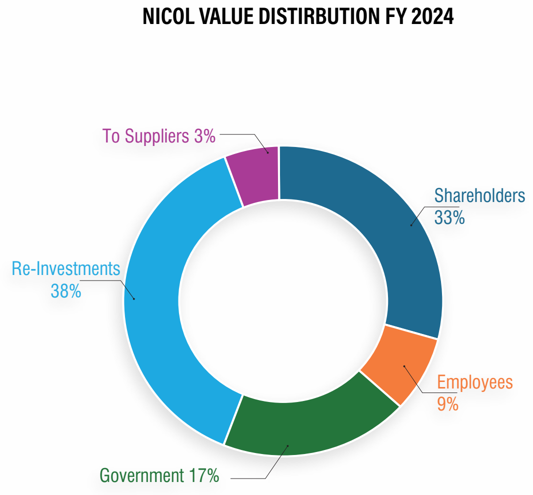
MAKADIRIO YA MAPATO NA MATUMIZI KWA KIPINDI CHA MIAKA MITANO 2022–2026

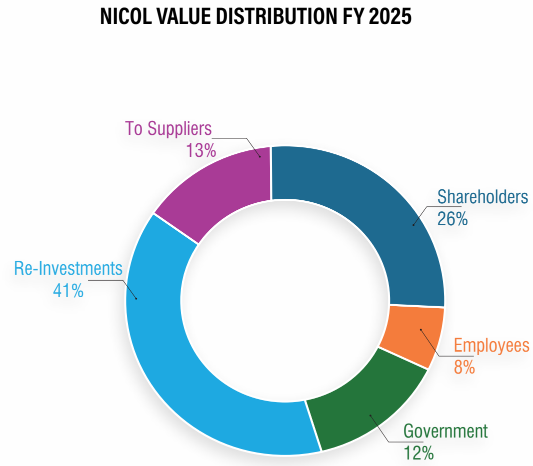
	2022 TZS '000'	2023 TZS '000'	2024 TZS '000'	2025 TZS '000'	2026 TZS '000'
Mapato					
Mapato ya Gawio	5,327,212	5,593,573	5,761,380	5,934,221	6,290,274
Mapato ya Riba	2,431,846	4,057,875	4,463,663	4,999,302	5,249,267
Mapato Mengine		1,654,900	1,850,000	1,150,600	2,860,000
Jumla ya Mapato	**7,759,058**	**11,306,348**	**12,075,042**	**12,084,123**	**14,399,542**
Gharama					
Wafanyakazi	(602,675)	(662,943)	(729,237)	(765,699)	(816,593)
Uendeshaji	(1,342,318)	(1,193,854)	(1,212,469)	(1,352,095)	(1,473,783)
Nyingine	(9,385)	(86,691)	(147,479)	(171,035)	(223,812)
Riba	(9,472)	(249,608)	(6,125)	(71,774)	
Faida Kabla ya Kodi	**5,795,208**	**9,113,252**	**9,979,733**	**9,723,521**	**11,885,353**
Kodi ya Mapato	(263,620)	(201,502)	(130,734)	(125,997)	(175,312)
	5,531,588	**8,911,750**	**9,848,999**	**9,597,524**	**11,710,041**

MATOKEO HALISI – MAPATO NA MATUMIZI KWA MIAKA MITANO 2021 – 2025

	2021 TZS '000'	2022 TZS '000'	2023 TZS '000'	2024 TZS '000'	2025 TZS '000'
Mapato					
Gawio	4,354,438	5,322,391	6,039,217	7,675,659	9,152,148
Riba	1,335,510	3,019,960	5,084,412	5,160,811	5,771,792
Pango	-	-	-	1,863,348	2,060,136
Nyingine	**-**	218,381	1,265,850	902,599	347,701
Jumla Mapato	**5,689,948**	**8,560,732**	**12,389,479**	**15,602,417**	**17,331,777**
Gharama					
Wafanyakazi	(416,814)	(656,720)	(786,837)	(895,641)	(950,818)
Uendeshaji	(906,420)	(1,438,719)	(686,902)	(1,706,828)	(1,759,468)
Nyingine	(256,495)	(180,935)	(833,029)	(898,714)	(1,082,364)
Riba	(11,242)	(87,685)	(2,447,987)	(2,171,309)	(1,808,572)
Faida Kabla Kodi	**4,098,977**	**6,196,673**	**7,634,724**	**9,929,925**	**11,730,555**
Kodi ya Mapato	(221,992)	**(277,344)**	**(848,446)**	(859,695)	(443,333)
Faida ya Mwaka	**3,876,985**	**5,919,329**	**6,786,278**	**9,070,230**	**11,287,222**
Mapato Halisi kwa Hisa	62.9	96.04	110.10	147.16	183.13
Mapato Yaliyopunguzwa kwa Hisa	62.9	96.04	110.10	147.16	183.13
Gawio kwa Hisa	37	43	53	70	90
Uwiano wa Gawio kwa Mapato kwa Hisa	59%	45%	48%	48%	49%

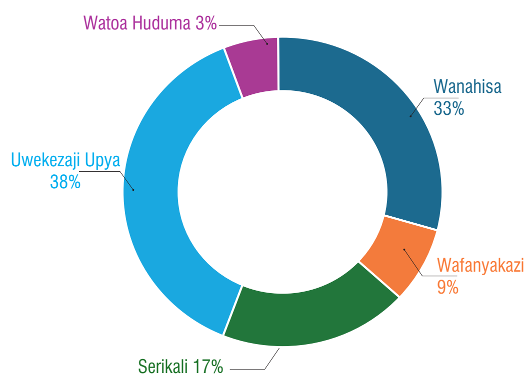
VALUE ADDED STATEMENT 2025



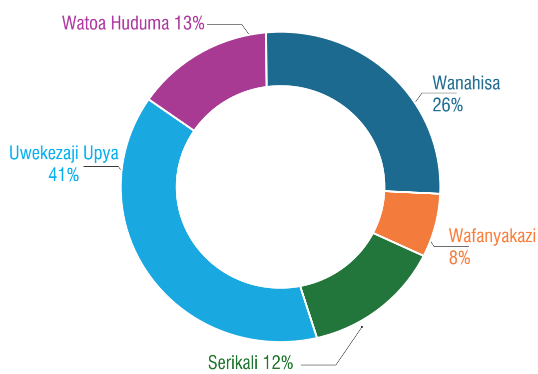


	2025 TZS'000'	%	2024 TZS'000'	%	2023 TZS'000'
Dividend Income	9,152,148		7,675,659		6,039,217
Interest Income	5,771,792		5,160,811		5,084,412
Rental Income	2,060,136		1,863,348		-
Other Income	347,701		902,599		1,265,850
Total Revenue Generated	**17,331,777**		**15,602,417**		**12,389,479**
Interest expenses paid	(1,808,572)		(2,171,309)		(2,447,987)
Administrative expenses	(3,792,650)		(3,501,183)		(2,306,768)
Total Cost of Operations	**(5,601,222)**		**(5,672,492)**		**(4,754,755)**
Value Added from operations of the Company	**11,730,555**		**9,929,925**		**7,634,724**
Distributed to:					
Shareholders	3,051,524	26%	3,266,646	33%	2,650,298
Employees	950,818	8%	895,641	9%	786,837
Government	1,455,699	12%	1,696,319	17%	520,920
Re-Investments	4,791,492	41%	3,800,000	38%	3,453,338
To suppliers	1,481,022	13%	271,319	3%	223,331
Value Created by Company	**11,730,555**		**9,929,925**		**7,634,724**

UGAWAJI WA THAMANI WA NICOL MWAKA WA FEDHA 2024



UGAWAJI WA THAMANI WA NICOL MWAKA WA FEDHA 2025



	2025 TZS'000'	%	2024 TZS'000'	%	2023 TZS'000'
Mapato ya Gawio	9,152,148		7,675,659		6,039,217
Mapato ya Riba	5,771,792		5,160,811		5,084,412
Mapato ya Pango	2,060,136		1,863,348		-
Mapato Mengine	347,701		902,599		1,265,850
TJumla ya Mapato Yote	**17,331,777**		**15,602,417**		**12,389,479**
Gharama ya Riba	(1,808,572)		(2,171,309)		(2,447,987)
Gharama ya Uendeshaji	(3,792,650)		(3,501,183)		(2,306,768)
Jumla ya Gharama zote za Uendeshaji	**(5,601,222)**		**(5,672,492)**		**(4,754,755)**
Thamani Iliyoongezwa kwa Uendeshaji	**11,730,555**		**9,929,925**		**7,634,724**
Umegawanywa kwa:					
Wanahisa	3,051,524	26%	3,266,646	33%	2,650,298
Wafanyakazi	950,818	8%	895,641	9%	786,837
Serikali	1,455,699	12%	1,696,319	17%	520,920
Uwekezaji Upya	4,791,492	41%	3,800,000	38%	3,453,338
Watoa Huduma	1,481,022	13%	271,319	3%	223,331
Thamani iliyotengenezwa na Kampuni	**11,730,555**		**9,929,925**		**7,634,724**

SUSTAINABILITY & CSR STATEMENTS


73%

Creating Sustainable Value Through Responsible Investment

National Investments Public Limited Company (NICOL) recognizes sustainability as an important component of long-term value creation, business resilience and responsible investment. As an investment holding group, NICOL's sustainability impact extends beyond its direct operations to the companies, sectors and assets in which it invests. Sustainability considerations are therefore incorporated, where relevant, into investment decisions, portfolio management, risk management, stakeholder relationships and operational practices.

NICOL's sustainability approach seeks to balance financial returns with prudent risk management, environmental responsibility, social considerations and strong governance. The Group considers ESG factors where they may affect investment value, earnings, asset quality, liquidity, reputation and long-term shareholder returns.

During 2025, NICOL continued to strengthen the foundations of its sustainability framework through greenhouse gas measurement, climate-risk consideration within enterprise risk management, environmental conservation initiatives, responsible investment practices, stakeholder engagement and continued development of its people and governance systems.

Our Sustainability Framework

NICOL's sustainability approach is built around three interconnected pillars:

Sustainable Finance – integrating ESG considerations into investment selection, capital allocation, portfolio oversight and risk management.

Sustainable Operations – promoting responsible resource use, digitalization, responsible procurement and operational efficiency.

Climate and Environment - identifying and managing climate-related risks and opportunities while reducing the Group's operational environmental footprint.

For NICOL, sustainability is both a financial and impact consideration. ESG factors can influence investment returns, valuations, costs, liquidity and risk, while the Group's activities and investment decisions can affect employees, communities, the environment and other stakeholders.

RESPONSIBLE INVESTMENT AND SUSTAINABLE FINANCE

As an investment holding group, NICOL's greatest sustainability influence is through its capital allocation decisions. The Group invested across listed and unlisted companies, government securities, corporate bonds, financial instruments and real estate. Responsible investment is therefore central to NICOL's sustainability agenda.

Where relevant to investment decisions, NICOL considers the sustainability practices, environmental resilience, governance quality and risk-management capabilities of investee companies. Its diversified portfolio provides exposure to businesses contributing to areas such as financial inclusion, access to financial services, green financing, energy efficiency, emissions management, digital inclusion, occupational safety, waste reduction, market transparency and community development.

The Group intends to progressively strengthen ESG integration into investment screening, due diligence, investment proposals, portfolio monitoring, risk assessment and capital allocation. The objective is to ensure that material ESG considerations are reflected in the assessment of risk-adjusted, long-term returns rather than treating sustainability as separate from investment performance.

This approach reflects NICOL's broader objective of creating sustainable shareholder value through disciplined capital allocation, portfolio diversification and effective risk management.

ENVIRONMENT AND CLIMATE ACTION

Climate Risk

Climate change is an emerging financial consideration for NICOL. Given the Group's investment holding model, its principal climate exposure arises indirectly through its portfolio companies. Climate-related events and changes in environmental regulation may affect the profitability, asset quality, operating costs, valuations and dividend-generating capacity of investee companies.

NICOL recognizes both physical risks, such as extreme weather, changing water availability, rising temperatures and disruption to operations and supply chains, and transition risks, including regulatory tightening, carbon pricing, technological changes, evolving environmental standards and changing market preferences.

Climate considerations are therefore incorporated into investment oversight, risk governance and capital allocation. The Group also considers the environmental policies, risk-management systems and sustainability disclosures of portfolio companies when assessing their longer-term resilience.

Greenhouse Gas Emissions

During 2025, NICOL established its baseline greenhouse gas emissions across Scope 1, Scope 2 and Scope 3.

GHG CATEGORY	2025 EMISSIONS	% OF TOTAL
Scope 1 – Direct emissions	3.93 tCO_2e	6%
Scope 2 – Purchased electricity	16.88 tCO_2e	26%
Scope 3 – Other indirect emissions	44.04 tCO_2e	68%
Total emissions	**64.85 tCO_2e**	**100%**

Scope 3 represented 68% of total reported emissions. The largest identified Scope 3 source was air travel at 22.83 tCO_2e, followed by employee commuting at 8.21 tCO_2e and food at 9.53 tCO_2e.

The 2025 emissions profile provides NICOL with a baseline for improving measurement and identifying future reduction opportunities. The Group has commenced GHG reporting with reference to the GHG Protocol and with consideration of the disclosure direction established by IFRS S1 and IFRS S2. NICOL does not claim full IFRS S1 or IFRS S2 compliance in its 2025 Sustainability Report.

Environmental Stewardship

NICOL's direct environmental footprint is

relatively limited because its core activities are investment management and corporate operations. Nevertheless, the Group seeks to manage its environmental footprint responsibly through energy efficiency, resource optimization, digitalization, responsible procurement, waste management and water monitoring.

In December 2025, NICOL planted **1,000 trees** at a subsidiary project site located near a public school and hospital. The initiative supports environmental conservation, carbon sequestration, improved air quality, ecosystem benefits and community wellbeing. Estimated potential sequestration is approximately 22 tonnes of CO_2 annually. These estimates are not treated as offsets against NICOL's reported emissions.

The Group will continue to improve its environmental data and establish reliable baselines for areas such as water consumption and waste generation and recycling.

OUR PEOPLE AND COMMUNITIES

Human Capital

NICOL recognizes that sustainable value creation depends on the capability, commitment and development of its people. The Group is committed to maintaining a professional, motivated and accountable workforce supported by appropriate remuneration, professional development and performance management.

As at 31 December 2025, the Group had 9 employees, comprising 6 men and 3 women, representing 67% and 33%, respectively. One employee was recruited during the year, with no employee departures and zero employee turnover.

Employee development remained an important priority. During 2025, two CPA-qualified employees attended NBAA professional training programmes, each completing more than 40 hours of training. The Chief Financial Officer completed a Certificate in Directorship programme, while the Investment Manager attended an Executive Investor Relations Course conducted by the Dar es Salaam Stock Exchange. The Finance and Administration Officer also completed Data Protection training.

These initiatives strengthened capabilities in finance, governance, investor relations, data protection and operational management.

Employee Health, Safety and Wellbeing

NICOL is committed to providing a safe

and supportive workplace. During 2025, the Group underwent OSHA, fire and safety inspections to assess workplace risks and maintain appropriate health, safety and emergency-preparedness measures.

No occupational injuries were reported during the year. The Group maintained employee leave arrangements in accordance with its policies and provided appropriate health insurance coverage.

Employee performance is supported through defined Key Performance Indicators (KPIs) and annual performance appraisals, linking individual responsibilities with the Group's strategic and operational objectives.

NICOL also recognizes the importance of human rights and responsible business conduct. The Group's principles emphasize respect for human dignity, fair treatment, non-discrimination, safe working conditions and respect for local communities.

Community Contribution

NICOL recognizes its responsibility to contribute positively to the communities in which it operates. During 2025, the Group contributed TZS 5.68 million to community and environmental initiatives.

Of this amount, TZS 2.68 million supported the tree-planting initiative, while TZS 3.0 million contributed towards the construction of Ward Offices, supporting community infrastructure and access to public services.

NICOL intends to increase its contribution to community and sustainability initiatives and has allocated a larger budget for 2026 to support expanded environmental, social and community-impact programmes.

Stakeholder Engagement

NICOL recognizes that sustainable value creation depends on constructive and transparent relationships with stakeholders. Key stakeholder groups include shareholders and the investment community, regulators and government agencies, employees, suppliers and service providers, and strategic partners.

Stakeholder engagement enables NICOL to understand expectations, identify emerging

risks and incorporate relevant feedback into strategic execution, capital allocation and risk management. The Group's approach emphasizes sustainable returns, effective governance, regulatory compliance, employee wellbeing and development, fair procurement, timely supplier payments and mutually beneficial strategic partnerships.

NICOL believes that trust, transparency and accountability across stakeholder groups support revenue growth, cost efficiency, risk mitigation and sustainable returns.

GOVERNANCE, RISK AND SUSTAINABLE VALUE CREATION

Governance and Ethical Business

Strong corporate governance is fundamental to NICOL's approach to sustainable financial performance and long-term value creation. The Board provides oversight of strategy, financial performance, capital allocation, risk appetite, internal controls, governance and management performance.

Sustainability matters are considered within the Group's established governance and risk-management framework. The Board's principal committees, the Executive Committee, Audit and Risk Committee, and Investment and Financing Committee provide oversight of strategic execution, financial reporting, risk management, investment decisions and capital allocation.

NICOL recognizes ethical conduct as fundamental to investor confidence and shareholder value and maintains governance, internal control and risk-management mechanisms to identify and manage ethical, fraud and financial-crime risks.

Data Protection and Digitalization

Digitalization provides opportunities to improve operational efficiency, financial reporting, data management and stakeholder communication, while creating cybersecurity and data-protection risks.

During 2025, NICOL strengthened its data-protection framework by designating responsible personnel, providing employee training and registering with the relevant Data Protection Authority. The Group also invested in a new accounting system scheduled for implementation in 2026, which is expected to strengthen automation, data accuracy, financial management, internal controls and financial reporting.

Responsible Procurement

NICOL promotes fair, transparent and competitive procurement. Where practicable, three or more quotations are obtained and objectively evaluated before suppliers are selected. Supplier selection considers quality, suitability, price, value for money, reliability, delivery capability and compliance with applicable requirements.

The Group also seeks to diversify its supplier base, support local vendors and maintain strong supplier relationships. Relevant ESG considerations will progressively be incorporated into supplier selection and monitoring as NICOL's sustainability framework develops.

Sustainability and Enterprise Risk Management

NICOL integrates sustainability risks into its broader enterprise risk-management framework because ESG issues can translate directly into financial and operational consequences.

Climate change can lead to operational disruption, lower earnings and reduced investment returns. Poor governance at an investee company can result in regulatory or reputational events and reductions in portfolio value. Technological disruption may reduce competitiveness and profitability, while regulatory transition may increase compliance costs and reduce valuations.

NICOL therefore continues to manage market, counterparty, liquidity and operational risks through defined risk appetites, asset and liability management, liquidity monitoring, enhanced business standards, technology investment and IT-security measures.

Economic Sustainability

Economic sustainability remains central to NICOL's investment mandate. In 2025, the Group reported:

TZS 17.33 billion total income;
TZS 13.54 billion operating profit;
TZS 11.29 billion profit for the year;
65% net profit margin; and
TZS 238.97 billion net assets.

Net profit margin increased from 58% in 2024 to 65% in 2025, while net assets increased from TZS 162.59 billion to TZS 238.97 billion.

NICOL recognizes that sustainable economic performance requires more than short-term profitability. Long-term value creation depends on sustainable earnings, disciplined capital allocation, portfolio diversification, prudent leverage, effective risk management, strong governance and resilience to climate and technological change.

2025 SUSTAINABILITY PERFORMANCE HIGHLIGHTS

AREA	2025 PERFORMANCE
Total GHG emissions	64.85 tCO_2e
Trees planted	1,000 trees
Community & environmental investment	TZS 5.68 million
Employees	9 people
Female employees	33%
Employee turnover	0%
Occupational injuries	0
Employee training	7 trainings / 4 employees
Board meetings	7 meetings
Audit & Risk Committee meetings	5 meetings
Investment & Financing Committee meetings	5 meetings
Executive Committee meetings	3 meetings
New Accounting system	Implemented commenced – go live in 2026
Health and safety	Health insurance, fire inspection and OSHA inspection

LOOKING AHEAD

NICOL's sustainability roadmap is designed to progressively move the Group from establishing foundations towards measurable sustainability performance.

During 2026, the focus will be on strengthening ESG governance, improving sustainability data collection, establishing environmental and social KPI baselines, improving GHG measurement, strengthening ESG considerations in investment oversight and improving sustainability reporting.

During 2027–2028, NICOL intends to integrate ESG more systematically into investment due diligence and portfolio monitoring, improve resource efficiency, expand environmental initiatives, establish measurable human-capital indicators, develop structured community programmes and strengthen climate-risk assessment.

Subject to the availability and quality of baseline data, the 2029–2030 period will focus on measurable operational GHG-reduction targets, assessment of portfolio and financed-emissions exposure, deeper ESG integration into capital allocation and enhanced sustainability-related financial disclosures.

Our Sustainability Commitment

NICOL enters the next strategic period with the objective of strengthening the connection between ESG factors, risk, capital allocation, portfolio performance, earnings, net asset value (NAV) and shareholder value.

The Group remains committed to creating sustainable financial value, investing responsibly, managing ESG and climate-related risks, operating efficiently, developing its people, supporting communities, maintaining strong governance and ethical standards, and improving transparency and accountability.

NICOL views sustainability as a continuing journey. The Group's objective is to build a sustainability framework that is financially relevant, measurable, transparent, data-driven and integrated into strategic and investment decision-making.

Ultimately, NICOL's sustainability objective is to ensure that today's investment and business decisions strengthen the Group's capacity to generate resilient, risk-adjusted and sustainable shareholder returns over the long term.

Climate change can lead to operational disruption, lower earnings and reduced investment returns. Poor governance at an investee company can result in regulatory or reputational events and reductions in portfolio value. Technological disruption may reduce competitiveness and profitability, while regulatory transition may increase compliance costs and reduce valuations.

TAARIFA YA UENDELEVU NA WAJIBU WA KAMPUNI KWA JAMII

Kujenga Thamani Endelevu Kupitia Uwekezaji Wenye Uwajibikaji

National Investments Public Limited Company (NICOL) inatambua kuwa uendelevu ni sehemu muhimu ya uundaji wa thamani ya muda mrefu, ustahimilivu wa biashara na uwekezaji wenye uwajibikaji. Kama kampuni inayomiliki na kusimamia uwekezaji, athari za NICOL katika uendelevu zinaenea zaidi ya shughuli zake za moja kwa moja hadi kwenye kampuni, sekta na mali ambazo inawekeza. Kwa hiyo, masuala ya uendelevu yanazingatiwa, pale inapohusika, katika maamuzi ya uwekezaji, usimamizi wa uwekezaji, usimamizi wa vihatarishi, mahusiano na wadau pamoja na shughuli za uendeshaji.

Mtazamo wa NICOL kuhusu uendelevu unalenga kuweka uwiano kati ya mapato ya kifedha, usimamizi madhubuti wa vihatarishi, uwajibikaji wa kimazingira, masuala ya kijamii na utawala bora. Kampuni huzingatia masuala ya Mazingira, Jamii na Utawala (ESG) pale yanapoweza kuathiri thamani ya uwekezaji, mapato, ubora wa mali, ukwasi, sifa ya kampuni na thamani ya muda mrefu kwa wanahisa.

Katika mwaka 2025, NICOL iliendelea kuimarisha misingi ya mfumo wake wa uendelevu kupitia upimaji wa uzalishaji wa gesi joto, kuzingatia vihatarishi vya mabadiliko ya tabianchi katika mfumo wa usimamizi wa vihatarishi vya biashara, utekelezaji wa shughuli za uhifadhi wa mazingira, uwekezaji wenye uwajibikaji, ushirikishwaji wa wadau na maendeleo ya wafanyakazi pamoja na mifumo ya utawala.

Mfumo Wetu wa Uendelevu

Mkakati wa NICOL wa uendelevu umejengwa katika nguzo tatu zinazohusiana:

Fedha Endelevu – kuzingatia masuala ya ESG katika uteuzi wa uwekezaji, ugawaji wa mtaji, usimamizi wa uwekezaji na usimamizi wa vihatarishi.

Uendeshaji Endelevu – kutumia rasilimali kwa uwajibikaji, kutumia teknolojia na mifumo ya kidijitali, kufanya manunuzi yenye uwajibikaji na kuongeza ufanisi wa shughuli.

Tabia ya nchi na Mazingira – kutambua na kusimamia vihatarishi na fursa zinazotokana na mabadiliko ya tabia ya nchi huku ikipunguza athari za shughuli za Kampuni kwa mazingira.

Kwa NICOL, uendelevu una umuhimu wa kifedha pamoja na athari zake kwa jamii na mazingira. Masuala ya ESG yanaweza kuathiri mapato ya uwekezaji, thamani ya mali, gharama, ukwasi na vihatarishi. Wakati huo huo, shughuli na maamuzi ya uwekezaji ya Kampuni yanaweza kuwa na athari kwa wafanyakazi, jamii, mazingira na wadau wengine.

UWEKEZAJI WENYE UWAJIBIKAJI NA FEDHA ENDELEVU

Kama kampuni ya uwekezaji, ushawishi mkubwa wa NICOL katika uendelevu unatokana na maamuzi yake ya kugawa na kuelekeza mtaji. Kampuni inawekeza katika kampuni zilizoorodheshwa na zisizoorodheshwa katika soko la hisa na mitaji, dhamana za serikali, hati fungani za kampuni, vyombo mbalimbali vya kifedha na mali zisizohamishika. Kwa hiyo, uwekezaji wenye uwajibikaji ni sehemu muhimu ya ajenda ya uendelevu ya NICOL.

Pale inapohusika katika maamuzi ya uwekezaji, NICOL huzingatia mwenendo wa kampuni katika masuala ya uendelevu, ustahimilivu wa mazingira, ubora wa utawala na uwezo wa kusimamia vihatarishi. Mseto wa uwekezaji wa Kampuni unaliweka katika maeneo yanayochangia ujumuishaji wa kifedha, upatikanaji wa huduma za kifedha, fedha za kijani, ufanisi wa matumizi ya nishati, usimamizi wa uzalishaji wa hewa chafu, ujumuishaji wa kidijitali, usalama kazini, upunguzaji wa taka, uwazi wa masoko na maendeleo ya jamii.

Kampuni inakusudia kuendelea kuimarisha ujumuishaji wa ESG katika uchambuzi wa awali wa uwekezaji, uchunguzi wa kina, mapendekezo ya uwekezaji, ufuatiliaji wa uwekezaji, tathmini ya vihatarishi na ugawaji wa mtaji. Lengo ni kuhakikisha kuwa masuala muhimu ya ESG yanazingatiwa katika kutathmini faida za muda mrefu zinazozingatia vihatarishi, badala ya kutenganisha uendelevu na utendaji wa uwekezaji.

Mtazamo huu unaendana na lengo pana la NICOL la kujenga thamani endelevu kwa wanahisa kupitia ugawaji wa mtaji kwa nidhamu, mseto wa uwekezaji na usimamizi madhubuti wa vihatarishi.

MAZINGIRA NA HATUA DHIDI YA MABADILIKO YA TABIANCHI

Vihatarishi vya Mabadiliko ya Tabia ya Nchi

Mabadiliko ya tabia ya nchi ni suala linalozidi kuwa muhimu katika masuala ya kifedha kwa NICOL. Kwa kuzingatia muundo wa Kampuni kama kampuni ya uwekezaji, athari zake kuu za tabia ya nchi hutokea kwa njia isiyo ya moja kwa moja kupitia kampuni zinazounda sehemu ya uwekezaji wake. Matukio yanayohusiana na tabia ya nchi pamoja na mabadiliko katika kanuni za mazingira yanaweza kuathiri faida, ubora wa mali, gharama za uendeshaji, thamani ya uwekezaji na uwezo wa kampuni tulizowekeza kutoa gawio.

NICOL inatambua vihatarishi vya moja kwa moja vya tabia ya nchi, ikiwa ni pamoja na hali mbaya ya hewa, mabadiliko katika

upatikanaji wa maji, ongezeko la joto na usumbufu katika shughuli na minyororo ya usambazaji. Pia inatambua vihatarishi vya mpito, ikiwemo kuongezeka kwa masharti ya kisheria, bei ya kaboni, mabadiliko ya kiteknolojia, viwango vipya vya mazingira na mabadiliko ya mahitaji ya soko.

Kwa hiyo, masuala ya tabia ya nchi yanazingatiwa katika usimamizi wa uwekezaji, utawala wa vihatarishi na ugawaji wa mtaji. Kampuni pia huzingatia sera za mazingira, mifumo ya usimamizi wa vihatarishi na taarifa za uendelevu za kampuni tulizowekeza wakati wa kutathmini ustahimilivu wao wa muda mrefu.

Uzalishaji wa Gesi Joto

Katika mwaka 2025, NICOL ilianzisha msingi wa awali wa kupima uzalishaji wa gesi joto (Greenhouse Gas – GHG) kwa kuzingatia Scope 1, Scope 2 na Scope 3.

AINA YA UZALISHAJI	UZALISHAJI 2025	ASILIMIA
Scope 1 – Uzalishaji wa moja kwa moja	3.93 tCO_2e	6%
Scope 2 – Umeme ulionunuliwa	16.88 tCO_2e	26%
Scope 3 – Uzalishaji mwingine usio wa moja kwa moja	44.04 tCO_2e	68%
Jumla ya Uzalishaji	**64.85 tCO_2e**	**100%**

Uzalishaji mwingine usio wa moja kwa moja (Scope 3) ulichangia asilimia 68 ya jumla ya uzalishaji ulioripotiwa. Chanzo kikubwa kilichotambuliwa ni usafiri wa ndege uliosababisha 22.83 tCO_2e, ukifuatiwa na usafiri wa wafanyakazi kwenda na kutoka kazini wenye 8.21 tCO_2e na chakula chenye 9.53 tCO_2e.

Mchanganuo wa uzalishaji wa mwaka 2025 umeipa NICOL msingi wa kuboresha upimaji na kutambua fursa za kupunguza uzalishaji siku zijazo. Kampuni imeanza kuripoti GHG kwa kuzingatia GHG Protocol pamoja na mwelekeo wa utoaji taarifa uliowekwa na IFRS S1 na IFRS S2. Hata hivyo, NICOL haitoi dai la kuwa inatii kikamilifu IFRS S1 au IFRS S2 katika Ripoti yake ya Uendelevu ya 2025.

Uhifadhi wa Mazingira

Athari ya moja kwa moja ya NICOL kwa mazingira ni ndogo kwa sababu shughuli zake kuu ni usimamizi wa uwekezaji na shughuli za kiofisi. Hata hivyo, Kampuni inaendelea kusimamia athari zake za kimazingira kupitia matumizi bora ya nishati, matumizi sahihi ya rasilimali, matumizi ya mifumo ya kidijitali, manunuzi yenye uwajibikaji, usimamizi wa taka na ufuatiliaji wa matumizi ya maji. Mnamo Desemba 2025, NICOL ilipanda miti 1,000 katika eneo la mradi wa kampuni tanzu lililopo karibu na shule ya umma na hospitali. Mpango huu unachangia uhifadhi wa mazingira, kunyonya kaboni, kuboresha hewa, kulinda mifumo ya ikolojia na kuboresha ustawi wa jamii. Makadirio yanaonyesha uwezo wa miti hiyo kunyonya takribani tani 22 za kaboni daioxaidi (CO_2) kwa mwaka. Hata hivyo, makadirio haya hayatumiki kama fidia ya uzalishaji wa NICOL ulioripotiwa.

Kampuni itaendelea kuboresha taarifa zake za kimazingira na kuweka misingi thabiti ya upimaji katika maeneo kama matumizi ya maji na uzalishaji pamoja na urejelezaji wa taka.

WATU WETU NA JAMII

Rasilimali Watu

NICOL inatambua kuwa uundaji wa thamani endelevu unategemea uwezo, kujituma na maendeleo ya wafanyakazi wake. Kampuni imejikita katika kuwa na wafanyakazi wenye weledi, ari na uwajibikaji, wanaoungwa mkono kupitia mfumo unaofaa wa ujira, maendeleo ya kitaaluma na usimamizi wa utendaji.

Kufikia tarehe 31 Desemba 2025, Kampuni ilikuwa na wafanyakazi 9, wakiwemo wanaume 6 na wanawake 3, sawa na asilimia

67 wanaume na asilimia 33 wanawake. Mfanyakazi mmoja aliajiriwa katika mwaka huo, huku kukiwa hakuna mfanyakazi aliyeondoka na kiwango cha mzunguko wa wafanyakazi kikiwa sifuri.

Maendeleo ya wafanyakazi yaliendelea kuwa kipaumbele. Katika mwaka 2025, wafanyakazi wawili wenye sifa za CPA walishiriki katika mafunzo ya kitaaluma ya NBAA, kila mmoja akitimiza zaidi ya saa 40 za mafunzo. Afisa Mkuu wa Fedha (CFO) alikamilisha Certificate in Directorship, wakati Meneja wa Uwekezaji alishiriki Executive Investor Relations Course iliyoendeshwa na Dar es Salaam Stock Exchange. Afisa wa Fedha na Utawala pia alikamilisha mafunzo ya Ulinzi wa Taarifa.

Mipango hii iliimarisha uwezo katika maeneo ya fedha, utawala bora, mahusiano na wawekezaji, ulinzi wa taarifa na usimamizi wa shughuli.

Afya, Usalama na Ustawi wa Wafanyakazi

NICOL imejizatiti kutoa mazingira salama na yenye kuwasaidia wafanyakazi. Katika mwaka 2025, Kampuni ilifanyiwa ukaguzi wa OSHA, usalama wa moto na usalama kazini ili kutathmini vihatarishi vya mahali pa kazi na kuhakikisha uwepo wa hatua stahiki za afya, usalama na maandalizi ya dharura.

Hakuna ajali za kikazi zilizoripotiwa katika mwaka huo. Kampuni iliendelea kutekeleza taratibu za likizo kwa mujibu wa sera zake na kutoa bima ya afya kwa wafanyakazi.

Utendaji wa wafanyakazi unasimamiwa kupitia Viashiria Muhimu vya Utendaji (KPIs) na tathmini za kila mwaka, zinazounganisha majukumu ya kila mfanyakazi na malengo ya kimkakati na kiutendaji ya Kampuni.

NICOL pia inatambua umuhimu wa haki za binadamu na mwenendo wa biashara wenye uwajibikaji. Kanuni za Kampuni zinasisitiza heshima kwa utu wa binadamu, kutendewa kwa haki, kutobagua, mazingira salama ya kazi na kuheshimu jamii zinazozunguka shughuli zake.

MCHANGO KWA JAMII

NICOL inatambua wajibu wake wa kuchangia maendeleo chanya katika jamii ambako inafanya shughuli zake. Katika mwaka 2025, Kampuni ilitoa TZS milioni

5.68 kwa shughuli za kijamii na kimazingira.

Kati ya kiasi hicho, TZS milioni 2.68 zilitumika katika mpango wa upandaji miti, wakati TZS milioni 3.0 zilitolewa kwa ajili ya ujenzi wa Ofisi za Kata, hivyo kuchangia miundombinu ya jamii na upatikanaji wa huduma za umma.

NICOL inakusudia kuongeza mchango wake katika shughuli za jamii na uendelevu na imetenga bajeti kubwa zaidi kwa mwaka 2026 kwa ajili ya kupanua programu za kimazingira, kijamii na zenye manufaa kwa jamii.

USHIRIKISHWAJI WA WADAU

NICOL inatambua kuwa uundaji wa thamani endelevu unategemea mahusiano yenye uwazi na ushirikiano na wadau. Makampuni muhimu ya wadau ni pamoja na wanahisa na jumuiya ya uwekezaji, mamlaka za udhibiti na Serikali, wafanyakazi, wasambazaji na watoa huduma pamoja na washirika wa kimkakati.

Ushirikishwaji wa wadau huiwezesha NICOL kuelewa matarajio yao, kutambua vihatarishi vinavyojitokeza na kuingiza mrejesho unaofaa katika utekelezaji wa mikakati, ugawaji wa mtaji na usimamizi wa vihatarishi. Mtazamo wa Kampuni unasisitiza faida endelevu, utawala bora, uzingatiaji wa sheria na kanuni, ustawi na maendeleo ya wafanyakazi, manunuzi yenye haki, malipo kwa wakati kwa wasambazaji na ushirikiano wenye manufaa kwa pande zote.

NICOL inaamini kuwa imani, uwazi na uwajibikaji katika mahusiano na wadau huchangia ukuaji wa mapato, ufanisi wa gharama, kupunguza vihatarishi na kupata faida endelevu.

UTAWALA, VIHATARISHI NA UUNDAJI WA THAMANI ENDELEVU

Utawala Bora na Maadili ya Biashara

Utawala bora ni msingi muhimu wa NICOL katika kufikia utendaji endelevu wa kifedha na uundaji wa thamani ya muda mrefu. Bodi

inasimamia mkakati, utendaji wa kifedha, ugawaji wa mtaji, kiwango cha vihatarishi kinachokubalika, udhibiti wa ndani, utawala na utendaji wa Menejimenti.

Masuala ya uendelevu yanazingatiwa ndani ya mfumo wa utawala na usimamizi wa vihatarishi wa Kampuni. Bodi ikiwa na kamati zake tendaji, Kamati Utendaji, Kamati ya Ukaguzi na Vihatarishi, na Kamati ya Uwekezaji na Upatikanaji Fedha zinatoa usimamizi katika utekelezaji wa mkakati, taarifa za kifedha, usimamizi wa vihatarishi, maamuzi ya uwekezaji na ugawaji wa mtaji.

NICOL inatambua kuwa maadili mema ya biashara ni msingi wa imani ya wawekezaji na thamani kwa wanahisa. Kampuni ina mifumo ya utawala, udhibiti wa ndani na usimamizi wa vihatarishi inayolenga kutambua na kusimamia vihatarishi vya kimaadili, udanganyifu na uhalifu wa kifedha.

Ulinzi wa Taarifa na Matumizi ya Teknolojia

Matumizi ya teknolojia yanatoa fursa za kuongeza ufanisi wa shughuli, kuboresha taarifa za kifedha, usimamizi wa taarifa na mawasiliano na wadau, huku yakileta pia vihatarishi vya usalama wa mtandao na ulinzi wa taarifa.

Katika mwaka 2025, NICOL iliimarisha

mfumo wake wa ulinzi wa taarifa kwa kuteua wahusika wenye majukumu ya ulinzi wa taarifa, kutoa mafunzo kwa wafanyakazi na kujisajili na Mamlaka husika ya Ulinzi wa Taarifa. Kampuni pia iliwekeza katika mfumo mpya wa uhasibu unaotarajiwa kuanza kutumika mwaka 2026, ambao unatarajiwa kuimarisha matumizi ya mifumo ya kiotomatiki, usahihi wa taarifa, usimamizi wa fedha, udhibiti wa ndani na utoaji wa taarifa za kifedha.

Manunuzi Yenye Uwajibikaji

NICOL inahimiza manunuzi yenye haki, uwazi na ushindani. Pale inapowezekana, nukuu za bei kutoka kwa wazabuni wasiopungua watatu hupatikana na kutathminiwa kwa usawa kabla ya uteuzi wa mzabuni. Uteuzi huzingatia ubora, uhalali wa mahitaji, bei, thamani ya fedha, uaminifu, uwezo wa kuwasilisha bidhaa au huduma na uzingatiaji wa matakwa husika.

Kampuni pia inajitahidi kuwa na vyanzo mbalimbali vya wasambazaji, kusaidia wazabuni wa ndani na kudumisha mahusiano mazuri na wasambazaji. Masuala muhimu ya ESG yataendelea kuingizwa katika uteuzi na ufuatiliaji wa wasambazaji kadri mfumo wa uendelevu wa NICOL unavyoendelea kukua.

Uendelevu na Usimamizi wa Vihatarishi vya Biashara

NICOL inaunganisha vihatarishi vya uendelevu katika mfumo wake mpana wa usimamizi wa vihatarishi vya biashara kwa sababu masuala ya ESG yanaweza kuleta athari za moja kwa moja za kifedha na kiutendaji.

Mabadiliko ya tabia ya nchi yanaweza kusababisha usumbufu wa shughuli, kupungua kwa mapato na kushuka kwa faida za uwekezaji. Utawala dhaifu katika kampuni tuliyowekeza unaweza kusababisha matukio ya kisheria au kuathiri sifa na hivyo kupunguza thamani ya uwekezaji. Mabadiliko ya teknolojia yanaweza kupunguza ushindani na faida, wakati mabadiliko ya kanuni yanaweza kuongeza gharama za uzingatiaji na kupunguza thamani ya uwekezaji.

Kwa hiyo, NICOL inaendelea kusimamia vihatarishi vya soko, wadaiwa/washirika wa kifedha, ukwasi na uendeshaji kupitia viwango vya vihatarishi vinavyokubalika, usimamizi wa mali na madeni, ufuatiliaji wa ukwasi, kuimarisha viwango vya biashara, uwekezaji katika teknolojia na hatua za usalama wa TEHAMA.

UENDELEVU WA KIUCHUMI

Uendelevu wa kiuchumi ni msingi wa dhamira ya uwekezaji ya NICOL. Katika mwaka 2025, Kampuni iliripoti:

TZS bilioni 17.33 – Jumla ya mapato;
TZS bilioni 13.54 – Faida ya uendeshaji;
TZS bilioni 11.29 – Faida ya mwaka;
65% – Uwiano wa faida halisi kwa mapato; na
TZS bilioni 238.97 – Jumla ya mali halisi.

Uwiano wa faida halisi uliongezeka kutoka 58% mwaka 2024 hadi 65% mwaka 2025, huku mali halisi zikiongezeka kutoka TZS bilioni 162.59 hadi TZS bilioni 238.97.

NICOL inatambua kuwa utendaji endelevu wa kiuchumi unahitaji zaidi ya faida ya muda mfupi. Uundaji wa thamani ya muda mrefu unategemea mapato endelevu, ugawaji wa mtaji kwa nidhamu, mseto wa uwekezaji, madeni yanayodhibitiwa, usimamizi madhubuti wa vihatarishi, utawala bora na uwezo wa kukabiliana na mabadiliko ya tabianchi na teknolojia.

MUHTASARI WA UTENDAJI WA UENDELEVU 2025

ENEO	UTENDAJI 2025
Jumla ya uzalishaji wa GHG	64.85 tCO_2e
Miti iliyopandwa	Miti 1,000
Uwekezaji katika jamii na mazingira	TZS milioni 5.68
Wafanyakazi	Watu 9
Wafanyakazi wanawake	33%
Mzunguko wa wafanyakazi	0%
Ajali za kikazi	0
Mafunzo kwa wafanyakazi	Mafunzo 7 / wafanyakazi 4
Mikutano a Bodi	Mikutano 7
Mikutano ya Kamati ya Bodi ya Ukaguzi na Udhibiti Vihatarishi	Mikutano 5
Mikutano ya Kamati ya Bodi ya Uwekezaji na Upatikanaji Fedha	Mikutano 5
Mikutano ya Kamati ya Bodi ya Utendaji	Mikutano 3
Mfumo mpya wa uhasibu	Utekelezaji umeanza – kuanza kutumika 2026
Afya na usalama	Bima ya afya, ukaguzi wa moto na OSHA

MWELEKEO WA BAADAYE

Ramani ya NICOL ya uendelevu inalenga kuhamisha Kampuni kutoka hatua ya kuweka misingi kwenda kwenye mfumo wenye viashiria vinavyopimika vya utendaji wa uendelevu.

Katika mwaka 2026, kipaumbele kitakuwa kuimarisha utawala wa ESG, kuboresha ukusanyaji wa taarifa za uendelevu, kuweka misingi ya viashiria vya kimazingira na kijamii, kuboresha upimaji wa GHG, kuimarisha uzingatiaji wa ESG katika usimamizi wa uwekezaji na kuboresha utoaji wa taarifa za uendelevu.

Katika kipindi cha 2027–2028, NICOL inalenga kuunganisha ESG kwa kina zaidi katika uchunguzi wa uwekezaji na ufuatiliaji wa kampuni tulizowekeza, kuboresha ufanisi wa matumizi ya rasilimali, kupanua shughuli za mazingira, kuweka viashiria vya rasilimali watu vinavyopimika, kuanzisha programu zilizopangiliwa za jamii na kuimarisha tathmini ya vihatarishi vya tabianchi.

Kulingana na upatikanaji na ubora wa taarifa za msingi, kipindi cha 2029–2030 kitaelekezwa katika kuweka malengo yanayopimika ya kupunguza GHG katika shughuli za Kampuni, kutathmini athari za uwekezaji na uzalishaji unaofadhiliwa, kuimarisha ujumuishaji wa ESG katika ugawaji wa mtaji na kuboresha utoaji wa taarifa za kifedha zinazohusiana na uendelevu.

DHAMIRA YETU YA UENDELEVU

NICOL inaingia katika kipindi kijacho cha kimkakati ikiwa na lengo la kuimarisha uhusiano kati ya masuala ya ESG, vihatarishi, ugawaji wa mtaji, utendaji wa uwekezaji,

mapato, thamani halisi ya mali kwa kila hisa (NAV) na thamani kwa wanahisa.

Kampuni itaendelea kujikita katika kujenga thamani endelevu ya kifedha, kufanya uwekezaji wenye uwajibikaji, kusimamia vihatarishi vya ESG na mabadiliko ya tabia ya nchi, kuendesha shughuli kwa ufanisi, kuendeleza wafanyakazi, kusaidia jamii, kudumisha utawala bora na viwango vya juu vya maadili, pamoja na kuboresha uwazi na uwajibikaji.

NICOL inaona uendelevu kama mchakato unaoendelea. Lengo la Kampuni ni kujenga mfumo wa uendelevu ambao una umuhimu wa kifedha, unapimika, una uwazi, unaotegemea taarifa sahihi na umeunganishwa katika maamuzi ya kimkakati na uwekezaji.

Hatimaye, lengo la NICOL katika uendelevu ni kuhakikisha kuwa maamuzi ya uwekezaji na shughuli za biashara za leo yanaimarisha uwezo wa Kampuni kuzalisha thamani endelevu, inayostahimili vihatarishi na inayozingatia uwiano wa faida na vihatarishi kwa wanahisa kwa muda mrefu.

CORPORATE GOVERNANCE

The Board of Directors ("Board") of National Investments Plc oversee governance as promoting strategic decision making that balances short, medium, and longterm outcomes, and safeguarding interests of the Organization, and the society in which we operate to create sustainable shared value. Directors have a statutory duty to promote the success of the Company for the benefit of its stakeholders.

In promoting the success of the Company, Directors must have due regard to the long-term consequences of their decisions, the legitimate interests of employees, the need to foster effective business relationships with shareholders and various other stakeholders, the impact of the Company's operations on the community we operate, and the desire to maintain a reputation for high standards of business conduct.

The Board is committed to ensuring that company complies with the laws, regulations and standards applicable to it. The Board ensures that high standards and practices in Corporate Governance and more specifically the principles, practices and recommendations set out under the Code of Corporate Governance Practices for Listed Companies, 1994 (CMSA Principles of Good Corporate Governance Practices), are adhered to.

The Board believes that good corporate governance is the core driver of sustainable corporate performance and creates shared value by ensuring the right balance between organizational growth and long - term stakeholder value. The Board of Directors at NICOL, regularly reviews its corporate governance arrangements and practices and ensures that the same reflects evolving good corporate governance norms, the developments in regulation, best market practice and stakeholder expectations. Our corporate governance framework enables the Board to oversee the strategic direction of the organization, financial goals, resource allocation, risk appetite and to hold the executive management accountable for execution.

GOVERNANCE STRUCTURE

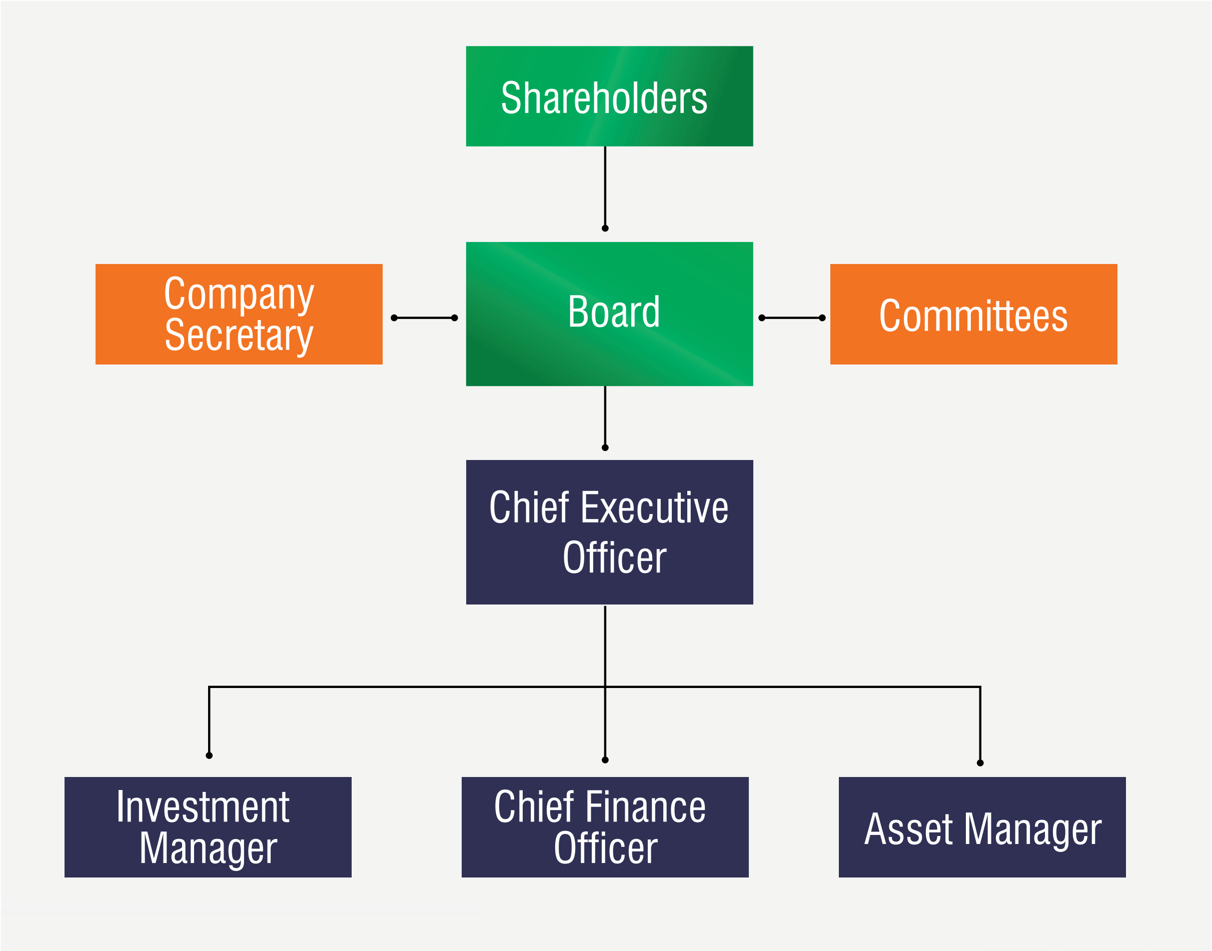
Governance framework

NICOL operates within a clearly defined corporate governance framework which provides for delegation of specific mandates (as may be necessary) and clear lines of responsibility without abdicating the responsibility of the Board. Through the framework, the Board sets out the strategic direction of the company while entrusting the day-to-day management of the business and the implementation of the Company's strategy to the Management Team led by the Chief Executive Officer ("CEO"). The Board operates through three committees mandated to review specific areas and assist the Board undertake its duties effectively and efficiently.

These Board Committee are as follows:

- Board Executive Committee
- Board Investment and Financing Committee
- Board Audit and Risk Committee

The fundamental relationships between the shareholders, Board Committees and Executive Management is illustrated below:



The Board Charter is regularly reviewed by the Board and provides for a clear definition of the roles and responsibilities of the Company's Chairman, directors as well as the Company Secretary. The roles and responsibilities of the Company Chairman and the Chief Executive Officer are separate and distinct with a clear division of responsibility between the running of the Board and the executive responsibility of strategy execution and running of the business

THE BOARD

National Investments Plc is governed by a Board of Directors ("The Board"). The appointment of directors is regulated by the Memorandum and Articles of Association of the Company, as well as the guidelines issued by the Capital Markets and Securities Authority, pursuant to the Capital Markets and Securities Act 1994, respectively. All Shareholders regardless of percentage of shares held, have the right to nominate any person to become director of the Company. The names are presented to the Annual General Meeting (AGM) for approval.

The Board is accountable to the shareholders for the overall Company's performance and is collectively responsible for the long-term success of the company. The

Board is responsible and accountable for providing effective corporate governance, direction and control of the company. The directors have a duty to exercise leadership, enterprise, integrity and judgment based on transparency, fairness, accountability and responsibility.

BOARD'S ROLE AND DIRECTORS' RESPONSIBILITIES

The Board, led by the Board Chairman, is responsible among other matters for:

- The Board is the ultimate decision-making body of the Company.
- The Board is responsible for establishing sound system of internal control for the Company.
- The Board is responsible for overseeing the corporate governance framework.
- The Board is responsible for adoption of strategic plans, policies, monitoring the operational performance, and processes that ensure integrity of the Company's risk management and internal controls.
- The Board is responsible for establishing clear roles and responsibilities in discharging its fiduciary and leadership functions.
- The board is responsible for ensuring that management actively cultivates a culture of ethical conduct and sets the values to which the institution will adhere.
- The Board is responsible for ensuring that the strategies adopted promote the sustainability of the company.
- The Board is responsible for establishing policies and procedures for effective operations of the Company.
- The Board shall establish an appropriate staffing and remuneration policy including the appointment of the Chief Executive Officer and the senior staff as may be applicable.
- The Board is responsible for ensuring cognizance is taken by management of all applicable laws, regulations, governance codes, guidelines and regulations and establishing systems to effectively monitor and control their compliance across the Company.

SEPARATION OF ROLES AND RESPONSIBILITIES

The role of Board Chairman is separate from that of the Chief Executive Officer. There is a clear division of responsibilities between the leadership of the Board by the Board Chairman, and the executive responsibility for day-to-day management of the Company's business, which is undertaken by the Chief Executive Officer.

Chairman	▪ Responsible for leading the Board, its effectiveness and setting high governance standards ▪ To ensure effective communication with shareholders and, where appropriate, the stakeholders. ▪ Upholding rigorous standards of preparation for meetings, and ensuring that decisions by the board are executed
Chief Executive Officer	▪ Responsible for the executive responsibility for day-to-day management of the company's business ▪ Recommending strategy to the Board and ensuring that the strategic objectives and Board's directives are implemented through the Board Executive Committee.
Non-Executive Directors	▪ Responsible for ensuring that the company has in place proper internal controls as well as a robust system of risk management. ▪ To support the development of proposals on strategy, hold management to account and ensure that they discharge their responsibilities properly, while creating the right culture to encourage constructive challenged
	▪ Provides support and guidance to the Board in matters relating to governance and ethical practices. ▪ Also responsible for induction programs of new directors, keeping board members abreast of relevant changes in legislation and governance principles ▪ In support from the Chairman, prepare Board meetings agenda and be custodian of the Board minutes.

BOARD DIVERSITY

The Board considers the diversity of views and experiences as essential for ensuring that all aspects of strategies and plans are fully considered. The combination of backgrounds and experience at the Board ensures that there is a balance of power that stimulates robust challenge and debate such that no individual or group can dominate board processes or decision-making.

This is important for sustainable stakeholder value protection. In the Annual General Meeting, shareholders approved to adjust number of existing directors to seven, and on 14th May 2022, at its Extra Ordinary Shareholders Meeting, shareholders approved appointment nomination of five new members to join the Board, these new members acquired different vast experience in leadership and other sectors.

BOARD NOMINATION, APPOINTMENT AND RE- ELECTION OF DIRECTORS

The current Board structure comprises of seven non-executive Directors including the Board Chairman. The Board determines its size and composition, subject to the Company's Articles of Association, Board Charter and applicable law. The Board composition is driven by the following principles:

- The Board must comprise of independent non-executive directors.
- The Board should consist of directors with a broad range of skills, experience

and expertise and be from a diverse range of backgrounds.

- The Chairman of the Board must be a non-executive director. Appointment of the Chairman will be made by the Shareholders as recommended by the Board members in the Annual General Meeting. The Chairman of the Board is also the Chairman of any Shareholders meeting.

The Board executive committee is responsible for recommending the procedure for the selection of new directors, the proposed criteria for the selection of candidates with reference to current mix of skills, knowledge and experience.

The committee identifies and nominates a shortlist of candidates and may engage the services of a professional intermediary to assist in identifying and assessing potential candidates. The preferred candidates meet with the members of the executive committee before a final decision is made. Prior to confirmation of appointment, all Directors are required to pass Proper requirements set out by the Capital Market and Securities Authority. The key terms and conditions of a director's appointment are documented in a letter of appointment.

BOARD INDUCTION AND TRAINING

All newly appointed non-executive Directors participate in an induction program. The induction program which is coordinated by the Company Secretary includes a series of meetings with other Directors, the Chief Executive Officer, and senior executives to enable new Directors familiarize themselves with the business. Directors also receive comprehensive guidance from the Company Secretary on Directors' fiduciary duties, and responsibilities as well as liabilities.

All Directors are expected to maintain the requisite skills and demonstrate ethical standards to carry out their obligations. The Chairman regularly reviews the professional development needs of each Director. The program of continuing education ensures that the Board is kept up to date with developments in the industry both locally and globally.

To ensure the Board is updated, the company will arrange the following trainings:

- Board Leadership & Corporate Governance Masterclass Africa
- Effective Audit Committees

BOARD COMPOSITION

NICOL is committed to ensuring the overall effectiveness of the Board and that it achieves the appropriate composition and balance of directors. The Board comprises a majority of independent non-executive directors who bring a diversity of skills, experience, and knowledge to the discussion, and play an important role in supporting the Board. The non- executive Directors are expected to have a clear understanding of NICOL strategy as well as knowledge of the collective investment scheme and the operating market. The aggregate mix of skills and experience of the Directors seeks to bring about individual and collective competence requisite in fostering robust and constructive debate, augments and challenges the strategic thinking of the executives thereby adding value to the company.

BOARD ATTENDANCE

During the year, there were 7 Board meetings two (2) of which was Extra- Ordinary Board Meeting. There were also.

- Five (5) Board Audit and Risk Committee meetings, (BARC)
- Fiver (5) Board Investment and Financing Committee meetings (BIFC)
- Three (3) Board Executive Committee meetings.

The following table shows the number of Board and Committee meetings held during the year and the attendance by directors: -

DIRECTORS

NAME	BOARD	BEC	BARC	BIFC
Dr. Gideon H. Kaunda	7	3	n/a	n/a
CPA George M.J. Nchwali	7	1	5	n/a
CPA Oswald M. Urassa	7	n/a	n/a	5
Ms. Kissa V Kilindu	7	1	n/a	5
Ms. Rehema A. Tukai	7	n/a	5	n/a
Eng. Boniface G. Nyamo-Hanga (served until his demise on 13 Apr 2025)	1	1	n/a	n/a

BOARD COMMITTEES

The Board places significant reliance on its committees by delegating a broad range of responsibilities and issues to them to achieve effective independent oversight and stewardship. It therefore remains crucial that effective linkages are in place between the committees and the Board as a whole, not least as it is impracticable for all independent non-executive directors to be members of all the committees. Mechanisms are in place to facilitate these linkages, including ensuring that there are no gaps or unnecessary duplications between the remit of each committee and overlapping membership between Board committees where necessary. Alongside interconnected committee membership, the Board receives documented summaries of each of the committee's meetings.

The Board has three standing committee namely, Board Executive Committee, Board Audit and Risk Committee and Board Investment Committee.

BOARD AUDIT AND RISK COMMITTEE

Members of the Audit Committee were as follows:-

NAME	NATIONALITY	QUALIFICATION	DESIGNATION
CPA. George MJ Nchwali	Tanzanian	Certified public account-ant	Chairman
Ms. Rehema Tukai	Tanzanian	Development Practitioner and Environmental Specialis	Member

The Committee assists the Board in fulfilling its oversight responsibility relating to the integrity of the company's financial statements and financial reporting process, systems of accounting and financial controls; the annual external audit of financial statements, reporting and internal controls; performance of the Internal Audit, Risk Functions; compliance with legal and regulatory requirements; adequacy of the risk management function; the oversight responsibility on planning and conduct of audits to determine that the company's financial statements and disclosures are complete and accurate and are in accordance with International Financial Reporting Standards and applicable laws, rules and regulations.

Audit Functions: The BAC assists the Board by providing oversight of the Bank's financial reporting responsibilities including external audit independence and performance. The Audit Committee responsibilities include the following:

- Reviewing the quarterly and full-year statutory financial reports for recommendation to the Board.
- Reviewing significant accounting estimates and judgments used for the preparation of the financial reports.
- Advising the Board on the NICOL's financial reporting requirements to ensure that the Board has exercised oversight of the work carried out by management, and the external auditor.
- Reviewing and approving any new or proposed changes in the accounting policies.
- Monitoring developments in statutory reporting and accounting and disclosure requirements
- Reviewing the effectiveness of, and ensuring that management has appropriate internal controls over, financial reporting
- Reviewing and monitoring the relationship with the external auditor and oversees its appointment, tenure, rotation, remuneration, independence, and engagement for non-audit services.
- And overseeing the work of the Internal Audit and monitoring and assessing the effectiveness, performance, resourcing, independence and standing of the function.

BOARD EXECUTIVE COMMITTEE

COMMITTEE COMPOSITION

NAME	NATIONALITY	QUALIFICATION	DESIGNATION
Dr. Gideon H Kaunda	Tanzanian	Economist and Lawyer	Chairman
Eng. Gissima Nyamo-Hanga (served until his demise on 13 Apr 2025)	Tanzanian	Engineer	Member
Ms. Kissa V. Kilindu	Tanzanian	Engineer and ICT Specialist	Member

- The Committee assists the Board in fulfilling its oversight responsibilities in accordance with the Articles of Association of the Company.
- The Committee, which is a steering committee for the full Board, has an oversight role over the critical key issues of the Company, provide guidance, support and mentor Management during transitional periods as well as be involved in any crisis situation that may arise within the Company.
- It is the general intention that all substantive matters in the ordinary course of business are brought before the full Board for action and/or ratification, but the Board recognizes the need for flexibility to act on substantive matters where action may be necessary between Board meetings.

BOARD INVESTMENT AND FINANCING COMMITTEE (BIFC)

The Investment Committee is responsible for creating and overseeing benchmarks and directives and measure their potential impact on financial condition of NICOL and assess their suitability in meeting the objectives of NICOL.

1) The asset allocation policy shall be sufficiently diversified to enable the appropriate fiduciary to manage risk without imprudently sacrificing returns.
2) The Committee with support from the Management, will establish investment performance benchmarks for each asset class, based on pre-approved criteria. The same shall be approved by the Board of Directors.
3) The Investment committee has the role of deciding investment priorities and establishes an efficient portfolio and submits the same for approval by the Board of Directors

The Chief Executive Officer of NICOL implement the asset allocation policy as recommended by the Investment and Financing Committee and approved by the Board of Directors.

All proposals of all new investment opportunities identified by the Management is reviewed by the Investment and Financing Committee which makes recommendation to the Board of Directors. The Board have the approval powers of all investments.

The Committee met four (4) times during the year. It comprised of the following members:

NAME	NATIONALITY	QUALIFICATION	TITLE
CPA Oswald M. Urassa	Tanzanian	Certified Public Accountant	Director
Ms. Kissa V. Kilindu	Tanzanian	Engineer and ICT Specialist	Director
Dr. Hildebrand E. Shayo	Tanzanian	Economist	Invitee

COMPANY SECRETARY

The company secretary is Mr. Benjamin Mwakagamba, and he provides support and guidance to the Board in matters relating to governance and ethical practices. He is also responsible for induction programs of new directors, keeping board members abreast of relevant changes in legislation and governance principles.

The Company Secretary is the custodian of all Board minutes for all committees and Board.

COMMUNICATION WITH SHAREHOLDERS

The company recognizes that effective communication with stakeholders is essential to good governance. Following the publication of its financial results, it engages with investors to present the results and answer questions accordingly. Shareholders are encouraged to attend the Annual General Meeting to be held in Arusha on Saturday, 30th August 2025 and participate to discuss the affairs and development of the company.

DIRECTORS PROFILES


NICOL

NICOL BOARD OF DIRECTORS & MANAGEMENT

GIDEON H KAUNDA (PhD)
BOARD CHAIRMAN

Graduated first as a lawyer earning an LLB degree, University of East Africa, Dar-Es-Salaam College. Practiced in Tanzania, Kenya and Uganda as Counsel in the EACSO/EAC, prior to appointment as Tanzania Permanent Representative on ICAO Council in Montreal, Canada. He rejoined Government service after his overseas diplomatic tour of duty. As a UNDP Scholar, Dr. Kaunda obtained a Diploma in Air and Space law, subsequently graduating with a Masters Degree (LLM) and a PhD (DCL), at the Faculty of Graduate Studies and Research, McGill University, Canada.

At different times he served in various National Institutions as Board Director, in STS, NTC, ATCL, the Tanzania Commission for Universities (TCU);Task Force Member- Presidential Commission on Reduction of Expenditure in Government Ministries and Corporations and Steps to Increase Efficiency and Productivity and Member of the National Sports Council.

Internationally, he served as a Consultant with the World Bank, UNDP, the European Union (EU), AFCAC, Economic Commission for Africa (ECA), (as Consultant of the UN Secretariat), COMESA and the Lesotho Government on infrastructure projects. He also carried out investment and advisory assignments of multinational companies in mineral prospecting and gold extraction for Golden Pride Nzega, AUSENCO of Australia, Shanta Gold Mine (Songwe) and Peak Resources of Australia on Rear Earth Minerals. He currently serves as EXTENDA Chairman, a regional micro-finance entity.

Before joining the private sector as a TPSF Member, Dr. Kaunda was appointed by a London Panel of Judges Session as an Arbitrator of the International Court of Aviation and Space Arbitration (ICASA). He maintains special interest in the Outer Space regime and scientific studies on celestial bodies, associated with the UN- COPUOS. Other areas of involvement include: Member, Tanzania Institute of Directors; Trustee; Nelson Mandela African Institute of Science and Technology; Founder Director, VIASAT-1 Free to Air Television Network (TV-1.); Participant; Tanzania Government Technical Preparatory Team for the Five Year Development Plan (FYDP- II) 2016 – 2021; Member, Court Users` Committee, High Court Commercial Division; Chairman; Rural Energy Agency (REA); Board Director and Investment Committee Member; TICL; Member, Tanganyika Law Society and Advocate of the High Court of Tanzania; Life Member, McGill Institute of Air and Space Law Canada, Co-opted Member, Flight Transportation Laboratory, Centre for Advanced Engineering Study, School of Aeronautics and Astronautics, Massachusetts Institute of Technology (MIT), Cambridge, Boston USA; Rotary International Paul Harris Fellow (2002); President, Rotary Club of Dar-Es-Salaam (2002- 2003).

Mr. George M. J. Nchwali was appointed as a Non-Executive Director of National Investments Company Limited (NICOL), with his appointment approved at the Extraordinary Shareholders' Meeting held on 14 May 2022.

CPA George M. J. Nchwali is an Authorized Certified Public Accountant in Public Practice (CPA-PP). He holds a Master of Business Administration (MBA) from the University of Dar es Salaam, a Certificate in Company Direction from the Institute of Directors (IoD), UK, and a Diploma in Accounting.

He is currently an Audit Partner at BMF Associates and Chairperson of BMF Consult Limited. A retired public servant, CPA Nchwali brings over 31 years of extensive experience in financial management, forensic accounting, investment planning, human resource management, and corporate secretarial services.

Throughout his distinguished career, he has held several senior leadership positions, including Director of Finance and Administration at the Rural Energy Agency (REA), Finance and Administration Manager at the National Examinations Council of Tanzania (NECTA), Rural Livelihood Development Company (RLDC), and Tanzanian and Italian Petroleum Refinery (TIPER). He also served as General Manager, Chief Internal Auditor, and Company Secretary at TIPER. Earlier in his career, he worked as an Internal Auditor at the Vocational Education and Training Authority (VETA) and Agip Tanzania Limited, as well as a Tutor at the Dar es Salaam School of Accountancy under the Ministry of Finance.

CPA Nchwali has also made significant contributions through board and committee service. He has served as a Board Member of the Energy and Water Utilities Regulatory Authority (EWURA) and St. Joseph Millennium Secondary School, as well as a member of the Disciplinary and Education Committees of the Tanzania Association of Accountants (TAA). He currently serves as Chairperson of the Governing Board of TANOIL Investments Limited.

In addition, he has undertaken advanced professional training in utility regulation and public-private partnerships, including Advanced Issues in Regulating Electric and Water Utilities at the Institute for Public-Private Partnerships (IP3) in Washington, D.C., and the Utilities Regulatory Studies Program (Camp NARUC) at the Institute of Public Utilities, Michigan State University, USA.

CPA Nchwali's expertise cuts across financial management, forensic accounting, investment planning, corporate governance, internal audit and risk management, corporate secretarial services, human resource management, board leadership and regulatory oversight.

CPA GEORGE M. J. NCHWALI
NON-EXECUTIVE DIRECTOR

CPA OSWALD M. URASSA
NON EXECUTIVE DIRECTOR

CPA Oswald Urassa was appointed and became a Non-Executive Director of National Investments Plc. His appointment was approved in the NICOL Extra-Ordinary Shareholders Meeting held on 14th May 2022.

CPA Oswald Urassa studied Accountancy at the University of Dar es Salaam, Tanzania before joining the University of Birmingham, United Kingdom (UK) for his Masters in Business Administration (MBA). He is Certified Public Accountant and a Fellow Member of the local Accountancy Body (National Board of Accountants and Auditors- NBAA) as well as Tanzania Association of Accountants (TAA). He is Certified Commonwealth Corporate Governance Practitioner and Trainer as well as Certified Financial Educator (CFE) by the Bank of Tanzania (BOT). CPA Oswald has attended several short courses in the areas of strategy, financial reporting, corporate governance, auditing, risk management, capital markets, securities market risk management and performance auditing organized by the World Bank, International Finance Corporation (IFC), NBAA, Bank of Tanzania (BOT); BSE Securities Exchange (formerly Bombay Stock Exchange) – India; Centre for Corporate Governance in Kenya and University of Connecticut – USA among others. He has facilitated some consultancy assignments in the areas of risk management, strategic governance, corporate governance and preparation of Board Charter.

CPA Oswald started his career as Tutorial Assistant with the Institute of Finance Management (IFM), one of the highly respected institutions of higher learning in Tanzania where he rose to the position of Senior Lecturer and Head of Accountancy Department. He moved to Dar es Salaam Stock Exchange Plc (DSE) as the founding Head of Finance and Operations before shifting to NMB Bank Plc as Treasurer, the largest commercial bank in Tanzania. CPA Oswald later joined Tanzania Mortgage Refinance Company Ltd (TMRC) as Chief Finance Officer (CFO) from 2011 to July 2024. He is currently Senior Partner, Diamond Financial Services, an audit and advisory firm based in Dar es Salaam. He is a Non- Executive Director of the Tanzania Portland Cement Plc Board of Directors as well as National Investments Plc. He chairs CRDB Bank Foundation as well as a member of the Board of Directors of Amref Tanzania Office.

He previously served as a director at Rural Energy Agency (REA); a Trustee at the GEPF Retirement Benefit Fund for nine (9) years before the merger of pension funds in July 2018; Board Member, National Board of Accountants and Auditors Governing Board; Chairman of the Tanzania Association of Accountants (TAA) Governing Board as well as Chairman of the Evangelical Lutheran Church in Tanzania, Eastern and Coastal Diocese Investment Trust Board (ELCT-ECD- ITB).

Kissa Vivian Kilindu was appointed as Non-Executive Director of National Investments Plc and her appointment was approved in the NICOL Extra-Ordinary Shareholders Meeting held on 14th May 2022.

Ms. Kissa Vivian Kilindu is an Assistant Director at the Prime Minister's Office. She has previously worked as a Director at Tanzania Employment Services Agency and at the Bank of Tanzania as a Senior Computer Systems Engineer.

An MBA holder (Durham University – UK), Ms. Kilindu is an Engineer by profession holding a BEng. (Hons) Electrical and Electronic degree from the University of Greenwich (UK). Ms. Kilindu has over 25 years of extensive working experience in areas of Information and Communication Technology, Governance, Management and Policy Research. Her passion is Cyber Security, and she is an ICT Professional Member of the Information and Communication Technologies Commission (ICTC), Registered Member of the Engineers Registration Board (ERB) and Member of the Institute of Directors in Tanzania (IoDT).

Ms Kilindu serves as a Member of the Board of Directors of National Investments PLC (NICOL), Investment and Financing Committee and serves as a Member of the Board of Directors of Mwalimu Commercial Bank (MCB) where she is a Member of the Audit and Risk Committee.

She has previously served as a Member of the Board of Directors of Tanzania Electric Supply Company Limited (TANESCO) where she was a Member of the Audit, Corporate and Governance Committee.

MS. KISSA VIVIAN KILINDU
NON EXECUTIVE DIRECTOR

MS. REHEMA A. TUKAI
EXECUTIVE DIRECTOR

Ms. Rehema Tukai was appointed as Non-Executive Director of National Investments Plc and her appointment was approved in the NICOL Extra-Ordinary Shareholders Meeting held on 14th May 2022.

Rehema is a development expert with over 20 years in senior management roles focusing on institutional partnership frameworks, design and delivery of donor funded development programmes and developing organizational approaches to optimize delivery of results, and learning.

Rehema Tukai is currently serving as Chief Executive Officer at Zanzibar Maisha Bora Foundation. Prior to that she served as Country Director of Water For People in Tanzania. She also worked as Consultant Adviser with Oxford Policy Management (OPM) Limited and KPMG Development Advisory.

She brings experience on institutional governance from serving on several oversight boards and committees. She is a Deputy Board Chairperson of REPOA, a national think tank focusing on policy research and advisory on economic development.

She is an alumnus of University of Canberra in Australia and Institute of Social Studies at Erasmus University in the Netherlands and has expert qualification in Monitoring and Evaluation.

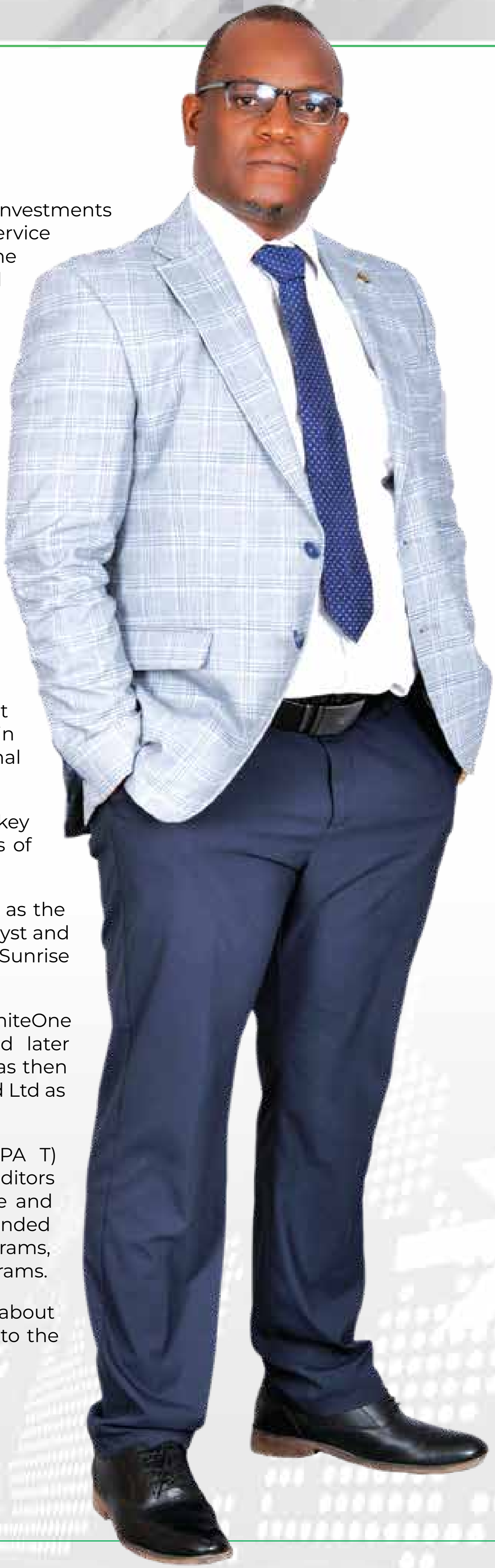
ADV. BENJAMIN MWAKAGAMBA
COMPANY SECRETARY

Mr. Benjamin Mwakagamba is an Advocate of the High Court of Tanzania and a professional member of Tanganyika Law Society (TLS) and East Africa Law Society (EALS). Currently, he is the Managing Partner and founder of the Law Firm styled as BM Attorneys.

He is a legal practitioner and travelled appreciable distance in the litigation field. He deals with company formation and investments advice, corporate restructuring, legal services to banks and other financial institutions, Environmental Law, Intellectual property law, Corporate, Statutory and Business support services, Labour Law, Tax Law, Land Law conveyancing and receivership liquidation.

He is appointed retainer by Tanzania Action Aid as Legal Counsel handling all legal matters of the organisation. Also, he is the Company Secretary of National Investments PLC (NICOL)

THE EXECUTIVE MANAGEMENT TEAM



ERASTO G. NGAMILAGA
CHIEF EXECUTIVE OFFICER

Mr. Erasto Gaudence Ngamilaga joined National Investments PLC in June 2017, after more than five years of service at the Serengeti Breweries Ltd as subsidiary of the DIAGEO a multinational company based in UK served in various senior leadership position including Credit Risk Manager and Supply Finance Manager. Before entrusted by the NICOL Board in the position of the Chief Executive Officer of NICOL, Ngamilaga was as the Chief Finance Officer of NICOL.

Prior to year 2017, Ngamilaga also served as the Deputy Chief Executive Officer of the National Investments PLC, where he brought significant impacts to the achievement in the re-listing of NICOL shares at the Dar Es Salaam Stock Exchange in year 2018. He also made significant impact in portfolio diversification in driving agenda for sustainability, increased returns, shareholders value and growth.

Ngamilaga career in Finance and Management spans over fifteen (15) years, covering Financial Accounting, Banking Operation, Project Management and control functions. He has immense experience in Strategic Management, Management, Transformational Leadership and Business Turnaround Strategy.

He has successfully led teams to deliver on various key areas that have helped to shape the required needs of the companies.

Earlier in his career, Ngamilaga worked for NMB Plc as the bank officer and later promoted as the Financial Analyst and selected to be part in leading transformation team (Sunrise Project) in the transformation of the NMB Bank.

In 2009, had to grow his career and joined the TanzaniteOne Mining Ltd as the Manufacturing Accountant and later promoted to the position of Finance Manager. He was then moved to Sumbawanga Agricultural and Animal Feed Ltd as the Finance Manager in 2011.

Ngamilaga is the Certified Public Accountant (CPA T) issued by the National Board of Accountant and Auditors (NBAA) and also holds a Masters Degree in Finance and Investments from Coventry University. He has also attended various Executive Development and Leadership programs, various NBAA seminars and other development programs.

Ngamilaga is the believer of positive change to bring about positive impacts to the owners of the Shareholders, to the people and to the national economy at large.

Ezekiel Lovililo who joined NICOL as the Chief Finance Officer in July 2022 has more than 10 years of experience in finance, spanning various industries including financial services, government, and investments in international and multi-cultural environments. Ezekiel has a proven track of building competent teams, improving performance, business turnaround, simplification, and digitalisation.

His division is responsible for the overall financial strategy, management, and oversight of the Group.

Prior to joining NICOL, Lovililo was Chief Finance Officer at Britam Insurance Tanzania Limited where he oversaw finance, corporate treasury, strategy, corporate development, investor relations, property, and supply chain management functions.

His extensive experience in providing direction of the financial strategic planning and tactical initiatives to accomplish goals brings in significant value to the Group.

Lovililo is an Associate Certified Public Accountant (ACPA) issued by the National Board of Accountants and Auditors (NBAA) and holds a Diploma in International Public Sector Accounting Standards (IPSAS) issued by the National Board of Accountants and Auditors (NBAA). He also holds a Master Degree of Science in Accounting and Finance from Mzumbe University. He also holds a Bachelor of Accounting and Finance from Mzumbe University. He has attended various executive programs and events as well as professional trainings. He is also a Certified Director by the Institute of Directors Tanzania.

Lovililo is a visionary leader with result-oriented mindset who believes in change and embraces it in a better way to reach a goal and add value to the Shareholders.

EZEKIEL LOVILILO
CHIEF FINANCE OFFICER

DEOGRATIAS DARIO
INVESTMENT MANAGER

Deogratias Dario joined NICOL as the Investment Manager in April 2021. He is a seasoned professional with a decade of experience in the financial sector. He has extensive knowledge and expertise in financial markets, portfolio management and project financing. His division is responsible for development of strategic plans of the company's direction and analyse investment opportunities with potential to meet the company's financial and investment objectives.

Prior to joining NICOL, Dario spent six years in the stock brokerage and investment advisory industry, holding various positions at CORE Securities Limited. Throughout his career he has accumulated a deep understanding of the Tanzanian capital market and attained strong requisites as an investment advisor.

Dario's skill set is underscored by proven technical proficiency, outstanding interpersonal abilities, and effective leadership qualities poised to make a significant contribution to NICOL's sustainable growth.

Dario holds a MSc. in Finance and Investment from Coventry University and a Bachelor's degree in Economics and Finance from the Institute of Accountancy Arusha. Also, He holds the Securities Industry Certification from Capital Markets and Securities Authority (CMSA) in collaboration with the Chartered Institute of Securities and Investment, UK. He is a certified Securities and Investments practitioner by the Chartered Institute of Securities and Investment (CISI)

Additionally, he holds a Certificate in Directorship from the Institute of Directors in Tanzania (IoDT), highlighting his commitment to excellence.

INVESTMENT COMMITTEE PROFILES

HILDEBRAND E SHAYO
BA (Hons) MSc,
Dev Eco, PhD
COMMITTEE MEMBER

Hildebrand Shayo is a holder of a PhD degree in Resource planning (resource economics) from London South Bank University, UK. He also holds a Master's degree in Development Studies (development planning) from the University of Dar es Salaam obtained in 1995. He also holds a Bachelor of Arts and Social Science (Economics) obtained in 1993 from the University of Dar es Salaam, Tanzania.

Currently is the Principal Officer, of Agency Fund Solicitation and Administration at TIB Development Bank, wholly owned by the Government of the United Republic of Tanzania. Dr Hildebrand Shayo joined TIB Development Bank as Manager of Strategic Planning and Economic Research in 2013. Before that, worked at the Open University of Tanzania as a Senior Lecturer at the Economics Department from 2010-2011. Before that worked as Investment and Asset Manager for Tanzania National Investment Company cum Chief Executive Officer (CEO), then NICOL's subsidiary company.

Before joining Open university worked as an associate researcher/ lecturer at the Built Environment, London South Bank University from 2004 to November 2009. Before working at LSBU, worked at the Prime Minister's Office of the United Republic of Tanzania as a data analyst at a national local government reform program. Before joining PMO, worked as Senior Investigator Office at the prevention corruption bureau (PCCB) under the President's Office. Before, worked as a tutorial assistant at the Institute of Development studies at the University of Dar es salaam from 1995 to 1999 and part-time lecturer at the Police College, at Kurasini Dar es Salaam Tanzania.

Hildebrand has served as a Directors for strategic government establishment Institutions in Tanzania, namely:- Tanzania Port Authority (TPA), Tanzania State Mining Corporation (STAMICO), Tanzania Red Cross (TRC) and Tanzania Broadcasting Corporation (TBC). He has published widely- books, book chapters and published more than 350 investment and business articles in local and international academic journals. He is a Moodys trained investment data analyst and a certified and Nominated Transaction Advisor since 2013 by the Capital Market Authority of Tanzania (CMSA).

NICOL is not just an investment company- it is a trusted vehicle for building wealth, enabling opportunity, and driving inclusive economic growth in Tanzania.

REPORT OF THOSE CHARGED WITH GOVERNANCE

CORPORATE INFORMATION

1. DIRECTORS

The Directors who served in office during the year and to the date of this report are shown on page 5.

2. REGISTERED OFFICE

National Investments Public Limited Company,
Mirambo House, 3rd Floor 50 Mirambo Street,
P.O. Box 7465, Dar es Salaam, Tanzania.

3. BANKERS

Diamond Trust Bank Tanzania Limited
Masaki Branch
P.O. Box 115
Dar es Salaam, Tanzania.
NMB Bank Plc
Ilala Branch
P.O. Box 9213
Dar es Salaam, Tanzania.

4. AUDITOR

Tax Pro & Associates
Certified Public Accountants
P. O. Box 7550, NIC Investment House
Dar es Salaam, Tanzania.

5. MAIN LAWYER

BM Attorneys,
RITA Tower, 22nd Floor, Plot 727/11,
Makunganya Street
P.O. Box 4681,
Dar es Salaam, Tanzania.

6. COMPANY SECRETARY

Mr. Benjamin S. Mwakagamba
RITA Tower, 22nd Floor, Plot 727/11,
Makunganya Street,
P.O. Box 4681,
Dar es Salaam, Tanzania.

The Directors present their report together with the audited financial statements for the year ended 31 December 2025, which disclose the state of affairs of National Investments Public Limited Company (the "Company" or "National Investments Plc" or "NICOL") and its subsidiary Nico Land Development Company Ltd (together, the 'Group').

1. INCORPORATION

National Investments Public Limited Company is a public limited company incorporated in the United Republic of Tanzania under the Companies Act 2002 through certificate of incorporation number 41644 of 27 June 2001.

National Investments Plc's registered office is located on the 3rd Floor, Mirambo House, 50 Mirambo Street, and P.O Box 7465, Dar Es Salaam, Tanzania.

2. VISION

To develop and increase active participation of local Tanzanians in the management and control of their national economy.

3. MISSION

"To be the leading Collective Investment Scheme in the country by efficiently mobilizing resources and strategically investing in viable economic ventures through equity ownership and direct investments. We are committed to leveraging cost-effective management systems and a highly skilled, motivated workforce to maximize returns and create long-term value for our shareholders."

4. PRINCIPAL ACTIVITIES

"The principal activity of National Investments Plc is to strategically invest in a diversified portfolio, including shares of listed and unlisted companies, government securities, corporate bonds, and other financial instruments. Additionally, the company establishes and manages business enterprises in key economic sectors such as manufacturing, financial services, telecommunications, agriculture, mining, and other service industries. National Investments Plc is listed on the Dar es Salaam Stock Exchange PLC (DSE) in Tanzania."

5. CORPORATE GOVERNANCE STATEMENT

The Company is committed to maintaining high standards of corporate governance as a means of enhancing performance, managing risk, and protecting shareholders' interests. The Board recognizes that effective corporate governance is fundamental to long-term value creation, stakeholder trust, and the sustainability of the Company. NICOL has established a comprehensive framework of policies, procedures, and internal controls to ensure robust oversight and sound management.

The Board of Directors ("Board") views corporate governance as a critical enabler of disciplined strategic decision-making, balancing short, medium, and long-term objectives, while safeguarding the interests of shareholders, stakeholders, and the broader society in which the Company operates. This approach supports the creation of sustainable shared value.

Directors have a statutory duty to promote the success of the Company for the benefit of shareholders and other stakeholders. In fulfilling this duty, the Board gives due consideration to the long-term consequences of its decisions, the interests of employees, the importance of maintaining effective relationships with shareholders, Government, regulators, and other stakeholders, as well as the impact of the Company's activities on the community and the environment. The Board also places strong emphasis on maintaining high standards of ethical conduct and corporate reputation.

During the year ended 31 December 2025, the Company undertook measures to ensure ongoing compliance with applicable corporate governance laws, regulations, and guidelines. The Board endeavoured to apply the core principles of good governance in line with the Capital Markets and Securities Act, 1994, and other laws governing the establishment and operation of Collective Investment Schemes. These frameworks guide the Board in safeguarding shareholders' interests and ensuring regulatory compliance.

The Board believes that strong corporate governance is a key driver of sustainable financial performance and long-term value creation. Accordingly, the Board regularly reviews the Company's governance structures and practices to ensure alignment with evolving regulatory requirements, best practices, and stakeholder expectations.

5. CORPORATE GOVERNANCE STATEMENT (Continued)

The Company's corporate governance framework enables the Board to provide effective oversight of strategy, financial performance, capital allocation, risk appetite, and internal controls, while holding executive management accountable for execution in line with approved objectives.

6. OUR CORPORATE GOVERNANCE FRAMEWORK

Our Corporate Governance framework enables the Board to oversee the strategic direction of the organization, financial goals, resource allocation, risk appetite and to hold the executive management accountable for execution.

This statement details the key corporate governance arrangements and practices of National Investments Plc and its affiliate company. The statement sets out the key components of NICOL corporate governance framework, which provides guidance to the Board, management and employees and defines roles, responsibilities and expected behaviours and conduct standards.

NICOL'S GOVERNANCE FRAMEWORK

The Company operates within a clearly defined corporate governance framework that establishes clear lines of authority, responsibility, and accountability while preserving the collective responsibility of the Board. The framework provides for the appropriate delegation of authority to Board committees and executive management without abdicating the Board's ultimate oversight and fiduciary responsibilities.

Under this framework, the Board is responsible for setting the Company's strategic direction, approving key policies, and overseeing performance, risk management, and capital allocation.The day-to-day management of the Company and implementation of the approved strategy are delegated to the Chief Executive Officer ("CEO") and management team, operating within defined authority limits approved by the Board.

NICOL is governed by a Board of Directors appointed in accordance with the Company's Memorandum and Articles of Association ("MEMARTS"), the Capital Markets and Securities Act, 1994, and guidelines issued by the Capital Markets and Securities Authority ("CMSA"). These instruments provide the basis for Board composition, appointment, tenure, and governance practices.

6. CORPORATE GOVERNANCE STATEMENT (Continued)

NICOL'S GOVERNANCE FRAMEWORK (Continued)

The Board is accountable to shareholders for the overall performance and long-term sustainability of the Company. It is collectively responsible for providing effective leadership, strategic oversight, and control of the Company. In discharging its duties, Directors are required to exercise independent judgment, integrity, and diligence, and to act in a manner that promotes transparency, fairness, accountability, and responsible decision-making.

During the year ended 31 December 2025, the Board comprised six Independent Non-Executive Directors. Following the demise of one Director during the year, the Board currently comprises five Independent Non-Executive Directors. The Board acknowledges the importance of maintaining an appropriate balance of skills, experience, and independence to effectively discharge its responsibilities.

To support the effective execution of its mandate, the Board has established three principal committees: the Executive Committee, the Audit and Risk Committee, and the Investment and Financing Committee. Each committee operates under approved terms of reference and is delegated specific responsibilities to enhance the efficiency and effectiveness of Board oversight. The committees report regularly to the Board, ensuring that strategic priorities, risk management, financial oversight, and investment decisions remain aligned with shareholder interests and the Company's long-term objectives.

The Board Charter

NICOL operates under an approved Board Charter and Terms of Reference that clearly define the roles, responsibilities, and authorities of the Board, the Board Chairman, individual Directors, and the Company Secretary. The Charter supports effective leadership, accountability, and decision-making, while ensuring that the Board discharges its fiduciary and oversight responsibilities in line with applicable laws and governance standards.

The roles of the Board Chairman and the Chief Executive Officer ("CEO") are separate and distinct. The Chairman is responsible for leading the Board, setting the Board agenda, ensuring effective governance, and facilitating constructive engagement among Directors and with management. The CEO is responsible for the execution of the Board-approved strategy and the day-to-day management of the Company's operations.

6. CORPORATE GOVERNANCE STATEMENT (Continued)

The Board Charter (continued)

This clear separation of roles reinforces appropriate checks and balances, strengthens oversight and mitigates concentration of authority, thereby supporting effective corporate governance and long-term value creation.

7. COMPOSITION OF THE BOARD OF DIRECTORS

In determining its composition, the Board seeks to ensure an appropriate balance of independence, experience, skills, and diversity that supports effective oversight and decision-making. Consideration is given to financial and investment expertise, risk management, governance, regulatory knowledge, and industry experience relevant to Collective Investment Schemes. This balance enables the Board to effectively challenge management, oversee performance, and safeguard shareholders' interests.

The Board places emphasis on independence of judgment. All Directors are Non-Executive Directors and are free from relationships or circumstances that could materially interfere with the exercise of independent judgment. This structure enhances objectivity in decision-making and strengthens oversight of management and investment activities.

The Board also seeks to maintain an appropriate mix of skills, professional backgrounds, gender representation, and perspectives to promote balanced decision-making and effective governance. Diversity of experience and thought supports robust discussion, constructive challenge, and sound strategic oversight.

Board appointments are made through a formal and transparent process in accordance with the Company's Memorandum and Articles of Association, the Board Charter, and applicable regulatory requirements. Appointments are based on merit, taking into account the skills mix, experience, integrity, and time commitment required to effectively discharge Board responsibilities.

To enhance governance efficiency, the Board may delegate specific responsibilities to Board Committees, including committees responsible for areas such as audit, risk management, and governance. These committees operate under clearly defined terms of reference and report regularly to the Board.

7. COMPOSITION OF THE BOARD OF DIRECTORS (Continued)

The Board recognizes the importance of continuity and succession planning to maintain stability and effectiveness. Succession planning for Directors and the Board Chairman is considered as part of ongoing Board governance to ensure sustained leadership and the orderly renewal of Board membership.

The performance, composition, and effectiveness of the Board are kept under periodic review to ensure that the Board remains appropriately structured to meet the evolving strategic, regulatory, and risk profile of the Company. The Board also encourages ongoing professional development for Directors to ensure that members remain informed of emerging regulatory, governance, and industry developments.

The table below sets out the composition of the Board of Directors during the year ended 31 December 2025, including Directors who served during the year and their respective dates of appointment and re-appointment. In line with good governance and transparency, the disclosure includes the Director who served during the year but passed away prior to year-end.

NAME	POSITION	NATIONALITY	DATE OF APPOINTMENT
Dr. Gideon H. Kaunda	Chairman	Tanzanian	Re-appointed – 12 Nov 2022
CPA George M.J. Nchwali	Director	Tanzanian	Re-appointed – 30 Aug 25
CPA Oswald M. Urassa	Director	Tanzanian	Re-appointed – 30 Aug 25
Ms. Kissa V. Kilindu	Director	Tanzanian	Appointed – 11 Feb 22
Ms. Rehema A. Tukai	Director	Tanzanian	Appointed – 11 Feb 22
Eng. Boniface G. Nyamo-Hanga	Director	Tanzanian	Appointed – 11 Feb 22; served until his demise on 13 April 2025

All Directors are Non-Executive Directors. In accordance with the Company's Memorandum and Articles of Association, Directors are appointed for a term of four (4) years and are eligible for re-appointment for a further term of four (4) years, subject to approval by shareholders at an Annual General Meeting (AGM).

The tenure of Directors is aligned with the AGM cycle. Where a Director's term expires prior to the AGM, such Director shall continue in office until the date of the AGM at which their re-appointment is presented to shareholders for consideration. Accordingly, the effective expiry date of a Director's tenure is deemed to be the date of the relevant AGM.

8. COMPANY SECRETARY

As at 31 December 2025, the Company Secretary is Mr. Benjamin S. Mwakagamba. The Company Secretary provides independent advice and support to the Board on matters relating to corporate governance, regulatory compliance, and ethical standards, and plays a central role in ensuring the effective functioning of the Board and its committees.

The Company Secretary is responsible for facilitating efficient and effective Board and committee processes in accordance with their approved terms of reference, applicable laws, and recognised best practices. In carrying out this role, the Company Secretary supports the Board in discharging its governance and oversight responsibilities.

Key responsibilities of the Company Secretary include:

- Promoting consistent governance practices across the Company, supporting the Chairman to ensure the effective functioning of the Board and its committees, and facilitating efficient information flow and decision-making between the Board and executive management.
- Advising the Board and management on governance, ethics, and regulatory compliance, coordinating director induction and continuous development, and keeping the Board informed on evolving governance standards, regulatory requirements, and legislative developments.

9. BOARD COMMITTEES

The Board delegates defined responsibilities to its committees to enhance efficiency, depth of review, and independent oversight, while retaining overall accountability for governance and decision-making. The effective functioning of this structure depends on strong linkages between the committees and the Board to ensure coherent oversight and informed decision-making.

To support this, at least one Non-Executive Director serves on each Board committee, and committee membership is structured to promote appropriate overlap where necessary. This approach reduces the risk of gaps or duplication in responsibilities and ensures alignment across committees on matters of strategy, risk, and financial oversight.

9. BOARD COMMITTEES (Continued)

Formal mechanisms are in place to facilitate effective communication and integration between the committees and the Board. These include clearly defined committee terms of reference, coordinated work plans, overlapping membership where appropriate, and the submission of documented reports and recommendations from each committee to the Board following committee meetings.

During the year ended 31 December 2025, the Board maintained the following sub-committees in support of its governance and oversight responsibilities:

9.1. Board Executive Committee (BEC)
9.2. Board Audit and Risk Committee (BARC)
9.3. Board Investment and Financing Committee (BIFC)

9.1. Board Executive Committee (BEC):

The Committee assists the Board in discharging its oversight responsibilities in accordance with the Company's Articles of Association and Board-approved terms of reference. Acting as a steering committee of the Board, the Committee provides focused oversight of critical and time-sensitive matters, including key strategic projects, and supports Management during transitional periods or in the event of crisis situations.

The Committee provides guidance and advisory support to Management but does not replace the authority of the full Board. Its role is to ensure continuity of oversight, timely decision-making, and effective escalation of material issues to the Board.

While it is the Board's general intention that all substantive matters arising in the ordinary course of business are referred to the full Board for approval and/or ratification, the Board recognizes the need for operational flexibility. Accordingly, the Committee is authorised to consider and act on urgent or exceptional matters that arise between scheduled Board meetings, within clearly defined delegated authority limits. All such actions are reported to the Board at the next scheduled meeting for review and, where required, ratification.

9. BOARD COMMITTEES (Continued)

9.1. Board Executive Committee (BEC) (Continued)

During the year ended 31 December 2025, the Committee met three (3) times. The composition of the Committee during the year was as follows:

NAME	NATIONALITY	QUALIFICATION/ DISCIPLINE
Dr. Gideon H. Kaunda	Tanzanian	Economist, Lawyer
Ms. Kissa V. Kilindu	Tanzanian	Engineer and ICT Specialist
Eng. Boniface G. Nyamo-Hanga (served until his demise on 13 Apr 2025)	Tanzanian	Engineer

9.2. Board Audit and Risk Committee (BARC)

The Board Audit and Risk Committee ("BARC") assists the Board in fulfilling its oversight responsibilities in relation to the integrity of the Company's financial reporting, internal controls, risk management, and compliance with applicable laws and regulations. The Committee operates under Board-approved terms of reference and provides independent oversight of the financial and risk-related aspects of the Company's operations.

BARC's responsibilities include, but are not limited to:

- Reviewing quarterly and full-year statutory financial statements and reports for recommendation to the Board.
- Evaluating significant accounting estimates, judgments, and changes in accounting policies to ensure compliance with IFRS and other regulatory requirements.
- Advising the Board on the Company's financial reporting obligations and monitoring management's performance, the Internal Audit function, and the external auditor.
- Monitoring the effectiveness of internal control systems and ensuring that management implements appropriate measures over financial reporting.
- Overseeing the appointment, tenure, rotation, remuneration, and independence of the external auditor, and maintaining a constructive relationship with the auditor.

9. BOARD COMMITTEES (Continued)

9.2. Board Audit and Risk Committee (BARC) (Continued)

- Reviewing and monitoring the performance, independence, resourcing, and effectiveness of the Internal Audit function.
- Providing oversight of risk management frameworks, assessing key risks facing the Company, and ensuring appropriate mitigation measures are in place.
- Reviewing and monitoring the Company's annual budgets and forecasts together with related party transactions, compliance exceptions, and other significant financial matters that may impact the Company.

During the year ended 31 December 2025, BARC met five (5) times to deliberate on these matters and report its findings and recommendations to the Board. The Committee comprises Non-Executive Directors with appropriate financial, risk, and governance expertise to effectively execute its mandate.

Members of the Committee during the year were:

NAME	NATIONALITY	QUALIFICATION/DISCIPLINE
CPA George M.J. Nchwali	Tanzanian	Certified Public Accountant
Ms. Rehema A. Tukai	Tanzanian	Development Practitioner and Environment Specialist

All members are independent Non-Executive Directors, ensuring objectivity and alignment with best practice governance principles. The Committee reports regularly to the Board and provides guidance on all financial and risk matters within its mandate.

9.3 Board Investment and Financing Committee (BIFC)

The Board Investment and Financing Committee ("BIFC") assists the Board in providing oversight on investment decisions, financing arrangements, and capital allocation to ensure alignment with the Company's strategic objectives, financial risk appetite, and long-term value creation. The Committee plays a critical role in reviewing major investment proposals, financing initiatives, and related risks before recommendations are made to the Board.

9. BOARD COMMITTEES (Continued)

9.3 Board Investment and Financing Committee (BIFC)(Continued)

Key responsibilities of the BIFC include:

- Reviewing and recommending investment proposals and divestments to the Board, ensuring alignment with the Company's strategy, risk appetite, and fiduciary responsibilities.
- Ensuring that the Company's asset allocation policy is sufficiently diversified to allow appropriate risk management without imprudently sacrificing returns.
- Establishing, in conjunction with management, investment performance benchmarks for each asset class, based on pre-approved criteria, for subsequent approval by the Board.
- Deciding on investment priorities and constructing an efficient portfolio, which is submitted to the Board for approval.
- Monitoring the performance of the Company's investment portfolio and reviewing returns against pre-approved benchmarks.
- Evaluating capital expenditure plans, financing arrangements, and major contractual commitments.
- Reviewing funding requirements and financing options to support the Company's strategic initiatives.
- Assessing financial risks and ensuring appropriate mitigation measures are in place.
- Reviewing all proposals for new investment opportunities identified by management and making recommendations to the Board, which retains ultimate approval authority for all investments.
- Ensuring compliance with applicable laws, regulations, and internal policies in relation to investment and financing decisions.

9. BOARD COMMITTEES (Continued)

9.3 Board Investment and Financing Committee (BIFC)(Continued)

The Chief Executive Officer (CEO) is responsible for implementing the asset allocation policy as recommended by the BIFC and approved by the Board of Directors.

During the year ended 31 December 2025, the BIFC met five (5) times. Membership of the Committee during the year was as follows:

NAME	NATIONALITY	QUALIFICATION/ DISCIPLINE	TITLE
CPA Oswald M. Urassa	Tanzanian	Certified Public Accountant	Director
Ms. Kissa V. Kilindu	Tanzanian	Engineer and ICT Specialist	Director
Dr. Hildebrand E. Shayo	Tanzanian	Economist	Co-opted

All members are Non-Executive Directors. The Committee reports its findings and recommendations to the Board on a regular basis.

10. BOARD ACTIVITIES DURING THE YEAR

During the year ended 31 December 2025, the Board of Directors actively oversaw the Company's strategy, risk management, financial reporting, and governance. A total of seven (7) Board meetings were held, including three (3) Extraordinary Board Meetings, to review strategic priorities, capital allocation plans, investment policies, and the execution of the Company's strategy by the CEO and management.

The Board maintained oversight of financial reporting, internal controls, and compliance with IFRS and regulatory requirements, including reviewing accounting estimates, judgments, and significant changes in policies. Budgeting, forecasts, and variance analysis were reviewed to ensure alignment with strategic objectives and risk appetite. The Board also monitored the performance, independence, and effectiveness of the Internal Audit and Risk functions and maintained oversight of external auditor independence, tenure, and remuneration. Compliance with laws, regulations, related-party transactions, and internal policies was closely monitored.

10. BOARD ACTIVITIES DURING THE YEAR (Continued)

All investment proposals, financing arrangements, and major capital allocations were reviewed by the Board, with the Board Investment and Financing Committee providing recommendations on asset allocation, investment priorities, portfolio efficiency, and performance benchmarks. The CEO implemented the asset allocation policy approved by the Board. The Board Executive Committee provided guidance on operational projects, transitional matters, and crisis situations, ensuring timely decisions between scheduled meetings.

During the year, committee meetings were held as follows: Board Audit and Risk Committee (BARC) – 5 meetings, Board Investment and Financing Committee (BIFC) – 5 meetings, and Board Executive Committee (BEC) – 3 meetings. Each committee reported regularly to the Board on its oversight activities and recommendations.

The attendance record of Directors during the year is summarized below:

DIRECTOR'S NAME	BOARD (7)	BEC (3)	BARC (5)	BIFC (5)
Dr. Gideon H. Kaunda	7	3	n/a	n/a
CPA George M.J. Nchwali	7	1	5	n/a
CPA Oswald M. Urassa	7	n/a	n/a	5
Ms. Kissa V. Kilindu	7	1	n/a	5
Ms. Rehema A. Tukai	7	n/a	5	n/a
Eng. Boniface G. Nyamo-Hanga (served until his demise on 13 Apr 2025)	1	1	n/a	n/a

This summary reflects the Board's continuous engagement in strategic, operational, financial, and risk-related matters, demonstrating the Company's commitment to strong corporate governance and oversight.

11. CORPORATE GOVERNANCE AND MANAGEMENT OF THE SUBSIDIARY

Nicoland Development Company Ltd, a 99.99% owned subsidiary of National Investments Plc, is governed by a Board of Non-Executive Directors.

11. CORPORATE GOVERNANCE AND MANAGEMENT OF THE SUBSIDIARY (Continued)

The Board assumes overall responsibility for the subsidiary, including oversight of key risk areas, investment decisions, significant financial matters, and the review of strategic plans and budgets. It also ensures the implementation of a robust internal control framework, adherence to corporate governance principles, and compliance with applicable laws and regulations.

The Board is required to meet at least four times per year. The day-to-day management of Nicoland Development Company Ltd is delegated to the Chief Executive Officer of National Investments Plc, who is supported by professionals from the parent company in areas such as accounting and company secretarial services under a management service agreement.

Given the limited number of transactions, Nicoland Development Company Ltd currently has no direct employees, and essential functions including secretarial and accounting services are provided by the parent company. As business operations grow and transaction volumes increase, the Group will reassess the subsidiary's organizational structure and address any gaps as necessary.

12. CAPITAL STRUCTURE

As at 31 December 2025, the Company's authorized share capital remained at 1,600,000,000 ordinary shares of TZS 125 each, with 61,634,834 shares issued and fully paid. The share premium of TZS 1,588,635,000 represents the amount received in excess of the nominal value on the issue of shares. There were no changes in the authorized, issued, or fully paid share capital during the year.

Each shareholder carries one vote at general meetings and entitles the holder to participate in dividends declared by the Board, in accordance with the Company's Articles of Association. The capital structure ensures that the shareholders' rights are protected, and the Board exercises stewardship over the allocation of capital while maintaining transparency and compliance with regulatory requirements.

The Company's stable capital base supports its long-term strategy and provides flexibility for future funding, investment, and expansion opportunities, aligned with the Company's commitment to sound corporate governance and creation of sustainable shareholder value.

12. CAPITAL STRUCTURE (Continued)

	2025 TZS "000"	2024 TZS "000"
Authorized:		
1,600,000,000 (2024: 1,600,000,000) ordinary shares of 125 each	200,000,000	200,000,000
Issued and fully paid:		
61,634,834 (2022: 61,634,834) ordinary shares of TZS 125 each	7,704,354	7,704,354
Share premium	1,588,635	1,588,635
	1,588,635	**1,588,635**

13. SHAREHOLDERS OF THE COMPANY

As at 31 December 2025, the Company had 61,634,834 issued and fully paid ordinary shares, unchanged from 2024. The Public Service Social Security Fund held 9.2%, Erncon Holdings Limited 2.1%, Tanzania Posts Authority 1.3%, and the General Public 80.9%. During the year, all existing shareholders increased their holdings making them among the top shareholders, and Vertex International Securities ETF joined as a new shareholder while some prior-year shareholders reduced or disposed of holdings.

Shareholders of the National Investments Plc are as follows:

Name of Shareholder	2025		2024	
	Number of shares	%	Number of shares	%
The Public Service Social Security Fund	5,666,670	9.2	5,666,670	9.2
Emilian Paschalis Busara	1,309,430	2.1	599,976	1.0
Erncon Holdings Limited	1,284,982	2.1	1,284,982	2.1
Vertex International Securities ETF	1,057,569	1.7	-	-
Ernest Saronga Massawe	-	-	1,014,500	1.6
Tanzania Posts Authority	800,000	1.3	800,000	1.3
Mark William Njiu	726,000	1.2	726,000	1.2
Commex Holding Ltd	500,000	0.8	800,000	1.3
Deogratius Emily Marandu	427,121	0.7	-	-
General Public	49,863,062	80.9	50,742,706	82.3
Total	**61,634,834**	**100**	**61,634,834**	**100**

14. PERFORMANCE FOR THE YEAR

The performance results for the year are set out on page 40 of these financial statements.

The Group's revenue increased by 11%, reaching a total of TZS 17.3 billion during the year (2024: TZS 15.6 billion). Operating profit grew by 11.6 %, rising from TZS 12.1 billion in 2024 to TZS 13.5 billion in the current year 2025.

Total expenses for the year ended 31 December 2025 increased to TZS 3.79 billion (2024: TZS 3.5 billion), the increase is aligned with revenue growth and reflects the cost base required to support the expanded asset portfolio and higher operating activity.

The Group and the Company reported a profit after tax of TZS 11.26 billion and TZS 10.73 billion respectively, for the year ended 31 December 2025 and 2024. (2024: TZS 9.07 billion and TZS 8.60 billion, respectively).

15. KEY PERFORMANCE INDICATORS AND BUDGETARY PERFORMANCE

The Key Performance Indicators of the Group and Company for the year ended 2025 were computed based on the targets set by the Group and Company in comparison with the actual performance results for the year.

Key performance indicators

	Group 2025	Group 2024	**Company 2025**	Company 2024
Total Income (TZS'000)	**17,331,778**	15,602,417	**14,810,570**	13,031,470
Operating profit (TZS'000)	**13,539,127**	12,101,234	**12,708,206**	10,829,086
Operating profit margin (%)	**78**	78	**86**	83
Profit for the year (TZS'000)	**11,287,222**	9,070,230	**10,727,988**	8,596,541
Net profit margin (%)	**65**	58	**72**	66
Net assets (TZS'000)	**238,973,026**	162,587,670	**238,475,992**	162,503,379
Return on capital employed (%)	**5**	7	**4**	6

15. KEY PERFORMANCE INDICATORS AND BUDGETARY PERFORMANCE (Continued)

Budgetary Performance

The Company's performance against budget was as follows:

Key Performance indicator	Actual (TZS '000)	Budget (TZS '000)	Variance	Remarks
Revenue	14,810,570	14,937,834	-1%	Slightly below budget (-1%) but broadly stable
Operating expenses	2,102,365	2,342,597	-10%	10% below budget, primarily due to deferred spending
Finance costs	1,269,807	1,714,126	-26%	26% below budget, driven by reduced debt level
Profit before tax	11,438,398	10,881,111	5%	5% above budget, driven mainly by cost containment

Overall, the Company delivered above-budget profitability despite a marginal revenue shortfall. The outperformance was primarily driven by cost containment and lower-than-anticipated finance expenses, including deferred operating expenditure.

While short-term earnings quality is strong, part of the improvement is timing related.

Sustained performance will require management to accelerate revenue growth while prudently managing deferred expenditures to prevent margin compression in subsequent periods. The Board will continue to monitor cost normalization, capital allocation discipline, and earnings quality to ensure long-term value creation.

16. STOCK EXCHANGE INFORMATION

The Tanzanian capital market, under the Dar es Salaam Stock Exchange (DSE), recorded significant growth during the year ended 31 December 2025, supported by improved investor participation, strong corporate earnings performance, and favorable macroeconomic conditions.

Total market capitalisation increased to approximately TZS 24 trillion at year end (2024: TZS 17.8 trillion), representing growth of about 34% and reaching the highest level in the Exchange's history.

16. STOCK EXCHANGE INFORMATION (Continued)

The growth was primarily driven by price appreciation in domestic listed equities, particularly within the banking and financial services sector, which continued to dominate trading activity and market capitalisation.

During the year, the Exchange implemented pricing methodology enhancements, including adoption of a Volume Weighted Average Price (VWAP) mechanism for determining closing prices, which improved price discovery and market transparency. The Directors believe these developments have contributed positively to market liquidity and investor confidence.

The Tanzania Share Index (TSI) and All Share Index (DSEI) both recorded strong upward movements during the year, reflecting broad-based appreciation in equity prices across several sectors. Investor participation continued to expand, with the number of investor accounts increasing during the period, supported by financial inclusion initiatives and growing domestic institutional investment.

The Group maintains strategic equity investments in companies listed on the DSE. The positive market performance during 2025 resulted in an increase in the fair value of quoted equity instruments recognised in the Group's financial statements.

Quoted investments are measured using Level 1 inputs in accordance with IFRS 13 Fair Value Measurement, based on published market prices at the reporting date.

The Directors consider the DSE to remain an active market with sufficient liquidity to support reliable price discovery for listed securities.

However, the net asset value (NAV) of National Investments Plc is TZS 3,877 per share as at 31 December 2025.

17. CURRENT AND FUTURE DEVELOPMENT PLANS

National Investments Plc has concluded the implementation of its five-year strategic plan. During this period, the Group focused on building a well-diversified investment portfolio aimed at sustainable value creation and enhanced shareholder returns.

17. CURRENT AND FUTURE DEVELOPMENT PLANS (Continued)

As the current strategy cycle ends, the Company has commenced preparations for the next strategic planning horizon covering 2026–2030. The forthcoming strategy will build on the achievements of the previous period, with continued emphasis on strengthening profitability through a diversified portfolio of investments designed to be resilient to evolving economic conditions, climate considerations, and technological developments.

The Group will also maintain a disciplined approach to cost management and risk oversight while positioning itself to capture emerging growth opportunities.

18. STAKEHOLDERS RELATIONSHIP

The sustainability of our business depends on positive relationships with our stakeholders. We pursue stakeholder engagement systematically, which allows us to understand those risks that could impact our business. We believe that open exchange with and between diverse stakeholder groups has a significant potential and contribution in our strategy and ultimately our value creation. National Investments Plc, therefore, remains committed to understanding the needs of our stakeholders and receiving feedback, and responding appropriately so that we can consistently and sustainably create value in the short, medium and long term.

The table below highlights our stakeholders, their expectations and our strategic responses.

STAKEHOLDER GROUP	WHAT THESE STAKEHOLDERS CARE ABOUT	OUR STRATEGIC RESPONSES
Shareholders and Investment Community	· Share price growth. · Dividends paid. · Effective corporate governance. · Experienced management. · Sustainable growth. Industry regulation.	· Focusing on delivering operational efficiencies, growth, and international diversification. · Growing contribution of revenue from international markets. · Providing a diversified product and service offerings. Promoting an ethical culture and responsible corporate citizenship across the Group. · Robust risk management and control measures

STAKEHOLDERS RELATIONSHIP (Continued)

STAKEHOLDER GROUP	WHAT THESE STAKEHOLDERS CARE ABOUT	OUR STRATEGIC RESPONSES
Regulators and Government agencies	· Full compliance with regulatory obligations and laws. · Involvement in industry discussions and thought leadership. · Sustainable operations	· Ensure compliance with all applicable legislation. · Monitor and respond to changes in our regulatory landscapes, staying up to date with changes in laws, regulations, and compliance frameworks. · When called upon we engage with regulatory bodies to provide inputs for new/proposed legislation(s).
Employees	· Health and safety in the workplace. · Equitable remuneration. Career advancement and growth opportunities. Opportunities for learning and development. · Fair and equitable performance evaluation and feedback.	· Focusing on employee wellness and development. · Fair and competitive remuneration. · Talent development programs. · Investing in leadership development programs. · Implementing strategies to ensure a highly engaged workforce. · Encouraging and supporting a culture of safety within the workplace. · Encouraging and supporting a culture of continuous personal learning.
Suppliers and Service Providers	· Timely payments. · Beneficial long-term relationships. · Sustainable business operations. · Supporting local business · Open communication on matters that concern them	· Use of technology to facilitate timely payment. · Prioritizing fair and transparent procurement activities · Ensuring adequate diversification of supplies through selecting suppliers who provide quality, affordable supplies that meet our requirements. · Supporting local vendors. · Monitoring relationships with our suppliers.
Strategic partners	· Win-win collaboration opportunities · Our performance and leadership in areas of collaboration.	· We have put in place a policy on strategic partnerships to ensure the interests of the partners and the Group are aligned and mutually beneficial to both parties.

18. STAKEHOLDERS RELATIONSHIP(Continued)

Through structured stakeholder engagement and disciplined governance, the Group aligns stakeholder expectations with strategic execution and capital allocation decisions and risk management. We recognize that sustainable value creation is not achieved through financial performance alone, but through maintaining trust, transparency, and accountability across all stakeholder groups.

Management remains accountable for translating these relationships into measurable outcomes, it being revenue growth, cost efficiency, risk mitigation, and sustainable returns.

The Board provides oversight to ensure that these priorities remain balanced between short-term performance and long-term resilience.

By continuously monitoring stakeholder sentiment, regulatory developments, and market expectations, the Group strengthens its social license to operate, mitigates emerging risks, and enhances its ability to generate sustainable returns across economic cycles. This integrated approach reinforces our commitment to responsible growth and long-term shareholder value.

19. PRINCIPAL RISKS, UNCERTAINITIES AND OPPORTUNITIES

Our enterprise risk management framework

National Investments Plc's long-term resilience and stability are the goal of our risk management initiatives. We accept the risks that come with our primary business. Even as we embrace these inherent risks, we strive to diversify them through our size and nature of the risk.

We invest in shares of listed and unlisted companies, government bonds, and other securities.

Because of our responsibility to our shareholders, we prefer to keep those risks that we believe we can manage to generate a return.

Types of risk inherent in our business model

National Investments Plc has two (2) types of risk that are inherent to its business model.

19. PRINCIPAL RISKS, UNCERTAINITIES AND OPPORTUNITIES (Continued)

Types of risk inherent in our business model (Continued)

1) Risk Arising from our Investments and other core activities:

- These includes the credit risk, liquidity risk, market risk and price risk. (Refer Note 9.)

2) Risk from our Operations and other business risks:

- **Operational risk:** This is the risk of direct or indirect losses resulting from insufficient or failed internal processes, people, and systems, as well as external events such as legislative or regulatory changes.

- **Strategic risk:** This is a risk that can occur as a result of poor business decisions, poor decision execution, insufficient resource allocation, or a failure to respond effectively to changes in the business environment.

How National Investments Plc share risk management responsibilities

The First Line of Defence - Executive Management

The Risk-Taking Function

In terms of strategy, performance measurement, and the formation and maintenance of internal control and risk management, the executive and management are the first line of defence.

They are responsible for:

- Managing daily risk exposures through the use of suitable procedures, internal controls, and adherence to Company-wide specified policies.

- Ensuring that sufficient resources are allocated for the effective execution of risk management initiatives and activities.

- Tracking risk incidents and losses, identifying issues and taking remedial action to resolve these issues, and reporting and escalating material risks and issues to the appropriate governing bodies.

19. PRINCIPAL RISKS, UNCERTAINITIES AND OPPORTUNITIES (Continued)

The Second Line of Defence - The Risk Management Function

The Risk Oversight Function

The second line of defence is in charge of maintaining a formal risk management framework within which the National Investments Plc's policies and minimum requirements are established, as well as objective risk management monitoring across the Group.

The second line of defence includes the Board Audit and Risk Committee.

The Third Line of Defence - The Internal Audit Function

The Risk Assurance Function

Internal Audit, the third line of defence, ensures the effectiveness of National Investments Plc's internal control mechanisms established by the first and second lines of defence in an independent and objective manner.

Internal Audit is also in charge of providing management and the Board of Directors with independent and objective assurance on the Group and Company's risk management, governance, business processes, and controls.

External auditors have a statutory duty to report to the Board Audit, Risk and Compliance Committee any accounting and operational controls weaknesses discovered during their audits.

Overview of our principal risks

The types of risk to which the National Investments Plc is exposed, described in the table below:

19. PRINCIPAL RISKS, UNCERTAINITIES AND OPPORTUNITIES (Continued)

Overview of our principal risks (Continued)

MARKET RISK		
RISK DESCRIPTION	**SOURCE OF RISK**	**MITIGATION**
The risk that the financial assets held reduce in value below what the current value is. This risk impacts equities, bonds, property, and any foreign currency, denominated exposures, including liabilities.	• Equity Price • Property • Interest Rate • Foreign Exchange • Inflation We actively match our assets to liabilities and therefore, uptake market risks that match our liabilities' profile. Additionally, we have a NIL appetite for property risks as this asset class does not match the underlying liabilities' profile.	• Risk appetites set to limit exposures to key market risks. • Asset and liability duration matching which limits impact of interest rate changes and ensures optimal liquidity.

COUNTERPARTY RISK		
RISK DESCRIPTION	**SOURCE OF RISK**	**MITIGATION**
The risk that a counterparty defaults on a promise/obligation, and therefore, the group or company loses some of its assets.	• Bank deposits • Corporate bonds and commercial paper	• Meeting of risk appetite for bank deposits in terms of maximum limit in a single bank and maximum exposure limits to Tier I, Tier II and Tier III banks. • Risk appetite limits for exposure to corporate bonds and commercial paper in terms of limits to a single entity.

19. PRINCIPAL RISKS, UNCERTAINITIES AND OPPORTUNITIES (Continued)

Overview of our principal risks (Continued)

LIQUIDITY RISK		
RISK DESCRIPTION	**SOURCE OF RISK**	**MITIGATION**
The risk that the business cannot meet its obligations or liabilities as and when they fall due.	• Mismatch of assets and liabilities, usually by duration • Low cash flow generation, e.g., due to reduced inflows and higher withdrawals	• Documented procedures for the finance and investment team that ensure liquidity is monitored daily. • Maintaining committed borrowing facilities from banks

OPERATIONAL RISK		
RISK DESCRIPTION	**SOURCE OF RISK**	**MITIGATION**
Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, systems, or external events.	• Conduct • Legal & regulatory • People • Process • Data security • Technology • Brand and Reputation Operational risk should generally be reduced to as low a level as is commercially sensible. Operational risk will rarely provide us with an upside.	• Application of enhanced business standards covering key processes. • Enhanced scenario-based approach to determine appropriate level of capital to be held in respect of operational risks. • Ongoing investment in simplifying our technology to improve the resilience and reliability of our systems and in IT security to protect our data.

Principal emerging risks

Compliance Risks

- National Investments Plc, being a listed Company at the Dar es Salaam Stock Exchange Market Plc (DSE) and being regulated by the Capital Market and Securities Authority (CMSA) poses a risk of compliance due to the reporting requirements and adherence to the rules and regulations of a listed company. Having known that, a risk dashboard is in place to ensure no reporting deadline is missed and all rules and regulations are adhered.

19. PRINCIPAL RISKS, UNCERTAINITIES AND OPPORTUNITIES (Continued)

Principal emerging risks (Continued)

Cyber Security Risks

- The advanced use of technology in interactions with shareholders and stakeholders. This has caused heightened exposure to cyber related risks. However, our IT Security infrastructure has continued to ensure that our IT assets remain well protected even as there is heightened cyber security risk.

Fraud Risks

- Fraud risk remains a key risk for the business and as a result, National Investments Plc is in the process of implementing a comprehensive fraud risk management framework that incorporates; fraud prevention, proactive detection, investigation and response. As part of the organization's governance structure, National Investments Plc will have fraud risk management programs in place, including written policies to convey the expectations of the board of directors and senior management regarding the management of fraud risk. There are mechanisms to periodically assess fraud risk exposure within the organization to identify potential fraud schemes and events that the company needs to mitigate.

Environmental, social, and governance (ESG) Risks

Environmental, Social, and Governance (ESG) issues as well as their associated opportunities and risks are becoming more and more relevant for financial institutions. Sustainability is not just an ethical but may soon enough also become an economic and existential question — generating a new type of risk.

A key pillar of ESG is the environment. One source of environmental risk relates to climate change. This includes: – risks related to the transition to a lower-carbon economy, including policy and legal risks, technology risk, market risk and reputation risk – physical risks, such as changes in water availability, sourcing, and quality; food security; and extreme temperature changes affecting an organization's premises, operations, supply chains, transport needs, and employee safety.

National Investments Plc believes that activities that have negative E&S impacts affect the overall performance of the business.

19. PRINCIPAL RISKS, UNCERTAINITIES AND OPPORTUNITIES (CONTINUED)

Principal emerging risks (Continued)

Environmental, social, and governance (ESG) Risks (Continued)

National Investments Plc will use its reasonable commercial endeavors to adopt the following E&S principles to promote environmental and social protection and sustainable development in its activities:

- All activities must be environmentally friendly and socially responsible;
- All activities shall comply with national legislation and where applicable international environmental management conventions;
- Ensuring E&S reporting transparency in its activities;
- All activities must have respect for local communities and indigenous people;
- National Investments Plc will not knowingly finance activities that contravene international environmental agreements that have been enacted into the law of, or otherwise have the force of law, in the country in which the project is located;
- Projects must develop standards that promote favorable working conditions and are not harmful to employee health and well-being;
- Ensuring that the management and the shareholders understand these E&S policy commitments made by National Investments Plc;
- Financing investments only when they are expected to be designed, built, operated, and maintained in a manner consistent with the Applicable Requirements and Guidelines

20. LIQUIDITY

National Investments Plc manages liquidity risk by maintaining sufficient cash and cash equivalents and ensuring access to funding resources to meet its financial obligations as they fall due. The Group's objective is to maintain a prudent balance between continuity of funding and flexibility through effective cash flow management and monitoring of projected and actual cash flows.

The Group ensures that adequate cash is available on demand to meet expected operational requirements, including administrative expenses, investment commitments, and servicing of financial obligations. This assessment is based on cash flow forecasts prepared and reviewed periodically by management, taking into account the timing of expected inflows and outflows under normal operating conditions.

20. LIQUIDITY (Continued)

The liquidity planning framework excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as significant macroeconomic shocks or severe market disruptions.

The primary internal sources of liquidity for the Group comprise dividend income, interest income, and rental income generated from its investment portfolio.

Management monitors liquidity risk through regular review of cash position reports, investment income projections, and maturity profiles of financial assets and liabilities. The Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future and to meet its financial obligations as they fall due.

21. TECHNOLOGY AND INNOVATION

In 2025, National Investments Plc continued to operate using its existing technological infrastructure, with no significant new systems implemented during the year.

As part of the Group's ongoing commitment to strengthening operational efficiency, financial reporting, and internal controls, the Company has invested in the implementation of a new accounting system, which is scheduled to go live in April 2026. The new system is expected to enhance automation, improve data accuracy, and support more robust financial management and reporting processes.

The Group will continue to assess opportunities for further technological enhancements aligned with its long-term strategic objectives and evolving business requirements.

22. BUSINESS OBJECTIVES AND STRATEGIES

As an entity, we are faced with several challenges and opportunities. The Group's ongoing business profitability and sustainability is largely pegged into how we manage these challenges and weaknesses and take advantage of the opportunities and strengths.

Current and emerging risks that could threaten our business model, strategy and sustainability are identified and assessed through a top-down risk identification and assessment process. In addition, risks identified through the business unit strategic planning processes provide a bottom-up view.

22. BUSINESS OBJECTIVES AND STRATEGIES (Continued)

National Investments Plc has identified key results areas, and the associated strategic objectives as identified in the table below.

KEY RESULT AREA	STRATEGIC OBJECTIVE
Investment Growth and Diversification • Investment Portfolio expanded. • Company profitability expanded.	• Identify suitable investments. • Construct diversified portfolio. • Understand and practice portfolio management. • Management of administrative and operational costs.
Business Development and Growth • Marketing initiatives strengthened.	• Improve Company visibility to the market. • Re-gain market confidence. • Use technology to improve shareholders' information. • Introducing marketing and public relation department.
ICT Application Introduced • ICT application in operation strengthened.	• Improve available communication channels. • Invest in technology to digitalize the operations.
Financial and Human Resource Management Empowered • Financial management efficiency improved. • Human capital and performance improved.	• Introduce an effective system to record and monitor Company expenses. • Improve employees' skills which results in realization of the vision and strategic objective of the Company.
Company Governance Enhanced • Leadership and management system introduced.	• Improve corporate governance. • Improve the management system to support the successful leadership of the Company.

23. SUSTAINABILITY

NICOL recognizes that sustainability is not merely a matter of corporate responsibility, but a strategic imperative embedded in its long-term value creation agenda. It is fundamental to strengthening business resilience, enhancing competitiveness, fostering innovation, and safeguarding stakeholder returns over time. NICOL advances sustainable practices through disciplined capital allocation, responsible investment decisions, and operational stewardship that reflect strong social and environmental accountability.

23. SUSTAINABILITY (Continued)

Our Material Matters

NICOL's core material matters encompass environmental, social, economic, and governance priorities that present both risks and value-creation opportunities for the Group and its stakeholders. NICOL applies a double materiality lens assessing both the impact of its activities on society and the environment, and the financial implications these factors have on performance, asset values, and long-term returns. This integrated perspective strengthens accountability and guides disciplined, sustainable capital allocation.

Our Approach

To deliver on its strategic mandate, NICOL has defined four sustainability pillars covering the key material themes and workstreams requiring active management, alongside clear commitments to establish consistent standards across the Group. The pillars are: sustainable finance, sustainable operations, and climate & environment. These pillars support NICOL's objectives through structured risk mitigation, portfolio resilience, access to new growth opportunities, and enhanced reputation. Each pillar is anchored by measurable commitments designed to align practices with globally recognized sustainability standards and reinforce long-term shareholder value.

23.1 Sustainable operations

NICOL integrates environmental and sustainability criteria into its investment activities, operations, and supply chain to promote ethical, responsible, and efficient practices. Our objectives include strengthening corporate governance, advancing workforce equity, and reducing the carbon footprint associated with our operations and portfolio exposure. This approach ensures alignment with evolving sustainability expectations while positioning NICOL as a credible, responsible investment institution and employer of choice.

Our strategic commitments to sustainable operations include:

Corporate Governance, Compliance and Risk Management

NICOL's commitment to integrity, transparency, and accountability is embedded in its governance framework, which provides structured oversight of compliance and risk management across all levels of the organization.

23. SUSTAINABILITY (Continued)

23.1 Sustainable operations (Continued)

***Corporate Governance, Compliance and Risk Management** (Continued)*

Risk ownership is decentralized each employee is accountable for identifying and escalating potential risks, reinforcing a strong culture of risk awareness and proactive mitigation. (See Sections 5, 7–11 and 19.)

Financial Crime, Anti-Bribery and Corruption

NICOL upholds the highest standards of ethical conduct and strict adherence to applicable laws and regulatory requirements. The Company maintains a zero-tolerance stance toward financial crime, including money laundering, terrorist financing, bribery, and corruption. Recognizing risk management as a core strategic pillar, NICOL prioritizes robust internal controls, continuous monitoring, and governance mechanisms that safeguard shareholder value and institutional reputation.

Human Rights and Labor Standards

NICOL is committed to upholding human rights across its investment activities and operations, ensuring dignity, equality, and respect for all individuals regardless of race, religion, gender, age, or language. The Company fosters a workplace culture grounded in fairness, non-discrimination, and mutual respect. This commitment includes equitable remuneration, access to professional development, effective grievance mechanisms, and robust safeguards for employee health, safety, and security. NICOL also expects its portfolio companies, customers, and suppliers to adhere to comparable human rights and labor standards.

Talent Management and Development

NICOL provides structured learning and development opportunities aligned with strategic and operational priorities, supporting performance excellence and long-term succession planning. Investment in talent development strengthens institutional capability and supports sustainable value creation.

23. SUSTAINABILITY (Continued)

23.1 Sustainable operations (Continued)

Customer Privacy, Data Protection, and Cybersecurity

NICOL promotes a strong risk-aware culture to safeguard stakeholder data and uphold privacy rights in compliance with applicable laws and regulations. The Company ensures that personal and sensitive information is protected in line with the Personal Data Protection Act and international best practices, guided by its Data Governance Policy (2024). Robust data security controls and monitoring mechanisms are in place to mitigate cyber risks and protect institutional integrity.

Environmental Impact of Our Operations

NICOL integrates environmental considerations into its operational and investment decision-making processes. Sustainable operations initiatives are aligned with the United Nations Sustainable Development Goals (SDGs). Key priorities include progressing toward net-zero carbon emissions within operations, promoting responsible and sustainable supply chain practices, optimizing energy and water use, and strengthening waste management systems.

23.2 Sustainable finance

NICOL integrates environmental, social, and governance (ESG) considerations into its capital allocation framework to enhance long-term shareholder value while managing systemic and portfolio-level risks. As an investment company, our primary sustainability lever is disciplined investment selection, active ownership, and responsible capital deployment.

Given our diversified portfolio, NICOL leverages the ESG practices of our investee companies to amplify our impact as follows:

Banking Sector: NMB & CRDB

Both NMB and CRDB have strong sustainability practices:

- *Financial inclusion*: Expanding access to banking services for underserved communities.

23. SUSTAINABILITY (Continued)

23.2 Sustainable finance (continued)

Banking Sector: NMB & CRDB (continued)

- *Green financing*: Supporting renewable energy and eco-friendly projects.
- *Governance:* High transparency standards, annual ESG disclosures, and robust risk management practices.

By investing in these banks, NICOL indirectly supports sustainable financial services that contribute to long-term social and economic development.

Industrial and Manufacturing Sector: Twiga Cement, Tanga Cement, TCC, TBL

These companies have taken steps to reduce environmental footprints:

- *Energy efficiency:* Twiga and Tanga Cement report improvements in energy use per ton of production.
- *Emission controls:* Cement production facilities have implemented dust control and emission reduction technologies.
- *Social engagement:* TBL supports community programs in education and health, and TCC has initiatives to support smallholder farmers and rural communities.

NICOL's investment in these firms positions us within industries adopting cleaner production methods and responsible community engagement.

Services and Technology Sector: Swissport, Vodacom Tanzania, DSE

- *Swissport:* Focus on efficient operations, waste reduction, and occupational safety for employees.
- *Vodacom Tanzania:* Sustainability emphasis on digital inclusion, mobile banking access, renewable energy usage at network sites, and gender equality initiatives.

23. SUSTAINABILITY (Continued)

23.2 Sustainable finance (continued)

Services and Technology Sector: Swissport, Vodacom Tanzania, DSE (Continued)

- *DSE:* Promotes transparent and regulated financial markets with initiatives to increase investor awareness and promote financial literacy.

NICOL benefits from investing in companies integrating ESG considerations into core operations, enhancing long-term value and societal impact.

23.3 Climate Risk and Environmental Stewardship

As an investment holding company, NICOL's climate-related exposure is predominantly indirect, arising through its portfolio companies. Climate change presents financial risks that may affect asset valuations, earnings stability, liquidity, and long-term shareholder returns. Accordingly, climate considerations are integrated into investment oversight, risk governance, and capital allocation processes.

NICOL recognizes two principal categories of climate risk

(i) Physical risk

Increased frequency and severity of extreme weather events may disrupt operations, impair asset quality, and increase insurance and capital costs within portfolio companies. These impacts can translate into reduced profitability and dividend flows to NICOL.

(ii) Transition risk

Regulatory tightening, carbon pricing mechanisms, evolving environmental standards, and technological shifts may alter competitive dynamics across sectors. Companies that are slow to adapt may face higher compliance costs, stranded assets, or reputational damage, with direct implications for valuation and income generation.

23. SUSTAINABILITY (Continued)

23.3 Climate Risk and Environmental Stewardship (continued)

(iii) Operational risk

Direct environmental risks in NICOL's offices are monitored through energy, waste, and resource management initiatives. While NICOL's operational emissions are not material, responsible practices are promoted across the organization.

Climate-related risks are therefore considered within enterprise risk management and reported to the Board through structured risk oversight mechanisms.

NICOL assesses whether portfolio entities maintain credible environmental policies, risk management systems, and sustainability disclosures. Capital allocation decisions consider long-term environmental resilience as a factor influencing sustainable returns.

23.4 Greenhouse Gas Emissions and Operational Footprint

NICOL tracks and reports greenhouse gas (GHG) emissions to ensure transparency and alignment with international reporting standards including IFRS S1 (General Sustainability-related Disclosures) and IFRS S2 (Climate-related Disclosures).

During the reporting period 2025, NICOL recorded total GHG emissions of 64.85 tCO_2e across Scope 1, Scope 2, and Scope 3 categories:

SCOPE	TCO_2E	SHARE OF TOTAL
Scope 1 – Direct emissions	3.93	6%
Scope 2 – Purchased electricity	16.88	26%
Scope 3 – Other indirect emissions	44.04	68%
Total Emissions	**64.85**	**100%**

The dominance of Scope 3 aligns with NICOL's role as an investment holding company, where indirect impacts through portfolio companies outweigh operational emissions.

The indirect emissions represent the majority NICOL's footprint and include purchased goods and services, employee commuting and travel, waste generation, and other value chain activities

23. SUSTAINABILITY (Continued)

23.4 Greenhouse Gas Emissions and Operational Footprint (Continued)

Under Scope 1, the direct emission from fuel use in company vehicles is minimum while under Scope 2 emissions from electricity consumed in corporate offices are the largest controllable portion of NICOL's operational emissions.

The table below stipulates the 2025 National Investments Plc GHG emission report.

NATIONAL INVESTMENTS PLC – 2025 GHG EMISSION REPORT

Category		Emission source category		t CO2e
GHG Protocol Standards: Corporate Scope - 1 and 2, Value Chain - Scope 3	Scope 1	Direct emissions arising from owned or controlled stationary sources that use fossil fuels and/or emit fugitive emissions	Fuels	3.93
		Total Scope 1		**3.93**
	Scope 2	Location-based emissions from the generation of purchased electricity, heat, steam or cooling	Electricity	16.88
		Total Scope 2		**16.88**
	Scope 3	Fuel- and energy-related activities		
			Transmission and distribution losses	0.94
		Purchased goods	Water supplied	0.00
			Material use	0.63
		Business travel	All transportation by air	22.83
			Emissions arising from hotel accommodation associated with business travel	1.85
			All transportation by land, public transport, rented/leased vehicle and taxi	0.05
		Employees commuting		8.21
		Food		9.53
		Total Scope 3		**44.04**
Total Emissions				**64.85**

23. SUSTAINABILITY (Continued)

23.5 Environmental Initiatives

NICOL's direct environmental footprint is limited to corporate office operations. Key focus areas include:

- Energy efficiency and resource optimization
- Responsible procurement practices
- Reduction in paper usage through digitalization
- Monitoring of waste and water consumption

In December, NICOL planted 1,000 trees at a subsidiary project site near a public school and hospital. This initiative supports environmental conservation and community well-being.

Estimated Carbon Sequestration:

PERIOD	CO_2 ABSORBED
Annual	~22 tCO_2
10 years	~220 tCO_2
20 years	~440 tCO_2

Once mature, these trees could offset roughly one-third of NICOL's annual operational emissions, while providing air quality, ecosystem, and educational benefits for the surrounding community.

23.6 Forward-Looking Sustainability and Climate Strategy

NICOL's sustainability roadmap incorporates short, medium, and long-term objectives aligned with the best global practices:

23. SUSTAINABILITY (Continued)

23.6 Forward-Looking Sustainability and Climate Strategy (Continued)

SHORT TERM (2025-2026)	MEDIUM TERM (2027–2028)	LONG TERM (2029–2030)
· Strengthen operational ESG reporting and monitoring · Expand internal climate awareness programs · Increase responsible resource utilization	· Improve energy efficiency across operations · Implement additional environmental conservation initiatives · Strengthen ESG integration in investment decision-making	· Establish measurable GHG reduction targets for operational and financed emissions · Deepen climate risk integration within portfolio oversight · Scale community environmental programs, including tree planting and conservation initiatives

Through these efforts, NICOL ensures sustainability remains a strategic imperative, supporting long-term value creation, shareholder returns, and responsible community engagement.

24. GOING CONCERN

The Directors have assessed the Group's ability to continue as a going concern and are satisfied that the Group has adequate financial resources to continue in operation for the foreseeable future.

Accordingly, the financial statements have been prepared on a going concern basis

25. DIVIDENDS

At the end of the financial year 2024, the Board proposed a final dividend payment of TZS 70 per share, totalling TZS 4,314,438,380 (2023: TZS 53 per share), based on the Group's financial performance for the year. This proposal was presented to shareholders at the 11th Annual General Meeting, where it was approved and subsequently paid during the year 2025.

In respect of the financial year 2025, any dividend distribution will be proposed by the Board and presented for approval by shareholders at the Annual General Meeting to be held in 2026.

The Board remains committed to a progressive dividend policy, ensuring consistent and sustainable returns to shareholders while aligning with the Group's financial performance and long-term growth strategy.

26. REMUNERATION

The Group applies a structured governance approach to remuneration oversight for both employees and Directors through its designated Board Committee responsible for remuneration matters. The Committee periodically reviews remuneration arrangements to ensure alignment with the Group's strategic objectives, organisational performance, and prevailing market conditions. This process supports the Group's ability to attract, motivate, and retain qualified talent while safeguarding shareholder interests and maintaining competitiveness within the industry.

Employee remuneration is reviewed and approved by the Board based on recommendations from management and the Committee, taking into account organisational performance, affordability, and market competitiveness. In contrast, Directors' remuneration is determined through a shareholder approval process. Management conducts market benchmarking and prepares proposals outlining Directors' fees and related emoluments, which are reviewed by the Committee and the Board before being submitted to shareholders for consideration and approval at the Annual General Meeting (AGM), in line with governance requirements.

27. RELATED PARTY TRANSACTIONS

The Group entered into transactions with related parties during the year in the normal course of business. Details of related party balances and transactions are disclosed in Note 31 to the financial statements in accordance with IAS 24.

28. SERIOUS PREJUDICIAL MATTERS

In the opinion of the Directors, there are no serious material adverse matters that can affect the Group (2024: NIL)

29. POLITICAL CONTRIBUTIONS AND DONATIONS

The Group did not make any political donations during the year (2024: NIL)

30. COMMUNICATION AND PUBLIC RELATIONS

The Group is committed to maintaining clear, accurate, and timely communication with its stakeholders to ensure that information released to the public reflects the Group's official position and supports transparency and accountability.

30. COMMUNICATION AND PUBLIC RELATIONS (Continued)

The objective of the Group's communication and public engagement approach is to foster constructive and mutually beneficial relationships with shareholders, investors, regulators, the media, and the broader public. The Board oversees the establishment of appropriate communication channels to facilitate effective stakeholder engagement.

Key stakeholder communication initiatives include the Annual Report, interim and quarterly financial disclosures, shareholder updates, investor communications, and other corporate publications. The Group's official website www.nicol.co.tz serves as a central platform through which stakeholders can access comprehensive information about the Company, its investments, governance framework, and published reports, enabling stakeholders to remain informed about the Group's activities and performance.

31. ACCOUNTING POLICIES

The Group's material accounting policies, disclosed in Note 6 to the financial statements, have been approved by the Board. The policies have been updated to reflect the new and revised International Financial Reporting Standards (IFRSs) in Note 5.

32. INTERNAL AUDIT FUNCTION

The Group has an outsourced independent Internal Auditor reporting to the Board Audit and Risk Committee (BARC).

33. STATEMENT OF COMPLIANCE WITH TFRS-1

This report on Those Charged with Governance complies with the provisions of TFRS-1.

34. RESPONSIBILITIES OF AUDITORS

The auditor is responsible for considering the materiality and consistency of the information in the report by those charged with governance with the financial statements, their knowledge obtained in audit, and reporting any material inconsistencies.

35. AUDITORS

The Group shareholders, at the Annual General Meeting (AGM) held in September 2025, approved the re-appointment of Tax Pro & Associates as the external auditor for the financial year ending 31 December 2025, following their satisfactory performance during the 2024 audit.

35. AUDITORS (Continued)

The appointment was made in accordance with IFRS Accounting Standards as issued by the IASB and the requirements of the Companies Act, 2002.

36. RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The Members charged with governance accept responsibility for preparing these financial statements which show a true and fair view of the Group and Company to the date of approval of the audited financial statements, in accordance with the applicable standards, rules, regulations and legal provisions. The members also confirm compliance with the provisions of the requirements of TFRS 1 and all other statutory legislations relevant to the Group and Company.

BY ORDER OF THE BOARD

28 March 2026

DR. GIDEON H. KAUNDA
CHAIRMAN

The Companies Act, No. 12 of 2002 requires Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of National Investments Plc as at the end of the financial year and of its profit or loss for the year. It also requires the directors to ensure that National Investments Plc keeps proper accounting records that disclose, with reasonable accuracy, the financial position of National Investments Plc. They are also responsible for safeguarding the assets of National Investments Plc and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of National Investments Plc and of its profit in accordance with IFRS. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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 National Investments Plc will not remain a going concern for at least twelve months from the date of this statement.

BY ORDER OF THE BOARD

DR. GIDEON H. KAUNDA

CHAIRMAN

28 MARCH 2026

CPA GEORGE
M.J. NCHWALI

DIRECTOR

The National Board of Accountants and Auditors ("NBAA") according to the powers conferred to it under the Auditors and Accountants (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's position and performance in accordance with IFRS Accounting Standards and the requirements of the Companies Act, No.12 of 2002. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as stated under the Statement of Directors' Responsibilities on the previous page.

I, Ezekiel Lovililo, being the Chief Finance Officer of National Investments Plc, hereby acknowledge my responsibility of ensuring that the financial statements for the year ended 31 December 2025 have been prepared in compliance with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002

I thus confirm that the financial statements give a true and fair view of the financial position and results of National Investments Plc as on that date and for the year then ended, and that the financial statements have been prepared based on properly maintained financial records.

Signature:	
Signed by:	CPA EZEKIEL LOVILILO
Position:	CHIEF FINANCE OFFICER
NBAA Membership Number:	ACPA 4122
Date:	28 March 2026

INDEPENDENT AUDITOR'S REPORT

TAX Pro & Associates
CERTIFIED PUBLIC ACCOUNTANTS

Report On the Financial Statements

In our opinion the financial statements present fairly, in all material respects, the financial position of National Investments Plc as at 31 December 2025 its financial performance and its cash flows for twelve months' period then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Companies Act 2002.

What we have audited

We have audited the annual financial statements of National Investments Plc for the year ended 31 December 2025 set out on pages 40 to 117. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual financial statements are free from material misstatements. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by the management, and
- Evaluating the overall financial statements presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters

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Key audit matters (continued).

were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and we do not provide a separate opinion on these matters. In

addition to the matter described in the Basis for Opinion section we have determined the matters described below to be the key audit matters to be communicated in my report. We have determined that there are no key audit matters to communicate.

Independence

We are independent of the Institution in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the NBAA

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises of the Director's Report and the Declaration by the Head of Finance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditors' Responsibility for the audit of the company financial statements

Our objectives are to obtain reasonable assurance about whether the company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the company financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Auditors' Responsibility for the audit of the company financial statements (continued)·

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

  Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the company financial statements, including the disclosures, and whether the company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the Company financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

  We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Auditors’ Responsibility for the audit of the company financial statements (continued)·

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the company financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the company’s members as a body in accordance with the Companies Act, No. 12 of 2002 and for no other purposes.

As required by the Companies Act, No. 12 of 2002, we are also required to report to you if, in our opinion, the Director’s Report is not consistent with the ¬financial statements, if the company has not kept proper accounting records, if the financial statements are not in agreement with the accounting records,

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Report on other legal and regulatory requirements (continued).

If we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed. In respect of the foregoing requirements, we have no matter to report.

JERRY E. MASSAGA (ACPA-PP 1107)
Managing Partner

TAX*PRO* & ASSOCIATES (Certified Public Accountants)
DAR ES SALAAM

29/03/2026

FINANCIAL STATEMENTS


Analysis Report

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Group 2025 TZS'000	Group 2024 TZS'000	Company 2025 TZS'000	Company 2024 TZS'000
Sales of land	10	**-**	9,042,093	**-**	-
Cost of sales	11	**(95,841)**	(8,400,840)	**-**	-
Gross profit/(loss)		**(95,841)**	641,253	**-**	-
Investment income	12	**14,923,940**	12,836,470	**14,480,636**	**12,836,470**
Rental income	13	**2,060,136**	1,863,348	**170,963**	**106,442**
Other income	14	**443,542**	261,346	**158,972**	**88,558**
Administrative expenses	15	**(2,710,286)**	(2,602,469)	**(1,719,850)**	**(1,788,833)**
Other operating expenses	16	**(1,082,364)**	(898,714)	**(382,515)**	**(413,551)**
Operating profit		**13,539,127**	12,101,234	**12,708,206**	**10,829,086**
Finance costs	17	**(1,808,572)**	(2,171,309)	**(1,269,807)**	**(1,532,991)**
Profit before taxation		**11,730,555**	9,929,925	**11,438,399**	**9,296,095**
Tax charge	18a	**(443,333)**	(859,695)	**(710,411)**	**(699,554)**
Profit for the year		**11,287,222**	9,070,230	**10,727,988**	**8,596,541**
Attributable to:					
Owners of the Company		**11,287,166**	9,065,494	**-**	-
Non-controlling interest		**56**	4,736	**-**	-
		11,287,222	9,070,230	**-**	-
Other Comprehensive Income:					
Items that will not be reclassified subsequently to profit or loss:					
Fair value revaluation gain/(loss) on equity instruments designated at FVOCI	33	**69,559,062**	18,056,154	**69,559,062**	18,056,154
		69,559,062	18,056,154	**69,559,062**	18,056,154
Total comprehensive income for the year, net of tax		**80,846,284**	27,126,384	**80,287,050**	26,652,695
Attributable to:					
Owners of the Company		**80,846,228**	27,121,648	**-**	-
Non-controlling interest		**56**	4,736	**-**	-
		80,846,284	27,126,384	**-**	-
Basic and diluted earnings per share	22	**183.13**	147.16	**174.06**	139.48

STATEMENT OF FINANCIAL POSITION

	Notes	TZS'000	TZS'000	TZS'000	TZS'000
Equity					
Share capital	20	**7,704,354**	7,704,354	**7,704,354**	7,704,354
Share premium	21	**1,588,635**	1,588,635	**1,588,635**	1,588,635
Retained earnings		**52,316,067**	45,489,829	**51,822,651**	45,409,101
Fair value through OCI		**177,360,351**	107,801,289	**177,360,351**	107,801,289
Equity attributable to owners		**238,969,407**	162,584,107	**238,475,991**	162,503,379
Non-controlling interest		**3,619**	3,563	**-**	-
Total Equity		**238,973,026**	162,587,670	**238,475,991**	162,503,379
Non-current liabilities					
Lease liabilities	23	**83,706**	134,201	**83,706**	134,201
Borrowings	37	**9,257,143**	12,709,524	**9,257,143**	12,709,524
		248,313,875	175,431,395	**247,816,840**	175,347,104
REPRESENTED BY					
Non-current assets					
Goodwill	40	**168,980**	168,980	**-**	-
Property and equipment	24b	**529,679**	20,149,208	**342,066**	454,668
Work in progress	24a	**-**	2,054,071	-	2,054,071
Investment property	25	**21,386,852**	-	**2,054,071**	
Right-of-use asset	26	**138,022**	202,574	**138,022**	202,574
Investment - subsidiary	34	**-**	-	**25,041,234**	23,241,234
Corporate bonds	35	**202,962**	202,962	**202,962**	202,962
Equity investments	33	**186,484,485**	114,933,931	**186,484,485**	114,933,931
Government securities	36	**43,480,055**	44,675,021	**39,958,229**	44,675,021
		252,391,035	182,386,747	**254,221,069**	185,764,461
Current assets					
Trade receivables	27	**935,347**	1,444,354	**574,795**	2,723,109
Investment UTT	31	**1,148,128**	-	**1,148,128**	-
Inventories	38	**2,120,398**	2,120,398	**-**	-
Tax recoverable	18c	**112,102**	-	**-**	-
Cash and cash equivalents	28	**355,798**	2,919,311	**214,467**	98,896
		4,671,773	6,484,063	**1,937,390**	2,822,005
Current liabilities					
Lease liabilities	23	**40,393**	37,152	**40,393**	37,152
Borrowings	37	**3,452,381**	3,452,381	**3,452,381**	3,452,381
Bank overdraft	39	**-**	6,108,984	**-**	6,108,984
Trade payables	29	**1,066,352**	609,724	**417,013**	423,354
Current tax payable	18c	**-**	304,282	**242,025**	290,599
Dividends payable	19	**4,189,807**	2,926,892	**4,189,807**	2,926,892
		8,748,933	13,439,415	**8,341,619**	13,239,362
Net (CA - CL)		**(4,077,160)**	(6,955,351)	**(6,404,229)**	(10,417,357)
		248,313,875	175,431,395	**247,816,840**	175,347,104

The financial statements on pages 40 to 117 were approved and authorised for issue by the Board of Directors on 28 March 2026 and were signed on its behalf by:

DR. GIDEON H. KAUNDA
CHAIRMAN

CPA GEORGE M. NCHWALI
DIRECTOR

STATEMENT OF CHANGES IN EQUITY

Group	Notes	Share capital TZS'000	Share premium Non controlling interest TZS'000	FVOCI reserve TZS'000	Retained earnings TZS'000	TZS'000	Total TZS'000
Year ended 31 December 2025							
At start of year		7,704,354	1,588,635	107,801,289	45,489,829	3,563	162,587,670
Other comprehensive income for the year, net of income tax:							
Profit for the year		-	-	-	11,287,166	56	11,287,222
Adjustment general reserve		-	-	-	(146,490)	-	(146,488)
Adjustment overstatement 2023		-	-	-	-	-	-
Fair value of disposed equity investments		-	-	-	-	-	-
Gain in fair value of equity instruments designated at fair value through other comprehensive income	33	-	-	69,559,062	-	-	69,559,062
Transactions with owners							
Dividends:							
Final dividend for 2024	19	-	-	-	(4,314,438)	-	(4,314,438)
At end of year		**7,704,354**	**1,588,635**	**177,360,351**	**52,316,067**	**3,619**	**238,973,026**
Year ended 31 December 2024							
At start of year		7,704,354	1,588,635	89,745,135	45,489,829	(1,173)	103,965,479
Other comprehensive income for the year, net of income tax:							
Profit for the year		-	-	-	9,065,494	4,736	9,070,230
Adjustment Mirambo Street Properties Limited profit		-	-	-	(272,062)	-	(272,062)
Adjustment overstatement 2023		-	-	-	485,106	-	485,106
Fair value of disposed equity investments		-	-	-	-	-	-
Gain in fair value of equity instruments designated at fair value through other comprehensive income	33	-	-	18,056,154	-	-	18,056,154
Transactions with owners							
Dividends:							
Final dividend for 2023	19	-	-	-	(3,266,646)	-	(3,266,646)
At end of year		**7,704,354**	**1,588,635**	**107,801,289**	**45,489,829**	**3,563**	**162,587,670**

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Company	Notes	Share capital TZS'000	Share premium TZS'000	FVOCI reserve TZS'000	Retained earnings TZS'000	Total TZS'000
Year ended 31 December 2025						
At start of year		7,704,354	1,588,635	107,801,289	45,409,101	162,503,380
Profit for the year:		-	-	-	10,727,988	10,727,988
Adjustment overstatement 2023		-	-	-	-	-
Other comprehensive income for the year, net of income tax:		-	-	-	-	-
Fair value of disposed equity investments		-	-	-	-	-
Gain in fair value of equity instruments designated at fair						
value through other comprehensive income	33	-	-	69,559,062	-	69,559,062
Loss on disposed equity investments		-	-	-	-	-
Transactions with owners						
Dividends:						
Final dividend for 2024	19	-	-	-	(4,314,438)	(4,314,438)
At end of year		**7,704,354**	**1,588,635**	**177,360,351**	**51,822,651**	**238,475,992**
Year ended 31 December 2024						
At start of year		7,704,354	1,588,635	89,745,135	39,594,100	104,036,724
Profit for the year:		-	-	-	8,596,541	6,832,369
Adjustment overstatement 2023		-	-	-	485,106	485,106
Other comprehensive income for the year, net of income tax:						
Fair value of disposed equity investments		-	-	-	-	-
Gain in fair value of equity instruments designated at fair		-	-	-	-	-
value through other comprehensive income	33	-	-	18,056,154	-	18,056,154
Loss on disposed equity investments		-	-	-	-	-
Transactions with owners						
Dividends:						
Final dividend for 2023	19	-	-	-	(3,266,646)	(3,266,646)
At end of year		**7,704,354**	**1,588,635**	**107,801,289**	**45,409,101**	**162,503,380**

STATEMENT OF CASH FLOWS

	Notes	Group 2025 TZS'000	Group 2024 TZS'000	Company 2025 TZS'000	Company 2024 TZS'000
Operating activities					
Cash from operations	30	**13,668,970**	30,313,745	**13,742,404**	11,494,201
Tax paid	18c	**(861,685)**	(615,779)	**(749,752)**	(408,955)
Gratuity paid		**(189,177)**		**(189,177)**	
Net cash from operating activities		**12,618,108**	29,697,966	**12,803,475**	11,085,246
Investing activities					
Purchase of equipment	24b	**(13,323)**	(23,276,159)	**(11,324)**	(160,507)
Acquisition of intangible (Goodwill)	40	**-**	(168,980)	**-**	-
Purchase UTT Units	31	**(4,500,000)**	-	**(4,500,000)**	
Disposal UTT Units	31	**3,500,000**	-	**3,500,000**	
Purchase inventories	38	**-**	7,428,958	**-**	-
Capital work in progress	24a	**-**	(133,529)	**-**	(133,529)
Investment in subsidiary	34	**-**	-	**(1,800,000)**	-
Acquisition of shares	33	**(1,991,492)**	-	**(1,991,492)**	-
Bonds trading income received		**-**	-	**-**	-
Purchase of government bonds		**(20,936,938)**	(32,343,793)	**(17,483,538)**	(32,343,793)
Disposal of government bonds		**23,204,319**	22,946,394	**23,204,319**	22,946,394
Net cash from/(used in) investing activities		**(737,434)**	(25,547,109)	**917,965**	(9,691,435)
Financing activities					
Dividends paid	19	**(3,051,524)**	(2,222,515)	**(3,051,524)**	(2,222,515)
Borrowings	37	**(3,452,381)**	(3,452,381)	**(3,452,381)**	(3,452,381)
Loan repayment – Nicoland		**-**	-	**200,000**	-
Loan repayment contribution		**-**	-	**638,318**	-
Payment of interest on borrowings	37	**(1,714,126)**	(2,127,727)	**(1,714,126)**	(2,127,727)
Loan processing fees	17	**(34,931)**	-	**(34,931)**	-
Payment on lease liabilities	23	**(82,241)**	(149,283)	**(82,241)**	(149,283)
Net cash used in financing activities		**(8,335,203)**	(7,951,906)	**(7,496,885)**	(7,951,906)
Increase/(decrease) in cash and cash equivalents		**3,545,471**	(3,801,049)	**6,224,555**	(6,558,095)
Movement in cash and cash equivalents					
At start of year		**(3,189,673)**	611,376	**(6,010,088)**	548,007
Increase/Decrease) in cash and cash equivalents		**3,545,471**	(3,801,049)	**6,224,555**	(6,558,095)
At end of year	28	**355,798**	(3,189,673)	**214,467**	(6,010,088)

1. REPORTING ENTITY

National Investments Plc is a public limited company incorporated and domiciled in the United Republic of Tanzania under the Companies Act. The address of its registered office and principal place of business is indicated on page 1 under corporate information.

The Company is listed on the Dar es Salaam Stock Exchange (DSE). The Company has equity investments in several listed entities as stipulated under note 32 of this set of financial statements, and a subsidiary company named Nicoland Development Company Limited. Nicoland Development Company Limited also has a subsidiary company named Mirambo Street Properties Limited.

The Company's financial statements and its subsidiary, Nicoland (together, the "Group") consolidated financial statements for the year ended 31 December 2025 were approved for issue by Those Charged with Governance on 28 March 2026. Neither the entity's owners nor others have the power to amend the financial statements after issue.

2. BASIS OF PREPARATION

The consolidated and separate financial statements of NICOL Group have been prepared in accordance with International Financial Reporting Standards (IFRS) on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

Financial assets measured at fair value include equity investments designated at fair value through profit or loss (FVPL) and at fair value through other comprehensive income (FVOCI), as determined in accordance with IFRS 9 Financial Instruments. These instruments are measured at fair value at each reporting date, with movements recognised in profit or loss or other comprehensive income, as appropriate.

These consolidated and separate financial statements are prepared primarily for existing and potential investors, lenders, and other providers of capital, who rely on the information to assess the Group's financial position, performance, cash flows, and stewardship of management. It is assumed that users have a reasonable knowledge of business, economic activities, and financial reporting, and that they review and analyse the information diligently.

2. BASIS OF PREPARATION (continued)

In preparing the financial statements, management has considered the impact of macroeconomic conditions and geopolitical developments, particularly in areas requiring significant judgement, estimation, and assumptions, including investment valuation, impairment assessments, and expected credit losses. Materiality has been applied consistently across all disclosures.

The financial statements are presented in Tanzania Shillings (TZS), which is the Group's functional and presentation currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

The consolidated and separate financial statements have been prepared on a going-concern basis, as the Directors have a reasonable expectation that NICOL Group has adequate resources to continue its operations for the foreseeable future.

3. STATEMENT OF COMPLIANCE AND USE OF JUDGEMENTS AND ESTIMATES

The consolidated and separate financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), together with interpretations issued by the IFRS Interpretations Committee (IFRS IC), as applicable to entities reporting under IFRS.

The financial statements comply with IFRS as issued by the IASB and have been prepared in the manner required by the Companies Act No. 12 of 2002 of the United Republic of Tanzania.

The consolidated and separate financial statements, except for the statement of cash flows, have been prepared using the accrual basis of accounting.

The preparation of financial statements in conformity with IFRS requires management to make critical accounting estimates and assumptions and to exercise judgement in applying the Group's accounting policies. Actual results may differ from these estimates.

Changes in assumptions and estimates may have a material impact on the financial statements in the period in which the assumptions change.

3. STATEMENT OF COMPLIANCE AND USE OF JUDGEMENTS AND ESTIMATES (continued)

The Directors believe that the assumptions applied are reasonable and appropriate, and that the consolidated and separate financial statements present fairly, in all material respects, the financial position and performance of the Group.

Areas involving a higher degree of judgement or complexity, and areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 7.

4. PRESENTATION OF FINANCIAL STATEMENTS

These consolidated and separate financial statements of NICOL Group comprise the statements of financial position as at 31 December 2025, the statements of profit or loss and other comprehensive income, statements of changes in equity, and statements of cash flows for the year then ended, together with the notes, which include a summary of significant accounting policies and other explanatory information.

The Group presents its statement of financial position broadly in order of liquidity, based on management's assessment of the nature of the Group's operations and the expected timing of recovery or settlement of assets and liabilities.

Financial assets and liabilities are generally presented on a gross basis in the consolidated statement of financial position, except where IFRS permits or requires offsetting, and where the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

5. ADOPTION OF NEW AND REVISED STANDARDS

New and revised standards and interpretations which have been issued

i. Effectively in 2025 and 2026

IFRS ACCOUNTING STANDARD	AMENDMENT	EFFECTIVE DATE AND IMPACT
Lack of exchangeability (Amendments to IAS 21)	The amendments include both updates to guidance to assist preparers in correctly accounting for foreign currency items and increases the level of disclosure required to help users understand the impact of a lack of exchangeability on the financial statements. The amendments: · introduce a definition of whether a currency is exchangeable, and the process by which an entity should assess this exchangeability. · provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable. · require additional disclosures in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability, including the nature and financial impact of the lack of exchangeability, and details of the spot exchange rate used and the estimation process. The additional disclosure requirements provide useful information about the additional level of estimation uncertainty, and risks arising for the entity due to the lack of exchangeability.	The amendments to IAS 21 are effective for reporting periods on or after 1 January 2025, with earlier application permitted. These amendments will not have significant impact to NICOL because there are no foreign currency transactions where there is a long-term lack of exchangeability between currencies.

5. ADOPTION OF NEW AND REVISED STANDARDS (continued)

New and revised standards and interpretations which have been issued (cont'd)

i. Effectively in 2025 and 2026 (continued)

IFRS ACCOUNTING STANDARD	AMENDMENT	EFFECTIVE DATE AND IMPACT
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	The amendments have been subdivided into 5 categories as mentioned below. *Derecognition of financial instruments when an electronic payment system is used* IFRS 9 has been amended to clarify when financial liabilities settled through electronic payment systems may be derecognised before the contractual settlement date. Derecognition occurs when the payment is irrevocable, the entity no longer has access to the cash, and settlement risk is insignificant. *Classification of financial assets* Additional guidance has been introduced to support the assessment of whether contractual cash flows represent solely payments of principal and interest (SPPI). The amendments clarify the assessment of basic lending arrangements, including financial assets with non-recourse features and contractually linked instruments. *Contractually linked instruments* The amendments clarify the characteristics of contractually linked instruments and the definition of the underlying asset pool used in their assessment. Transactions involving multiple debt instruments require careful evaluation and are not automatically considered contractually linked. *Disclosure of equity investments at FVOCI* IFRS 7 now requires enhanced disclosures for equity investments designated at fair value through other comprehensive income, including period fair value movements, separation between investments held and derecognised, and transfers of cumulative gains or losses within equity. *Disclosure of contingent contractual cash flows* New disclosure requirements apply where contractual terms may change cash flows based on contingent events not directly related to basic lending risk. Disclosures include the nature of the contingent events, potential impact on cash flows, and the carrying amounts of the affected financial assets and liabilities.	The amendments are effective from annual reporting periods beginning on or after 1 January 2026. The amendments to IFRS 9 largely provide clarification of existing requirements, rather than new requirements. Given this, the impact to NICOL are not significant bearing in mind that NICOL has always disclosed equity investments at FVOCI.

5. ADOPTION OF NEW AND REVISED STANDARDS (continued)

New and revised standards and interpretations which have been issued (cont'd)

i. Effectively in 2025 and 2026 (continued)

IFRS ACCOUNTING STANDARD	KEY CHANGES IN THE NEW STANDARD	EFFECTIVE DATE AND IMPACT
Contracts Referencing Nature dependent Electricity (previously Power Purchase Agreements) (Amendments to IFRS 9 and IFRS 7)	*Amendments to IFRS 9* IFRS 9 has been amended to clarify the conditions under which power purchase agreements (PPAs) may qualify as hedging instruments in hedge accounting relationships. The amendments permit the hedged item to be designated as a variable nominal amount of forecast electricity transactions, aligned with the variable volume of electricity expected to be delivered under the PPA. The amendments also clarify that certain PPA features that expose an entity to volume risk do not automatically disqualify a contract from hedge accounting, provided the entity remains a net purchaser of electricity based on reasonable and supportable information about past, present, and expected future transactions. All other hedge accounting requirements of IFRS 9 continue to apply. *Changes made to IFRS 7* The amendments to IFRS 7 introduce additional disclosure requirements for contracts that reference nature-dependent electricity, as defined in IFRS 9. Entities are required to disclose information on contractual features that expose them to variability in electricity volumes, including the risk of being required to purchase electricity that cannot be used. The amendments also require disclosure of unrecognised commitments arising from such contracts at the reporting date, including estimated future cash flows and a qualitative assessment of whether the contracts may become onerous. In addition, entities must provide qualitative and quantitative information on the effects of these contracts on financial performance during the reporting period, including costs of electricity purchased, volumes unused, proceeds from the sale of unused electricity, and costs incurred to offset such sales.	The amendments are effective for periods starting on or after 1 January 2026, with early application permitted. The amendments will provide additional guidance on how entities can use PPAs in hedge accounting. This will have some impact but is unlikely to significantly change entities' current risk management and accounting strategies. IFRS 19 is also amended to include these same requirements

5. ADOPTION OF NEW AND REVISED STANDARDS (continued)

New and revised standards and interpretations which have been issued (cont'd)

ii. Effectively in 2027 and beyond

IFRS ACCOUNTING STANDARD	KEY CHANGES IN THE NEW STANDARD	EFFECTIVE DATE AND IMPACT
IFRS 18 'Presentation and Disclosure in Financial Statements'	Overall, the majority of changes made in IFRS 18 impact the statement of profit or loss and notes to the financial statements, but there are also limited changes to specific requirements that are set out in IAS 7. *Changes to presentation requirements in the statement of profit or loss* The main change introduced by IFRS 18 is to the way in which reporting entities will structure their statement of profit or loss. Firstly, the Standard introduces two new defined subtotals: · Operating profit, and · Profit before financing and income taxes Additionally, the Standard requires an entity to classify all income and expenses into operating, investing, financing, income taxes and discontinued operations categories. *Foreign exchange differences* IFRS 18 requires foreign exchange differences to be classified in the same category of the statement of profit or loss as the income and expenses from items that gave rise to the foreign exchange differences. *Entities with specified main business activities* When a reporting entity has assessed it invests in assets as its main business activity, income and expenses are split between the investing category and operating category, depending on how the underlying assets are accounted for. For all assets accounted for using the equity method, income and expenses are included in the investing category, and for all other assets income and expenses are included in the operating category.	The Standard is effective from annual reporting periods beginning on or after 1 January 2027.

5. ADOPTION OF NEW AND REVISED STANDARDS (continued)

New and revised standards and interpretations which have been issued (cont'd)

ii. Effectively in 2027 and beyond (continued)

IFRS ACCOUNTING STANDARD	KEY CHANGES IN THE NEW STANDARD	EFFECTIVE DATE AND IMPACT
IFRS 18 'Presentation and Disclosure in Financial Statements' (continued)	*New requirements to be included in the notes to the financial statements* The Standard also introduces new disclosures, in addition to those carried forward from IAS 1, to supplement the primary financial statements. They are: · Management-defined performance measures, · Specified expenses by nature. *Management-defined performance measures* MPMs are subtotals of income and expenses other than those listed by IFRS 18 or specifically required by another IFRS, that an entity uses: · in public communications outside financial statements, and/or · to communicate to users of financial statements management's view of an aspect of the financial performance of the entity as a whole. *Updated guidance for the aggregation and disaggregation of information* The Standard provides specific guidance to ensure that aggregation and disaggregation in the financial statements is consistent and provides investors with the information they need for analysis. *Changes to how expenses in the operating category are presented* Consistent with IAS 1, IFRS 18 requires an entity to present in a structured and meaningful way its operating expenses based either on their nature or their function. This means some entities might decide to classify some expenses by nature and other expenses by function. The Standard requires entities that present expenses classified by function to also disclose the amount of depreciation, amortisation, employee benefits, impairment losses and write-down of inventories included in each line in the operating category of the statement of profit or loss.	Every entity that prepares financial statements in accordance with IFRS Accounting Standards will need to understand and apply IFRS 18.

5. ADOPTION OF NEW AND REVISED STANDARDS (continued)

New and revised standards and interpretations which have been issued (cont'd)

ii. Effectively in 2027 and beyond (continued)

IFRS ACCOUNTING STANDARD	KEY CHANGES IN THE NEW STANDARD	EFFECTIVE DATE AND IMPACT
IFRS 18 'Presentation and Disclosure in Financial Statements' (continued)	*Consequential changes made to other standards* Consequential changes have been made to IAS 7 and this Standard now requires entities to use the operating profit total as defined in IFRS 18 as the starting point for reporting cash flows from operating activities when using the indirect method. In addition, the interest and dividend presentation alternatives that previously existed have also been removed to simplify practice and reduce diversity in preparation. Elsewhere, IAS 33 'Earnings per Share' (EPS) requirements have been amended to permit an entity to disclose additional EPS information over and above reporting basic and diluted EPS amounts. However, additional amounts can only be included in the EPS calculation if the numerator is either a total or subtotal identified in IFRS 18 or an MPM. IAS 34 'Interim Financial Reporting' has also been updated to require disclosure of information about MPMs in interim financial statements and guidance is now provided on how subtotals should be dealt with in interim financial statements. IAS 8 has been retitled to IAS 8 'Basis of Preparation of Financial Statements', as the following requirements were removed from IAS 1 and inserted, unamended, into IAS 8, as opposed to being included in IFRS 18: • · fair presentation and compliance with IFRS Accounting Standards · going concern · accrual basis of accounting · disclosure of selection and application of accounting policies · disclosure of sources of estimation uncertainty.	Although on the surface some of these new requirements may seem straightforward, there may be some significant challenges to change existing record keeping and accounting systems and processes, as well as changes to the presentation of the financial statements. NICOL has begun transition journey to adopting this standard.

5. ADOPTION OF NEW AND REVISED STANDARDS (continued)

New and revised standards and interpretations which have been issued (cont'd)

ii. Effectively in 2027 and beyond (continued)

IFRS ACCOUNTING STANDARD	KEY CHANGES IN THE NEW STANDARD	EFFECTIVE DATE AND IMPACT
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' – Including Amendments to IFRS 19	*Disclosure requirements* IFRS 19 includes reduced disclosures for almost all existing IFRS Accounting Standards, the details of which are specific to each impacted standard. *Standards with no reduced disclosures* The following Standards do not have reduced disclosure requirements under IFRS 19, and the disclosures set out in each Standard still apply: · IAS 33 · IFRS 8 'Operating Segments' · IFRS 17 'Insurance Contracts' *Amendments to IFRS 19* Due to the nature of IFRS 19, it requires amendment whenever there are any new or amended disclosure requirements in other IFRS Accounting Standards. There have been amendments to the following Standards between February 2021 and May 2024: · IFRS 18 · Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) · International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) · Lack of Exchangeability (Amendments to IAS 21) and · Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) Further to the above IFRS 5 and IFRS 17 were amended to reflect changes brought on by IFRS 18 but do not affect IFRS 19. *Maintenance of IFRS 19* Due to the nature of IFRS 19, it will need to be amended whenever there are any new or amended disclosure requirements in other IFRS Accounting Standards.	The Standard is effective from annual reporting periods beginning on or after 1 January 2027. IFRS 19 still requires entities to apply the full recognition and measurement requirements of other IFRS Accounting Standards, however it does provide significant relief from the disclosure requirements of full IFRS Accounting Standards, which will be beneficial to NICOL when it will apply this Standard.

5. ADOPTION OF NEW AND REVISED STANDARDS (continued)

New and revised standards and interpretations which have been issued (cont'd)

ii. Effectively in 2027 and beyond (continued)

IFRS ACCOUNTING STANDARD	KEY CHANGES IN THE NEW STANDARD	EFFECTIVE DATE AND IMPACT
IFRS for SMEs – third edition	*Revenue recognition* Section 23 'Revenue from Contracts with Customers' has been revised to align with the requirements of IFRS 15. *Fair value measurement* Section 12 'Fair Value measurement' has been added to IFRS for SMEs for the first time in this edition. Previously, information about fair value measurement and disclosure was spread throughout the other sections where it was relevant, but in the third edition this is now grouped into a new separate section. *Business combinations* Section 19 'Business Combinations and Goodwill' has been updated in the third edition to align it more closely with the detailed requirements set out in IFRS 3 'Business Combinations'. This edition now replaces the purchase method of accounting, as it was referred to in the previous edition of IFRS for SMEs, with the acquisition method of accounting. Although the methods are similar in many respects, there are more areas of complexity that need to be addressed in the acquisition method.	The third edition of IFRS for SMEs is effective for reporting periods beginning on or after 1 January 2027. There will be no significant impact to NICOL and this has been presented for information.
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	The amendments to IAS 21 introduce new translation provisions as follows: Entities with a non-hyperinflationary functional currency but a hyperinflationary presentation currency must now translate all amounts (assets, liabilities, equity, income, expenses, including comparatives) at the closing rate at the date of the most recent statement of financial position. This change ensures all amounts are expressed in terms of a current measuring unit, improving comparability and usefulness for users of financial statements.	The amendments are effective from annual reporting periods beginning on or after 1 January 2027.

5. ADOPTION OF NEW AND REVISED STANDARDS (continued)

New and revised standards and interpretations which have been issued (cont'd)

ii. Effectively in 2027 and beyond (continued)

IFRS ACCOUNTING STANDARD	KEY CHANGES IN THE NEW STANDARD	EFFECTIVE DATE AND IMPACT
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21) (continued)	· When an entity applies IAS 29 'Financial Reporting in Hyperinflationary Economies' and translates the results and financial position of a foreign operation with a non-hyperinflationary functional currency, comparative amounts for the foreign operation should be restated using a general price index, not the closing rate. This exception reduces preparation costs and maintains consistency in financial ratios. · Entities must disclose when these new requirements have been applied and therefore all amounts have been translated at the closing rate. · If the presentation currency ceases to be hyperinflationary, this fact must also be disclosed. Entities with foreign operations affected by these amendments must provide summarised financial information about those operations, helping users assess their impact on the entity's results and financial position. *Amendments to other IFRS Accounting Standards* In addition, the following changes are reflected in other IFRS Accounting Standards as follows: · IFRS 19 – the new disclosure requirements that are being introduced in IAS 29 are being replicated in IFRS 19. · IAS 29 – corresponding paragraph references are amended to reflect the new paragraphs added in IAS 21.	These amendments will require entities to change the rates that they use to translate certain balances in their financial statements. Although this may require some change in process, the rates used are consistent with those used in other areas of the financial statements so the impact to applying these amendments will likely not be significant.

5. **ADOPTION OF NEW AND REVISED STANDARDS** (continued)

New and revised standards and interpretations which have been issued (cont'd)

iii. Annual improvements to IFRS Accounting Standards

The International Accounting Standards Board (IASB) issued Annual Improvements to IFRS Accounting Standards – Volume 11. The Annual Improvements process is used by the IASB to make necessary but non-urgent amendments to IFRS Accounting Standards that are not addressed through individual standard-setting projects. A summary of issues is set out below:

STANDARD AFFECTED	SUBJECT	SUMMARY OF CHANGES
IFRS 1 'First-time Adoption of International Financial Reporting Standards'	Hedge accounting by a first-time adopter	Amends paragraphs B5–B6 of IFRS 1: · to improve consistency with the requirements in IFRS 9, and · to add cross-references to improve the understandability of IFRS 1
IFRS 7 'Financial Instruments: Disclosures'	Gain or loss on derecognition	Amends paragraph B38 of IFRS 7: · to replace an obsolete reference to paragraph 27A of IFRS 7 with a reference to paragraphs 72–73 of IFRS 13 'Fair Value Measurement', and · to replace the phrase 'inputs that were not based on observable market data' with 'unobservable inputs' to make the wording consistent with the wording in paragraph 72 of IFRS 13.
Guidance on implementing IFRS 7 'Financial Instruments: Disclosures'	Disclosure of deferred difference between fair value and transaction price	Amends paragraph IG14 to make its wording consistent with the requirements in paragraph 28 of IFRS 7 and with the wording and concepts in IFRS 9 and IFRS 13
	Introduction and credit risk disclosures	Improves previously issued guidance by: · amending paragraph IG1 to clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, and · amending paragraph IG20B to simplify the explanation of the aspects of the requirements that are not illustrated.

5. ADOPTION OF NEW AND REVISED STANDARDS (continued)

New and revised standards and interpretations which have been issued (cont'd)

iii. Annual improvements to IFRS Accounting Standards (continued)

Summary of the Annual Improvements

STANDARD AFFECTED	SUBJECT	SUMMARY OF CHANGES
IFRS 9 'Financial Instruments'	Derecognition of lease liabilities	Amends paragraph 2.1(b)(ii) of IFRS 9 to add a cross-reference to paragraph 3.3.3 of IFRS 9 to clarify that when a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss.
	Transaction price	Amends paragraph 5.1.3 of IFRS 9 to replace 'their transaction price (as defined in IFRS 15)' with 'the amount determined by applying IFRS 15' due to an inconsistency between 5.1.3 and the requirements in IFRS 15 'Revenue from Contracts with Customers'. As a result, IFRS 9 Appendix A was also amended to remove the term.
IFRS 10 'Consolidated Financial Statements'	Determination of a 'de facto agent'	Amends paragraph B74 of IFRS 10 to use less conclusive language and to clarify that the relationship described in paragraph B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent.
IAS 7 'Statement of Cash Flows'	Cost method	Amends paragraph 37 of IAS 7 to replace the term 'cost method' with 'at cost'.

The amendments are effective from annual reporting periods beginning on or after 1 January 2026, with early application permitted.

The amendments make changes to relatively narrow areas within IFRS Accounting Standards where diversity of practice previously existed.

The amendments address necessary, but non-urgent, minor updates. Therefore, by their nature the commercial significance is low.

6. MATERIAL ACCOUNTING POLICY INFORMATION

a) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting.

The Group is primarily engaged in holding strategic equity investments and evaluates performance and allocates resources on a portfolio basis. Management monitors the performance of the investment portfolio as a single operating segment. Accordingly, the Group has determined that it operates in one reportable segment.

In the year ended 31 December 2025, the Company and its subsidiary were considered as one segment and all operating decisions were exercised by same management.

b) Basis of consolidation and accounting for investments

The consolidated financial statements incorporate the financial statements of the Company and all entities controlled by the Company (its subsidiaries). Control is achieved when the Company has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power to affect those returns.

The Group currently comprises the Company, Nicoland Development Company Limited (NICOLAND), and Mirambo Street Properties Company Limited (MSP), which is a subsidiary of NICOLAND. All subsidiaries are consolidated from the date on which control is obtained and continue to be consolidated until the date that control ceases.

The financial statements of the Company and its subsidiaries are prepared for the same reporting period, being 31 December 2025.

i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

6. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

b) Basis of consolidation and accounting for investments (continued)

i) Subsidiaries (continued)

The Group applies the acquisition method to account for business combinations. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

ii) Changes in ownership interests in subsidiaries without change of control

The Company treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Company. A change in ownership interests results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Company.

iii) Disposal of subsidiaries

When the Company ceases to have control, it derecognises the related assets (including goodwill), liabilities, non-controlling interest other components of equity. Any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Bank had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

6. **MATERIAL ACCOUNTING POLICY INFORMATION** (continued)

b) Basis of consolidation and accounting for investments (continued)

iv) Separate financial statements

In the separate financial statements, investment in the subsidiary is accounted for at cost less impairment.

c) Revenue Recognition

Revenue is recognised as and when it satisfies a performance obligation by transferring control of a product or service to a customer. The amount of revenue recognised is the amount the Group and Company expects to receive in accordance with the terms of contract, and excludes amounts collected on behalf of third parties, such as Value Added Tax, rebates and discounts.

i) Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets. Interest income and expense for all interest-bearing financial instruments are recognized within 'interest income' in profit or loss using the effective interest method.

The effective interest method calculates the amortized cost of a financial asset or liability and allocates interest income or expense over time. The effective interest rate discounts expected future cash flows to the asset's or liability's carrying amount, incorporating transaction fees, costs, and premiums/discounts. For impaired assets, interest income is recognized using the rate applied to discount cash flows when measuring the impairment loss.

ii) Dividend income.

Dividend income is recognised in profit or loss when the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. This applies to both equity instruments measured at FVOCI and FVPL in accordance with IFRS 9.

6. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

c) Revenue Recognition (continued)

iii) Rent income

Rent income is recognized on a straight-line basis over the lease term unless another systematic basis better reflects the time pattern of the user's benefit. Lease incentives, such as rent-free periods, are spread over the lease term. Income is recognized when earned, regardless of when cash is received, and is presented in profit or loss unless it relates to investment property measured at fair value, in which case changes in fair value are recognized separately.

iv) Land sale revenue

Revenue from the sale of land is recognized when control of the land transfers to the buyer, typically at the point of legal title transfer or delivery, and when the amount is reliably measurable and collectability is probable. Any deposit or advance payment received before transfer is recorded as a liability until the conditions for revenue recognition are met. Costs of sales directly attributable to the sale are matched against the revenue to determine the profit.

v) Other income

Other income is recognized when it is earned and measurable, reflecting the company's right to economic benefit. Specifically:

- *Bond Trading Income:* Recognized on a trade-date basis for gains or losses from the sale of bonds or using the effective interest method for interest earned on bonds held.
- *Foreign Exchange Gain:* Recognized in profit or loss when it arises from the settlement of monetary items or revaluation of foreign currency balances at the reporting date.
- *Income from Trading Properties (short-term resale of properties):* Recognized when control of the asset transfers to the buyer, typically at delivery or legal transfer, and when revenue is measurable and collection is probable.

6. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

d) Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of the Group and the Company are measured using the currency of the primary economic environment in which the Group and the Company operate (the “functional currency”). The financial statements are presented in Tanzania Shillings (TZS) rounded to the nearest Thousand, which is the Group and Company’s functional currency.

ii. Transaction and balances

Foreign currency transactions are translated into Tanzania Shillings using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss. All other foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income on a net basis within other income or other expenses.

e) Property and equipment

All categories of property and equipment are initially recognised at cost which includes expenditures directly attributable to acquisition. Subsequently to initial recognition, assets are carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and Company and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the profit or loss in the year in which they are incurred.

Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life as follows:

6. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

e) Property and equipment (continued)

	Rate (%)	
Buildings	4	
Motor vehicles	20	
Furniture, fittings and office equipment	25	

An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount is greater than estimated recoverable amount. As no parts of items of furniture and equipment have a cost that is significant in relation to the total cost of the item, the same rate of depreciation is applied to the whole item.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are considered in determining operating profit. On disposal of re-valued assets, amounts in the revaluation surplus relating to that asset are transferred to retained earnings.

f) Intangible assets

The Group and Company's intangible assets relate to computer software. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of four years.

Development Costs that are directly associated with identifiable and unique software products that will generate economic benefits beyond one year, are recognised as intangible assets if:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;

6. **MATERIAL ACCOUNTING POLICY INFORMATION** (continued)

f) Intangible assets (continued)

- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and use or sell it are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Direct costs include the software development, employee costs and an appropriate portion of relevant overheads. Other development expenditure that does not meet these criteria are recognised as an expense as incurred. Development costs that have been expensed are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding seven years). Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Intangible assets amortization starts when the asset becomes available for use. This is when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Goodwill from other intangible assets is not identifiable, meaning it cannot be separated or sold independently. Goodwill represents the excess of the purchase price over the fair value of net assets acquired in a business combination and is recognized as an intangible asset in accordance with IFRS 3. Goodwill is not amortized but is tested for impairment annually or whenever there is an indication of impairment, as required by IAS 36. The impairment test compares the carrying value of the cash-generating unit (CGU) to its recoverable amount, and any impairment loss is recognized immediately in profit or loss. Goodwill is not remeasured after initial recognition.

Goodwill=Purchase Price− (Fair Value of Assets−Fair Value of Liabilities)

Goodwill is recognized as an intangible asset in the statement of financial position but is not amortized. Instead, it undergoes annual impairment testing under IAS 36 – Impairment of Assets.

6. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

g) Leases

The Group and Company lease its office. Rental contracts are typically made for fixed periods of 2 years but may have extension options. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable by the Group and Company under residual value guarantees.
- the exercise price of a purchase option if the Group and Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group and Company:

6. **MATERIAL ACCOUNTING POLICY INFORMATION** (continued)

g) Leases (continued)

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- makes adjustments specific to the lease, e.g., term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost and the same are presented under financing activities in the statement of cashflows. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability.
- any lease payments made at or before the commencement date less any lease incentives received.
- any initial direct costs, and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Extension and termination options are included in the property lease contract. These terms are used to maximise operational flexibility in terms of managing contracts.

h) Financial instruments

The Group's financial assets are classified and measured at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification of the assets to the three categories is based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

6. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

h) Financial instruments (continued)

i. Classification of financial assets

Classification of financial assets at amortised cost

The Group measures a financial asset at amortised cost if both of the following conditions are met.

- The financial asset is held within the Group with an objective to collect contractual cash flows.
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group holds the following assets at amortised costs: government securities portfolio, other receivables, deposits with financial institutions and cash and bank balances.

Classification of financial assets at fair value through other comprehensive income

The Group measures financial assets at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within the Group with an objective to both collect contractual cash flows and sell the financial asset; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding amount.

Classification of financial assets at fair value through profit or loss

The Group measures financial assets at fair value through profit or loss unless as a financial asset is measured at amortised cost or at fair value through other comprehensive income.

However, the Company, may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

6. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

h) Financial instruments (continued)

i. Classification of financial assets (continued)

Classification of financial assets at fair value through profit or loss (continued)

The Group may at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. A majority of the Group's financial liabilities are measured at fair value and hence the assets on a different bases creates an accounting mismatch.

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss.

Recognition and measurement of financial assets

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present unrealized and realized fair value gains and losses on equity investments in other comprehensive income, there is no subsequent recycling of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognized in profit or loss as long as they represent a return on investment. The Group is required to reclassify all affected debt investments when and only when its business model for managing those assets changes.

ii. Classification of financial liabilities

The Group classifies financial liabilities in two categories: at amortised cost and at fair value through profit or loss.

6. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

h) Financial instruments (continued)

ii. Classification of financial liabilities (continued)

Classification of financial liabilities at amortised cost

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss.
- Financial liabilities that arise when a transfer of a financial asset does not qualify for recognition or when the continuing involvement approach applies.
- Financial guarantee contracts.
- Contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies.

Classification of financial liabilities at fair value through profit or loss.

The Group, at initial recognition irrevocably designates a financial liability as measured at fair value through profit or loss when doing so results in more relevant information, because either:

- It eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

A group of financial liabilities or financial assets is managed and its performance i.e., evaluated on a fair value basis, in accordance with documented risk management or investment strategy, and information about the Company is provided internally on that basis to the entity's key management personnel.

Recognition and measurement of financial liabilities

Two measurement categories continue to exist: FVTPL and amortised cost. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortised cost unless the fair value option is applied.

6. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

h) Financial instruments (continued)

ii. Classification of financial liabilities (continued)

IFRS 9 contains an option to designate a financial liability as measured at FVTPL if:

- doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases, or
- the liability is part or a group of financial liabilities or financial assets and financial liabilities that is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel.

A financial liability which does not meet any of these criteria may still be designated as measured at FVTPL when it contains one or more embedded derivatives that sufficiently modify the cash flows of the liability and are not clearly closely related.

IFRS 9 requires gains and losses on financial liabilities designated as at FVTPL to be split into the amount of change in fair value attributable to changes in credit risk of the liability, presented in other comprehensive income, and the remaining amount presented in profit or loss. The new guidance allows the recognition of the full amount of change in the fair value in profit or loss only if the presentation of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. That determination is made at initial recognition and is not reassessed. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss, the Group may only transfer the cumulative gain or loss within equity.

iii. Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company recognises loss allowances for Expected Credit Losses (ECLs) on the following financial instruments that are not measured at Fair Value Through Profit or Loss (FVTPL):

6. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

h) Financial instruments (continued)

iii. Impairment of financial assets(continued)

- Government securities at amortized cost;
- Cash at bank;
- Deposits from financial institutions.
- Other receivables; and

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Full lifetime ECL, i.e., lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

The Group measures ECL on an individual basis, or on a collective basis for class of assets that share similar economic risk characteristics.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forwardlooking information that is available without undue cost or effort. Forwardlooking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant thinktanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

6. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

h) Financial instruments (continued)

iii. Impairment of financial assets(continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

6. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

h) Financial instruments (continued)

iii. Impairment of financial assets(continued)

The Group considers a financial asset to have low credit risk when the asset has external credit rating of ‘investment grade’ in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of ‘performing’. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- The debt is for a third party that has no existing business relationship.
- The debtor is unlikely to pay its obligations to the Company in full.

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

6. **MATERIAL ACCOUNTING POLICY INFORMATION** (continued)

h) Financial instruments (continued)

iii. Impairment of financial assets(continued)

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the debtor is unlikely to pay its obligation, the Company take into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Writeoff policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the debtor has ceased transacting with the Company, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(iv) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forwardlooking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forwardlooking information.

6. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

h) Financial instruments (continued)

iii. Impairment of financial assets(continued)

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 Leases.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right of set-off must be available today (e.g., not contingent on any future event) and be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency, or bankruptcy.

6. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits with banks, and short-term highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. Bank overdrafts are included as a component of cash and cash equivalents where they are repayable on demand and form an integral part of the Group's cash management. Cash and cash equivalents exclude restricted or encumbered balances, which are disclosed separately.

j) Borrowings and Borrowing costs

Borrowings are initially recognised at fair value, net of directly attributable transaction costs. Subsequently, they are measured at amortised cost using the effective interest method. The effective interest rate amortises transaction costs and any premium or discount over the expected life of the borrowing to profit or loss.

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets being assets that necessarily take a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of those assets. Capitalization commences when expenditures and borrowing costs are incurred and ceases when the asset is substantially ready for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

k) Employee benefits

(i) Retirement benefit obligations

The Group operates a defined contribution plan for its employees. A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity. The employees of the Company are members of National Social Security Fund (NSSF), which are defined contribution schemes. Contributions are determined by local statute and the Company's contributions are charged to the profit or loss in the year to which they relate. The company does not have any obligation to pay further contribution to the plan if the plan doesn't hold sufficient assets to pay benefits relating to employee services in the current or prior period.

6. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

k) Employee benefits (continued)

(ii) Other entitlements

Employee entitlement to gratuity is recognised when they accrue to employee as per their contract. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the financial reporting date.

There is no estimated monetary liability for employees accrued annual leave entitlement at the financial reporting date.

l) Dividends

Dividends on ordinary shares are recognized as a liability in the year in which they are declared. Dividends proposed by the directors are accounted for as a separate component of equity until they have been declared at an annual general meeting.

m) Share capital

Ordinary shares are recognized at par value and classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

n) Income tax

Income tax expense is the aggregate amount charged/(credited) in respect of current tax and deferred tax in determining the profit or loss for the year. Income tax expense is recognised in the profit or loss except when it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income, or to items recognised directly in equity, in which case it is also recognised directly in equity.

(i) Current income tax

Current income tax is the amount of income tax payable on the taxable profit for the year, and any adjustment to tax payable in respect of prior years, determined in accordance with the Tanzanian Income Tax Act. The directors periodically evaluate positions taken in tax returns with aspects of situation in which the applicable tax regulations are subject to interpretations and establishes provisions where appropriate. Due to the nature of our business tax is captured on source through dividends and interest income and the same appears as our tax charge for the year.

6. **MATERIAL ACCOUNTING POLICY INFORMATION** (continued)

n) Income tax (continued)

(ii) Deferred income tax

Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability, other than a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss. Deferred income tax is determined using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the statement of financial position date and expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Recognised and unrecognized deferred tax assets are reassessed at the end of each reporting period and, if appropriate, the recognised amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

o) Investment Property

Investment property comprises buildings held to earn rental income and/or for capital appreciation rather than for use in the Group's operations.

Investment property is initially recognised at cost, including transaction costs. Subsequent to initial recognition, it is carried at cost less accumulated depreciation and impairment losses in accordance with IAS 40 Investment Property and IAS 16 Property, Plant and Equipment.

Depreciation is recognised on a straight-line basis over the estimated useful life of the asset. Transfers to or from investment property are made only when there is a change in use.

p) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

6. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

p) Provisions (continued)

The provisions are measured using the best estimate of the expenditure required to settle the present obligation at the statement of financial position date.

q) Earnings per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive.

r) Contingencies and commitments

Transactions are classified as contingencies where the Group and its subsidiary obligations depend on uncertain future events. Items are classified as commitments where the Group and its subsidiaries commit themselves to future transactions if the terms result in the acquisition of assets.

s) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

7. ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of consolidated and separate financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

7. ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Critical accounting judgements and estimates

(i) Investment property

During the year, the Group completed renovation works on one of its buildings that had previously been classified under Work in Progress within Property and Equipment. Upon completion of the renovation and commencement of a lease agreement with a third party, management reassessed the use of the asset.

In accordance with IAS 40 *Investment Property*, the building was reclassified from Work in Progress to Investment Property as it is now held to earn rental income and for capital appreciation rather than for administrative purposes and idle state.

The reclassification was effected during the year. The carrying amount of TZS 2,054,070,556.99 was transferred from Work in Progress to Investment Property. There was no change in the measurement basis upon transfer as the Group applies the cost model for investment property.

The property continues to be measured at cost less accumulated depreciation and impairment losses, consistent with the Group's accounting policy for investment property under the cost model.

Rental income generated from this property during the year amounted to TZS 171 million.

(ii) Impairment of financial assets

As explained in Note 2, ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

7. ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Critical accounting judgements and estimates (continued)

(ii) Impairment of financial assets (continued)

Establishing groups of assets with similar credit risk characteristics:

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. Refer to Note 2 for details of the characteristics considered in this judgment. The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

Models and assumptions used:

The Group uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Key estimation

The following are key estimations that the directors have used in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

- Establishing the number and relative weightings of forward-looking scenarios for each type of market and determining the forward-looking information relevant to each scenario: When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

7. ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Critical accounting judgements and estimates (continued)

(ii) Impairment of financial assets (continued)

- Probability of default: PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Loss Given Default: LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that are expected to be received, taking into account cash flows from collateral and integral credit enhancements.

(iii) Leases

Assumptions used on lease term/period.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

- If there are significant penalties to terminate (or to extend), the company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have significant remaining value, the company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease commenced in September 2023 after the end of the first lease term. The extension considered the lease term and the future expectation of holding the leased property. This can be revised if a significant event occurs, which affects the extension and is within the control of the lessee. A gain on interest on lease ended was recognized in the profit and loss account in 2025 which was borne from the lease that ended. The lease term has been extended to 5 years from 3 years as per the previous lease term.

7. ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Critical accounting judgements and estimates (continued)

(iv) Provisions

The recognition of provisions involves assumptions about the probability, amount and timing of an outflow of resources embodying economic benefits. A provision is recognized to the extent that an outflow of resources embodying economic benefits is probable and a reliable estimate can be made.

(v) Taxes

The Group is subjected to several taxes and levies by various government regulatory bodies. As a rule of thumb, the Group recognizes liabilities for the anticipated tax/ levies payable with utmost care and diligence. However, significant judgement is usually required in the interpretation and applicability of those taxes /levies. Should it come to the attention of management, in one way or the other, that the initially recorded liability was erroneous, such differences will impact on the income and liabilities in the period in which such differences are determined.

(vi) Fair valuation of financial instruments

The fair value of financial instruments traded in active markets at the financial reporting date is based on their quoted bid market price or dealer price quotations without any deductions for transaction costs. The fair value is determined using appropriate valuation techniques for all other financial assets not listed in an active market including our corporate bond investment at Tanzania Mortgage Refinance Company Limited (TMRC) and liquid fund investment at UTTAMIS.

(vii) Climate risk impact

NICOL recognises that climate-related risks may affect the valuation, performance, and long-term sustainability of its investment portfolio. As a long-term institutional investor, the Group considers climate-related factors as part of its investment monitoring processes and in assessing potential impacts on the financial reporting of its investment assets.

In preparing the financial statements, management exercises judgement in determining the extent to which climate-related risks may affect the valuation and recoverability of investments. These judgements include assessing whether climate-related developments may influence the business models, future earnings capacity, or risk profiles of investee companies.

7. ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Critical accounting judgements and estimates (continued)

(vii) Climate risk impact (continued)

Climate-related risks are considered at both portfolio and investee levels, including exposure to transition risks such as regulatory changes, carbon pricing mechanisms, and shifts in market preferences, as well as physical risks including extreme weather events and supply chain disruptions. Management monitors publicly available disclosures, sustainability strategies, and risk management practices of investee companies as part of its ongoing investment oversight.

Where relevant, climate-related considerations are incorporated into financial reporting estimates, including impairment assessments, fair value measurements, and assumptions applied in valuation models for financial assets measured at fair value through profit or loss or through other comprehensive income.

Given the inherent uncertainty associated with climate-related developments, these considerations may influence assumptions relating to future cash flows, discount rates, and market valuations. Management therefore continues to monitor emerging regulatory requirements, climate-related reporting developments, and evolving market expectations that may affect investee performance and capital markets pricing dynamics.

While NICOL's diversified investment portfolio may mitigate concentration risk to individual sectors, climate-related developments may introduce additional uncertainty into certain financial estimates and market-based valuations.

Climate-related considerations reflected in these financial statements are based on information available at the reporting date and may evolve as regulatory frameworks, climate policies, and market conditions continue to develop.

Fair Value Measurement

In accordance with IFRS 13, NICOL incorporates market participant assumptions relating to climate-related risks into the fair value measurement of its financial assets. Observable market prices of listed investments are presumed to reflect prevailing market expectations regarding climate exposure and transition risks. For investments measured using valuation techniques, climate-related variables are considered where they materially influence expected cash-flows, discount rates, or risk premiums.

8. SEGMENT REPORTING

(a) Composition of the Group

The Group has full control over its subsidiary, Nicoland Development Company Limited, in which it holds a 99.99% ownership stake. The principal activity of Nicoland Development Company Limited is real estate investment, including the acquisition, development, and management of commercial properties, student hostels, and shopping malls. The company also engages in joint ventures to expand its real estate portfolio.

Nicoland Development Company Limited, in turn, holds a 99.99% ownership stake in its subsidiary, Mirambo Street Properties Limited. Mirambo Street Properties Limited specializes in real estate investment and owns a commercial building, Mirambo 50, located in Posta, Dar es Salaam.

(b) Summary of the results

Summarised financial information for Nicoland Development Company Limited Group, is set out below:

STATEMENT OF PROFIT OR LOSS	Group 2025 TZS '000	Group 2024 TZS '000
Sales of land	-	9,042,093
Cost of sales of land	(95,841)	(8,400,840)
Gross profit	(95,841)	641,253
Rental income	1,889,173	1,756,906
Interest income	443,304	-
Other income	284,571	172,789
Administrative expenses	(1,690,286)	(1,298,799)
Operating profit	830,921	1,272,149
Finance costs	(538,766)	(638,318)
Profit before taxation	292,155	633,831
Taxation credit/(expense)	267,078	(160,141)
Profit for the year	559,233	473,690

8. SEGMENT REPORTING (continued)

(b) Summary of the results (continued)

STATEMENT OF FINANCIAL POSITION	Group 2025 TZS '000	Group 2024 TZS '000
Equity		
Share capital	**25,041,236**	23,241,236
Retained earnings	**497,035**	84,289
Equity attributable to owners of the company	**25,538,271**	(23,123,898)
REPRESENTED BY		
Non-current assets		
Goodwill	**168,980**	168,980
Property and equipment	**19,520,394**	19,694,540
Government securities	**3,521,826**	-
	23,211,200	19,863,520
Current assets		
Sundry debtors	**324,912**	-
Trade and other receivables	**549,879**	1,359,563
Inventories	**2,120,398**	2,120,398
Tax recoverable	**354,127**	-
Cash and cash equivalents	**141,330**	2,820,415
	3,490,646	6,300,376
Current liabilities		
Borrowings	**-**	2,638,318
Sundry creditors	**11,840**	186,370
Trade and other payables	**1,151,735**	-
Current income tax payable	**-**	13,683
	1,163,575	2,838,371
Net current assets/(liabilities)	**2,327,071**	3,462,005
	25,538,271	23,325,525

8. SEGMENT REPORTING (continued)

(b) Summary of the results (continued)

STATEMENT OF CASHFLOWS	2025 TZS '000	2024 TZS'000
Net cash from operating activities	**(185,368)**	19,648,154
Net cash used in investing activities	**(1,655,399)**	(15,891,108)
Net cash from (used in) financing activities	**(838,318)**	(1,000,000)
Net increase/(decrease) in cash and cash equivalents	(2,679,085)	2,757,046
At start of the year	**2,820,415**	63,369
Net cash inflow	**141,330**	2,820,415

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK

(a) Financial risk

The Group is exposed to a range of financial risks through its financial assets and financial liabilities. The most important components of this financial risk are interest rate risk, equity price risk, currency risk and credit risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the audit and risk committee, which is responsible for developing and monitoring Group risk management policies in their specified areas. All Board committees have non-executive members and report regularly to the Board of Directors on their activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(a) Financial risk (continued)

The Audit and Risk Committee is responsible for monitoring compliance with the Group's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit and Risk Committee is assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Board Audit and Risk Committee.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

(i) Credit risk

The Group takes on exposure to credit risk, which is the risk that a counter party will cause a financial loss to the Group by failing to pay amounts in full when due. Credit risk is an important risk for the Group's business. Management therefore carefully manages the exposure to credit risk by:

- Developing and maintaining processes for measuring ECL including monitoring of credit risk, incorporation of forward-looking information and the method used to measure ECL.
- Ensuring that the Group has policies and procedures in place to appropriately maintain and validate models used to assess and measure ECL.
- Establishing a sound credit risk accounting, assessment and measurement process that provide it with a strong basis for common systems, tools and data to assess credit risk and to account for ECL.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower or groups of borrowers. Such risks are monitored on a revolving basis and subject to annual or more frequent review. The exposure to any one borrower is further restricted by sub-limits. Actual exposures against limits are monitored regularly. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees.

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(a) Financial risk (continued)

(i) Credit risk (continued)

The credit quality of financial assets is assessed by reference to external credit ratings if available or internally generated information about counterparty default rates.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivables. Key areas where the Group is exposed to credit risk are:

Maximum exposure to credit risk held by the Group as at 31 December:

FINANCIAL ASSETS	12-month or lifetime ECL	2025 TZS'000	2024 TZS'000
Investments in Government securities	Lifetime (Above 20 years)	**43,480,055**	44,675,021
Investment in Corporate bonds	Above 2 years	**202,962**	202,962
Staff loans and other receivables	12 -month	**510,048**	1,366,561
Other receivables (TMCL)	12 -month	**-**	-
Cash and cash equivalent**	12 -month	**393,165**	2,918,606
		44,586,230	49,163,150

Maximum exposure to credit risk held by the Company as at 31 December:

FINANCIAL ASSETS	12-month or lifetime ECL	2025 TZS'000	2024 TZS'000
Investments in Government securities	Lifetime (Above 20 years)	**39,958,229**	44,675,021
Investment in Corporate bonds	Above 2 years	**202,962**	202,962
Staff loans and other receivables	12 -month	**539,502**	2,680,750
Other receivables (TMCL)	12 -month	**-**	-
Cash and cash equivalent**	12 -month	**214,272**	98,623
		40,914,965	47,657,356

** The amount for cash and cash equivalent above excludes cash on hand.

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(a) Financial risk (continued)

(i) Credit risk (continued)

Significant increase in credit risk

As explained in Note 6, the Company monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

ASSET CLASS	DRIVERS OF CHANGE IN CREDIT QUALITY	QUALITATIVE INDICATORS ASSESSED
Receivables arising from Subsidiary	180 days past due	Company closure, significant decline in the industry which the client operates, listing on credit reference bureau, inability to service debt, loss of income, among others.
Cash at bank and deposits with financial institutions	Downgrade to tie four	Bank closure, bank run, default on debt, credit rating downgrade, material adverse mention or investigation, change in bank tier, negative change in debt ratios, debt covenant breach, regulator actions among others.
Government Securities	Downgrade from investment grade to non-investment grade as per the external ratings	Credit rating downgrade, adverse political instability, military coup / attempt / civil turmoil, hyper inflationary trajectory, external war, Significant fall in tax collection rates, Significant natural disaster events, warnings from Bretton Woods Institutions, debt restructure, currency devaluation, unemployment rate growth among others.
Corporate Debt	Default in contractual cash flows	Credit rating downgrades, significant adverse political turmoil in country of major operations, significant fall in revenue collection, significant natural disaster events, debt restructure, material Adverse change (change in business model; significant change in priority staff), significant court process interference on business model, insolvency, government agency takeover, financial covenant breach, material representation inaccuracy or warranty breach, material adverse mention, investigation among others.
Equities - Dividend Income	Default in contractual cash flows	Company closure, default on debt, credit rating downgrade, adverse material mention, change in balance sheet debt composition, debt covenant breach, adverse change in business model, company insolvency among others.
Staff/ non staff loans	Default in contractual cash flows	Listing on credit reference bureau, inability to service debt, loss of income, death, permanent disability, imprisonment, number of months in arrears among others.

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(a) Financial risk (continued)

(i) Credit risk (continued)

Significant increase in credit risk (continued)

The Group has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit are effective, meaning that a significant increase in credit risk is identified before the exposure is defaulted. The Group performs periodic back-testing of its ratings to consider whether the drivers of credit risk that led to default were accurately reflected in the rating in a timely manner.

Incorporation of forward-looking information

The Group uses forward-looking information that is available without undue cost or effort in its assessment of the significant increase of credit risk as well as in its measurement of ECL. The Company uses external and internal information to generate a 'base case' scenario of future forecasts of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Group applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome.

Group and Company's receivables age analysis

Group

2025				2024			
Age Bracket	**Amount**	**Provision**	**Net**	Age Bracket	Amount	Provision	Net
Days	**TZS'000**	**TZS'000**	**TZS'000**	Days	TZS'000	TZS'000	TZS'000
0–30	**8,208**	**-**	**8,208**	0–30	6,559	-	6,559
31–60	**200,624**	**-**	**200,624**	31–60	6,559	-	6,559
61–90	**7,037**	**-**	**7,037**	61–90	6,559	-	6,559
Above 90	**719,478**	**-**	**719,478**	Above 90	5,364,074	1,378,641	3,985,433
Total	**935,347**	**-**	**935,347**	Total	5,383,751	1,378,641	4,005,110

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(a) Financial risk (continued)

(i) Credit risk (continued)

Significant increase in credit risk (continued)

Company

2025				2024			
Age Bracket	**Amount**	**Provision**	**Net**	Age Bracket	Amount	Provision	Net
Days	**TZS'000**	**TZS'000**	**TZS'000**	Days	TZS'000	TZS'000	TZS'000
0–30	**8,208**	**-**	**8,208**	0–30	6,559	-	6,559
31–60	**9,695**	**-**	**9,695**	31–60	6,559	-	6,559
61–90	**7,037**	**-**	**7,037**	61–90	6,559	-	6,559
Above 90	**549,854**	**-**	**549,854**	Above 90	4,039,945	1,378,641	2,661,304
Total	**574,794**	**-**	**574,794**	Total	4,059,622	1,378,641	2,680,981

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

All liquidity policies and procedures are subject to review and approval by the Group's board of directors.

Maturity profile of non-derivative financial liabilities based on the contractual cash flows, "undiscounted" including interest and excluding impact of netting is as follows:

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(a) Financial risk (continued)

(ii) Liquidity risk (continued)

The table below shows the contractual maturity of financial liabilities:

Group

2025	Total TZS'000	1 - 3 months TZS'000	3 - 12 months TZS'000	1 - 5 years TZS'000
Lease liabilities	124,099	9,494	30,899	83,706
Borrowings	15,755,947	1,223,604	3,545,879	10,986,464
Trade and other payables	1,066,352	97,088	697,565	271,699
Dividend payable	4,189,807	-	4,189,807	-
	21,136,205	**1,330,186**	**8,464,150**	**11,341,869**

2024	Total TZS'000	1 - 3 months TZS'000	3 - 12 months TZS'000	1-5 years TZS'000
Lease liabilities	174,187	8,615	Months	137,533
Borrowings	20,922,454	1,321,616	TZS'000	15,755,947
Trade and other payables	609,724	304,409	290,445	14,870
Dividend payable	2,926,892	-	2,926,892	-
	24,633,257	1,634,640	7,090,267	15,908,350

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(a) Financial risk (continued)

(ii) Liquidity risk (continued)

Company

2025	Total TZS'000	1 - 3 months TZS'000	3 - 12 months TZS'000	1-5 years TZS'000
Lease liabilities	124,099	9,494	30,899	83,706
Borrowings	15,755,947	1,223,604	3,545,879	10,986,464
Trade and other payables	417,014	92,192	153,329	171,493
Dividend payable	4,189,807	-	4,189,807	-
	20,486,867	**1,325,290**	**7,919,914**	**11,241,663**

2024	Total TZS'000	1 - 3 months TZS'000	3 - 12 months TZS'000	1-5 years TZS'000
Lease liabilities	174,187	8,615	28,039	137,533
Borrowings	20,922,454	1,321,616	3,844,891	15,755,947
Trade and other payables	423,354	274,409	140,445	8,500
Dividend payable	2,926,892	-	2,926,892	-
	24,446,887	1,604,640	6,940,267	15,901,980

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(a) Financial risk (continued)

(iii) Market risk (continued)

Interest rate risk

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts. Risk management activities are aimed at optimising net interest income, given market interest rates levels consistent with the Company's business strategies.

The table below summarises the contractual maturity periods and interest rate profile of the Group's financial instruments:

Group

2025	Due within 12 months TZS'000	Due between 1 and 25 years TZS'000	Non interest bearing TZS'000	TZS'000
Assets				
Government securities	-	43,480,055	-	43,480,055
Equity investments	-	-	186,484,485	186,484,485
Corporate bond	-	202,962	-	202,962
Investment Property	-	21,386,852	-	21,386,852
Investment in UTT	1,148,128	-	-	1,148,128
Other receivables	252,309	-	647,746	900,055
Cash and bank balances*	393,165	-	423	393,588
	1,793,602	**65,069,869**	**187,132,654**	**253,996,125**
Liabilities				
Lease liabilities	40,393	83,706	-	124,099
Borrowings	4,769,483	10,986,464	-	15,755,947
Trade and other payables	-	-	1,066,352	1,066,352
Dividend payable	-	-	4,189,807	4,189,807
	4,809,876	**11,070,170**	**5,256,159**	**21,136,205**
Interest rate gap	**(3,016,274)**	**53,996,699**	**181,876,495**	**232,859,920**

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(a) Financial risk (continued)

(iii) Market risk (continued)

Interest rate risk *(continued)*

2024	Due within 12 months Due between 1 and 25 years	Due between 1 and 25 years	Non-interest bearing	Total
	TZS'000	TZS'000	TZS'000	TZS'000
Assets				
Government securities	-	44,675,021	-	44,675,021
Equity investments	-	-	114,933,931	96,877,777
Corporate bond	-	202,962	-	202,962
Other receivables	-	-	1,401,995	1,401,995
Cash and cash equivalent	2,918,606	-	705	2,919,311
	2,918,606	44,877,983	116,339,631	146,077,066
Liabilities				
Lease liabilities	36,654	137,533	-	174,187
Borrowings	5,166,507	15,755,947	-	20,922,454
Trade and other payables	-	-	609,724	609,724
Dividend payable	-	-	2,926,892	2,926,892
	5,203,161	15,893,480	3,536,616	24,633,257
Interest rate gap	(2,284,555)	30,984,503	112,803,015	121,443,809

At 31 December 2025 if Group's interest rates of functional currency denominated assets and liabilities had been 100 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been 23.3 million (2024: 12.1 million) lower/higher, mainly as a result of fluctuations in interest income and interest expense.

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(a) Financial risk (continued)

(iii) Market risk (continued)

Interest rate risk *(continued)*

The table below summarises the contractual maturity periods and interest rate profile of the Company's financial instruments:

Company

2025	Due within 12 months TZS'000	Due between 1 and 25 years TZS'000	Non-interest bearing TZS'000	Total TZS'000
Assets				
Investments in Government securities	-	39,958,229	-	39,958,229
Equity investments	-	-	186,484,485	186,484,485
Corporate bond	-	202,962	-	202,962
Investment Property	-	2,054,071	-	2,054,071
Investment in UTT	1,148,128	-	-	1,148,128
Other receivables	539,502	-	-	539,502
Cash and bank balances*	214,271	-	196	214,467
	1,901,901	**42,215,262**	**186,484,681**	**230,601,844**
Liabilities				
Lease liabilities	40,393	83,706	-	124,099
Borrowings	4,769,483	10,986,464	-	15,755,947
Trade and other payables	-	-	417,014	417,014
Dividend payable	-	-	4,189,807	4,189,807
	4,809,876	**11,070,170**	**4,606,821**	**20,486,867**
Interest rate gap	**(2,907,975)**	**31,145,092**	**181,877,860**	**210,114,977**

9. **MANAGEMENT OF CAPITAL AND FINANCIAL RISK** (continued)

(a) Financial risk (continued)

(iii) Market risk (continued)

Interest rate risk *(continued)*

2024	Due within 12 months TZS'000	Due between 1 and 25 years TZS'000	Non-interest bearing TZS'000	Total TZS'000
Assets				
Investments in Government securities	-	44,675,021	-	44,675,021
Equity investments	-	-	114,933,931	96,877,777
Corporate bond	-	202,962	-	202,962
Other receivables	-	2,000,000	680,750	2,680,750
Cash and cash equivalent	98,623	-	273	98,896
	98,623	46,877,983	115,614,954	162,589,560
Liabilities				
Lease liabilities	36,654	137,533	-	174,187
Borrowings	5,166,507	15,755,947	-	20,922,454
Trade and other payables	-	-	423,354	423,354
Dividend payable	-	-	2,926,892	2,926,892
	5,203,161	15,893,480	3,350,246	24,446,887
Interest rate gap	(5,104,538)	30,984,503	112,264,708	138,142,673

At 31 December 2025 if Company's interest rates of functional currency denominated assets and liabilities had been 100 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been 21 million (2024: 13.8 million) lower/higher, mainly as a result of fluctuations in interest income and interest expense.

Foreign currency risk

The Company is exposed to currency risk on settlement of investments that are denominated in a currency other than the respective functional currency of the Company, the Tanzanian Shillings (TZS). The Company's strategy towards managing its foreign currency exposure is through transacting mainly using its functional currency.

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(a) Financial risk (continued)

(iii) Market risk (continued)

Foreign currency risk *(continued)*

Exposure to currency risk for foreign denominated amounts in the following classes of financial instruments; disclosure around market risk also relates to sensitivity analysis of the type of market risk, showing how the income profit or loss and equity would have been affected by reasonably possible changes in the relevant risk variable at the yearend date.

The Company's exposure to foreign currency risk was as follows based on notional amounts in US dollars:

Group	2025 TZS'000	2024 TZS'000
Bank balances	**193,636**	1,637,167
Payables	**-**	(14,296)
	193,636	1,622,871
A sensitivity analysis in relation to net exposure for a 10% strengthening of the USD against TZS		
Increase/(decrease) in equity and profit or loss	**19,364**	162,287

Company	2025 TZS'000	2024 TZS'000
Bank balances	**153,298**	86,034
Payables	**-**	(14,296)
	153,298	71,738
A sensitivity analysis in relation to net exposure for a 10% strengthening of the USD against TZS		
Increase/(decrease) in equity and profit or loss	**15,330**	7,174

(iv) Price risk

The Company has equity investments classified at fair value through other comprehensive income. If the respective prices for the equity investments increase or decrease by 10%, the pre-tax impact would be TZS 18.6 billion in 2025 (2024: TZS 11.5 billion).

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(a) Financial risk (continued)

(iv) Price risk (continued)

The Company actively manages its equity portfolio to mitigate concentration risk and ensure diversification across sectors and geographies. While fluctuations in FVOCI equities do not affect reported profit, significant adverse movements could influence total equity, dividend capacity, and capital planning.

The Board and management regularly review market exposures to ensure they remain within the Group's risk appetite and support sustainable long-term value creation.

(b) Capital Management

The company's objectives when managing its capital are to comply with the rules and regulations of the Capital Markets and Securities Authority, the Companies Act and Tanzania Regulatory Authority; safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; provide an adequate return to shareholders by investing in different investment portfolios commensurately with the level of risk; and to maintain a strong capital base to support the development of its business.

The **Group's** gearing ratio is as shown below

	2025 TZS'000	2024 TZS'000
Leases	**124,099**	171,354
Borrowings	**12,709,524**	16,161,905
Bank overdraft	**-**	6,108,984
Total borrowings	**12,833,623**	22,442,243
Cash and cash equivalents	**(393,588)**	(2,919,311)
Net borrowings	**12,440,035**	19,522,932
Equity	**238,940,262**	162,318,117
Total Capital	**251,380,297**	181,841,049
Gearing ratio	**5%**	12%

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(b) Capital Management (continued)

The **Company's** gearing ratio is as shown below

	2025 TZS'000	2024 TZS'000
Leases	**124,099**	171,354
Borrowings	**12,709,524**	16,161,905
Bank overdraft	**-**	6,108,984
Total borrowings	**12,833,623**	22,442,243
Cash and cash equivalents	**(214,467)**	(98,896)
Net borrowings	**12,619,156**	22,343,347
Equity	**238,718,016**	162,318,117
Total Capital	**251,337,172**	184,661,464
Gearing ratio	**5%**	14%

The Group's gearing ratio reduced from 12% to 5% in 2025 (Company; 14% to 5% in 2025), primarily driven by the absence of an overdraft facility during the year and a reduction in outstanding debt.

This low leverage strengthens the balance sheet, lowers finance costs, and improves financial flexibility. While this reflects prudent financial management and reduced risk, the Board has considered the current debt level and confirmed that it remains appropriate given the Group's risk appetite and strategic growth objectives.

(c) Accounting classification and fair values

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(c) Accounting classification and fair values (continued)

This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. For government securities classified as level 2; the prices of bonds with similar maturity is applied for fair value estimation.

There were no transfers between level 1 and level 2 of fair value hierarchy during the year.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(c) Accounting classification and fair values (continued)

Group 2025	Fair value through other comprehensive income TZS'000	Amortized cost TZS'000	Other financial liabilities at amortized cost TZS'000	Total TZS'000	Level 1 TZS'000	Level 2 TZS'000	Level 3 TZS'000
Financial assets measured at fair value							
Equity investments	186,484,485	-	-	186,484,485	186,484,485	-	-
Investments in Government securities	-	43,480,055	-	43,480,055	-	43,480,055	-
Corporate bonds	-	202,962	-	202,962	-	202,962	-
Investment in UTT	-	1,148,128	-	1,148,128	1,148,128	-	-
Cash and cash equivalents	-	393,588	-	393,588	-	-	393,588
	186,484,485	**45,224,733**	**-**	**231,709,218**	**187,632,613**	**43,683,017**	**393,588**
Lease liabilities	-	-	124,099	124,099	-	-	124,099
Borrowings	-	-	12,709,524	12,709,524	-	-	12,709,524
Trade and other payables	-	-	1,066,352	1,066,352	-	-	1,066,352
Dividend payable	-	-	4,189,807	4,189,807	-	-	4,189,807
	-	-	**18,089,782**	**18,089,782**	-	**-**	**18,089,782**

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(c) Accounting classification and fair values (continued)

2024	Fair value through other comprehensive income TZS'000	Amortized cost TZS'000	Other financial liabilities at amortised cost TZS'000	Total TZS'000	Level 1 TZS'000	Level 2 TZS'000	Level 3 TZS'000
Financial assets measured at fair value							
Equity investments	114,933,931	-	-	114,933,931	114,933,931	-	-
Investments in Government securities	-	44,675,021	-	44,675,021	-	44,675,021	-
Corporate bonds	-	202,962	-	202,962	-	202,962	-
Other receivables	-	42,432	-	42,432	-	-	42,432
Cash and cash equivalents	-	2,919,311	-	2,919,311	-	-	2,919,311
	114,933,931	**47,839,726**	**-**	**162,773,657**	**114,933,931**	**44,877,983**	**2,961,743**
Lease liabilities	-	-	171,354	171,354	-	-	171,354
Borrowings	-	-	16,161,905	16,161,905	-	-	16,161,905
Bank overdraft	-	-	6,108,984	6,108,984	-	-	6,108,984
Trade and other payables	-	-	609,724	609,724	-	-	609,724
Dividend payable	-	-	2,926,892	2,926,892	-	-	2,926,892
	-	-	**25,978,859**	**25,978,859**	-	**-**	**25,978,859**

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(c) Accounting classification and fair values (continued)

Company	Fair value through other comprehensive income	Amortized cost	Other financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
2025	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Financial assets measured at fair value							
Equity investments	186,484,485	-	-	186,484,485	186,484,485	-	-
Investments in Government securities	-	43,480,055	-	43,480,055	-	43,480,055	-
Corporate bonds	-	202,962	-	202,962	-	202,962	-
Investment in UTT	-	1,148,128	-	1,148,128	1,148,128	-	-
Cash and cash equivalents	-	214,467	-	214,467	-	-	214,467
	186,484,485	**45,045,612**	**-**	**231,530,097**	**187,632,613**	**43,683,017**	**214,467**
Lease liabilities	-	-	124,099	124,099	-	-	124,099
Borrowings	-	-	12,709,524	12,709,524	-	-	12,709,524
Trade and other payables	-	-	417,014	417,014	-	-	417,014
Dividend payable	-	-	4,189,807	4,189,807	-	-	4,189,807
	-	-	**17,440,444**	**17,440,444**	-	**-**	**17,440,444**

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(c) Accounting classification and fair values (continued)

2024	Fair value through other comprehensive income	Amortized cost	Other financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Financial assets measured at fair value							
Equity investments	114,933,931	-	-	114,933,931	114,933,931	-	-
Investments in Government securities	-	44,675,021	-	44,675,021	-	44,675,021	-
Corporate bonds	-	202,962	-	202,962	-	202,962	-
Other receivables	-	42,432	-	42,432	-	-	42,432
Cash and cash equivalents	-	98,896	-	98,896	-	-	98,896
	114,933,931	**4,809,311**	**-**	**159,953,242**	**114,933,931**	**44,877,983**	**141,328**
Lease liabilities	-	-	171,354	171,354	-	-	171,354
Borrowings	-	-	16,161,905	16,161,905	-	-	16,161,905
Bank overdraft	-	-	6,108,984	6,108,984	-	-	6,108,984
Trade and other payables	-	-	423,354	423,354	-	-	423,354
Dividend payable	-	-	2,926,892	2,926,892	-	-	2,926,892
	-	-	**25,792,489**	**25,792,489**	-	**-**	**25,792,489**

9. MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)

(d) Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring level 2 and level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Government Securities (Bonds)	Market Comparison technique: The fair value is based on market prices. If this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.	Not applicable

There were no transfers into or out of any levels during the year.

10. SALES OF LAND

	Group 2025 TZS'000	Group 2024 TZS'000	**Company 2025 TZS'000**	Company 2024 TZS'000
Land sale Kigamboni	**-**	4,542,093	**-**	-
Land sale Ngobanya	**-**	4,500,000	**-**	-
	-	9,042,093	**-**	-

11. COST OF SALES

	Group 2025 TZS'000	Group 2024 TZS'000	**Company 2025 TZS'000**	Company 2024 TZS'000
Purchases and costs Kibada	**90,841**	2,727,496	**-**	-
Purchases Amani Gomvu	**-**	1,804,717	**-**	-
Purchases and costs Ngobanya	**5,000**	3,868,627	**-**	-
	95,841	8,400,840	**-**	-

12. INVESTMENT INCOME

	Group		Company	
	2025 TZS'000	2024 TZS'000	**2025 TZS'000**	2024 TZS'000
12 (a) Interest income recognised at EIR				
Interest on treasury bonds	**5,723,000**	5,052,749	**5,279,696**	5,052,749
Interest on fixed deposit	**-**	80,865	**-**	80,865
Interest on TMRC Bond	**20,400**	20,660	**20,400**	20,660
Interest on bank balance	**28,392**	6,537	**28,392**	6,537
Total Interest income	**5,771,792**	5,160,811	**5,328,488**	5,160,811
12 (b) Dividend income	**9,152,148**	7,675,659	**9,152,148**	7,675,659
Total investment income	**14,923,940**	12,836,470	**14,480,636**	12,836,470

13. RENTAL INCOME

	Group 2025 TZS'000	Group 2024 TZS'000	**Company 2025 TZS'000**	Company 2024 TZS'000
Mirambo 50	**1,889,173**	1,756,906	**-**	-
Msasani Plot 818	**170,963**	106,442	**170,963**	106,442
	2,060,136	1,863,348	**170,963**	106,442

14. OTHER INCOME

	Group 2025 TZS'000	Group 2024 TZS'000	**Company 2025 TZS'000**	Company 2024 TZS'000
Bonds trading income	**160,198**	84,864	**158,412**	84,864
Exchange gain	**560**	176,482	**560**	3,694
Miscellaneous income	**282,784**	-	**-**	-
Over-provision writeback	**-**	-	**-**	-
	443,542	261,346	**158,972**	88,558

15. ADMINISTRATIVE EXPENSES

	Group 2025 TZS'000	Group 2024 TZS'000	**Company 2025 TZS'000**	Company 2024 TZS'000
Staff costs*	**950,818**	895,641	**922,218**	855,958
Annual general meeting	**136,660**	143,081	**136,660**	143,081
Legal expenses	**160,569**	124,912	**124,330**	58,640
Secretarial expenses	**32,400**	32,400	**32,400**	32,400
Director's fees	**175,438**	177,290	**89,385**	88,641
Board expenses	**169,957**	262,358	**134,125**	244,901
Auditor's remuneration	**53,500**	59,408	**29,500**	30,131
Consultancy expenses	**374,519**	393,681	**42,216**	68,853
Other administrative expenses	**656,425**	513,698	**209,016**	266,228
	2,710,286	2,602,469	**1,719,850**	1,788,833

*Staff cost comprises of;

	Group 2025 TZS'000	Group 2024 TZS'000	**Company 2025 TZS'000**	Company 2024 TZS'000
Salaries and wages	**644,283**	740,092	**618,283**	700,409
NSSF Contribution	**64,428**	63,969	**61,828**	63,969
Gratuity	**139,196**	55,215	**139,196**	55,215
Other staff costs	**102,910**	36,365	**102,910**	36,365
	950,818	895,641	**922,218**	855,958

16. OTHER OPERATING EXPENSES

	Group 2025 TZS'000	Group 2024 TZS'000	Company 2025 TZS'000	Company 2024 TZS'000
Office rent (Service charge)	**29,755**	29,144	**29,755**	29,144
Security expenses	**36,353**	2,800	**-**	2,800
Electricity and water	**137,780**	165,222	**-**	-
Dividend processing fees	**82,238**	-	**82,238**	-
Licenses and subscriptions	**12,720**	62,948	**400**	62,348
City service levy	**63,211**	66,459	**37,480**	63,156
Repairs and maintenance	**308,915**	127,005	**1,369**	1,842
Depreciation of right of use assets	**64,552**	66,034	**64,552**	66,034
Depreciation PPE	**300,071**	284,280	**123,926**	93,405
Incidental expenses	**44,085**	94,822	**40,111**	94,822
Contributions and donations	**2,684**	-	**2,684**	-
	1,082,364	898,714	**382,515**	413,551

17. FINANCE COSTS

	Group 2025 TZS'000	Group 2024 TZS'000	Company 2025 TZS'000	Company 2024 TZS'000
Interest expense lease liability	**34,987**	43,582	**34,987**	43,582
Loan processing fees	**34,931**	-	**34,931**	-
Interest expense on loans	**1,738,654**	2,127,727	**1,199,889**	1,489,409
	1,808,572	2,171,309	**1,269,807**	1,532,991

18. TAXATION

a) Current tax expense

	Group 2025 TZS'000	Group 2024 TZS'000	Company 2025 TZS'000	Company 2024 TZS'000
Current Income tax	**(7,806)**	468,866	**243,571**	308725
Final withholding tax on dividends earned	**457,607**	390,829	**457,607**	390,829
Adjustments for the year	**(6,468)**	-	**9,233**	-
	443,333	859,695	**710,411**	699,554
Effective Tax Rate	**3.78%**	8.66%	**6.21%**	7.53%

b) Reconciliation of tax based on accounting loss to income tax expense

	Group 2025 TZS'000	Group 2024 TZS'000	Company 2025 TZS'000	Company 2024 TZS'000
Profit before income tax	**11,648,007**	9,939,806	**11,438,399**	9,296,096
Tax expense calculated at a tax rate of 30%	**3,494,402**	2,981,942	**3,431,520**	2,788,829
Tax effect of:				
Expenses relating to exempt	**978,435**	1,010,539	**947,761**	986,065
IFRS 16 effects	**(294)**	-	**(294)**	-
Depreciation expense & allowance	**22,017**	-	**26,554**	-
Tax adjustments	**(6,468)**	-	**9,233**	-
Exempt income	**(4,502,366)**	(3,523,615)	**(4,161,970)**	(3,466,169)
Final withholding tax on dividends	**457,607**	390,829	**457,607**	390,829
	443,333	859,695	**710,411**	699,554

18. TAXATION (continued)

c) Income tax payable/(recoverable)

	Group 2025 TZS'000	Group 2024 TZS'000	Company 2025 TZS'000	Company 2024 TZS'000
Opening balance	**304,282**	-	**290,599**	-
Tax charge for the year	**445,301**	859,696	**701,178**	699,554
Tax payments	**(861,685)**	(615,779)	**(749,752)**	(408,955)
	(112,102)	243,917	**242,025**	290,599

The deferred taxes have not been recognized due to the fact that the Directors do not expect the Company to generate sufficient taxable losses in the foreseeable future against which the deferred tax can be utilized.

19. DIVIDEND PAYABLE

	Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
Balance brought forward	**2,926,892**	1,882,761
Dividends declared during the year	**4,314,438**	3,266,646
Paid during the year	**(3,051,523)**	(2,222,515)
	4,189,807	2,926,892

At the end of the financial year 2024, the Board proposed a final dividend payment of TZS 70 per share, totalling TZS 4,314,438,380 (2023: TZS 53 per share TZS 3,266,646,202), based on the Group's financial performance for the year. This proposal was presented to shareholders at the 11th Annual General Meeting, where it was approved and subsequently paid during the year 2025.

The Board remains committed to a progressive dividend policy, ensuring consistent and sustainable returns to shareholders while aligning with the Group's financial performance and long-term growth strategy.

Payment of dividends is subject to withholding tax at the rate of 5%.

20. SHARE CAPITAL

	Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
Authorised:		
1,600,000,000 (2024: 1,600,000,000) ordinary shares of TZS 125 each	**200,000,000**	200,000,000
Issued and fully paid:		
61,634,834 (2024: 61,634,834) ordinary shares of TZS 125 each	**7,704,354**	7,705,604

National Investments Plc re-listed its shares on the Dar es Salaam Stock Exchange (DSE) in 2018. However, during the re-listing process, the Company undertook a reconciliation of its issued shares. As of 31st December 2025, a total of 61,634,834 shares were confirmed as legitimately issued and fully paid.

21. SHARE PREMIUM

	Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
	TZS'000	TZS'000
Balance brought forward	**1,588,635**	1,588,635
Adjustment	**-**	-
	1,588,635	1,588,635

22. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

22. BASIC AND DILUTED EARNINGS PER SHARE (continued)

	Group 2025 TZS'000	Group 2024 TZS'000	Company 2025 TZS'000	Company 2024 TZS'000
Profit attributable to equity holders	**11,287,222**	9,348,323	**10,727,988**	8,896,384
Weighted average number of ordinary shares	**61,634,834**	61,634,834	**61,634,834**	61,634,834
Earnings per share	**183.13**	151.67	**174.06**	144.34

Diluted earnings per share

Diluted earnings/(loss) per share is calculated by dividing the profits/(loss) attributable to equity holders of the company by the adjusted weighted average number of dilutive potential ordinary shares in issue during the year.

	Group 2025 TZS'000	Group 2024 TZS'000	Company 2025 TZS'000	Company 2024 TZS'000
Profit attributable to equity holders	**11,287,222**	9,348,323	**10,727,988**	8,896,384
Weighted average number of ordinary shares	**61,634,834**	61,634,834	**61,634,834**	61,634,834
Earnings per share	**183.13**	151.67	**174.06**	144.34

23. LEASE LIABILITIES

	Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
Non-current	**83,706**	134,202
Current	**40,393**	37,152
	124,099	171,354

23. LEASE LIABILITIES (continued)

	Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
The total cash outflow for leases in the year was:		
Payments of principal portion of the lease liability	**82,241**	149,283
Interest paid on lease liabilities.	**34,987**	43,582
	117,228	192,865
Reconciliation of lease liabilities arising from financing activities		
At start of the year	**171,354**	277,055
Interest charged to profit or loss (Note 13)	**34,987**	43,582
Cashflow:		
- Financing activities (interest paid)	**(34,987)**	(43,582)
- Additions	**34,987**	43,582
- Payments under leases	**(82,241)**	(149,283)
At end of year	**124,099**	171,354

The lease liabilities are unsecured and subject to review at various dates.

The exposure of the Company's leases interest rate changes and the contractual repricing dates at the reporting date are as follows:

	Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
6-12 months	**40,393**	37,152
1-5 years	**83,706**	134,202
	124,009	171,354
	%	%
Weighted average effective interest rates at the reporting date was:	**16**	16

23. LEASE LIABILITIES (continued)

The carrying amounts of the company's lease liabilities are denominated in the United States Dollar.

Maturity based on the repayment structure of lease liabilities is as follows:

Gross lease liabilities – minimum lease payments

	Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
Not later than 1 year	**39,852**	36,654
Later than 1 year and not later than 5 years	**87,328**	165,489
Future interest expense on leases liabilities	**(3,081)**	(30,789)
Present value of lease liabilities	**124,099**	171,354
Present value of lease liabilities		
Not later than 1 year	**40,393**	37,152
Later than 1 year and not later than 5 years	**83,706**	134,202
	124,099	171,354

24. (A) CAPITAL WORK IN PROGRESS

	Group 2025 TZS'000	Group 2024 TZS'000	**Company 2025 TZS'000**	Company 2024 TZS'000
At start of the year	**-**	1,920,542	**-**	1,920,542
Additions	**-**	133,529	**-**	133,529
Net book value	**-**	2,054,071	**-**	2,054,071

As part of its portfolio diversification strategy, NICOL acquired a semi-finished property at Msasani, Plot 818, in 2018, initially intended for the construction of a corporate office.

To optimize the asset's value, the property was repurposed for rental use. Currently, the ground and front areas of Msasani Plot 818 have been leased, generating an annual rental income of TZS 171 million. This decision aligns with the Company's broader investment strategy, ensuring optimal utilization of assets to enhance shareholder value.

24. (A) CAPITAL WORK IN PROGRESS (continued)

During the year, following the completion of refurbishment works and a change in management's intended use, the property was repurposed for rental operations with the objective of generating recurring income and enhancing returns on invested capital. Consequently, the asset was reclassified from work-in-progress to investment property in accordance with the requirements of IAS 40 *Investment Property*, as the property is now held to earn rentals rather than for owner-occupation.

(B) PROPERTY AND EQUIPMENT

Group

Year ended 31 December 2025	Motor vehicles TZS'000	Office equipment, furniture and fittings TZS'000	Building TZS'000	Total TZS'000
Cost				
At start of year	494,521	775,836	-	1,270,357
Additions	2,013	11,310	-	13,323
At end of year	496,534	787,146	-	1,283,680
Depreciation				
Charge from the previous year	99,880	524,041	-	623,921
Charge for the year	93,973	36,107	-	130,080
At end of year	193,853	560,148	-	754,001
Net book value	**302,681**	**226,998**	**-**	**529,679**

24. (B) PROPERTY AND EQUIPMENT (continued)

Year ended 31 December 2024	Motor vehicles TZS'000	Office equipment, furniture and fittings TZS'000	Building TZS'000	Total TZS'000
Cost				
At start of year	340,430	273,768w	-	614,198
Additions	154,091	502,068	22,620,000	23,276,159
At end of year	494,521	775,836	22,620,000	23,890,357
Depreciation				
Charge from the previous year	39,743	186,890	-	226,633
Charge for the year	60,137	337,151	3,117,228	3,514,516
At end of year	99,880	524,041	3,117,228	3,741,149
Net book value	**394,641**	**251,795**	**19,502,772**	**20,149,208**

Company

Year ended 31 December 2025	Motor vehicles TZS'000	Office equip-ment, furni-ture& fittings TZS'000	Total TZS'000
Cost			
At start of year	494,521	280,184	774,705
Additions	2,013	9,311	11,324
At end of year	496,534	289,495	786,029
Depreciation			
Charge from the previous year	99,880	220,157	320,037
Charge for the year	93,973	29,953	123,926
At end of year	193,853	250,110	443,963
Net book value	**302,681**	**39,385**	**342,066**

24. (B) PROPERTY AND EQUIPMENT (continued)

Year ended 31 December 2024	Motor vehicles TZS'000	Office equipment, furniture& fittings TZS'000	Total TZS'000
Cost			
At start of year	340,430	273,768	614,198
Additions	154,091	6,416	160,507
At end of year	494,521	280,184	774,705
Depreciation			
Charge from the previous year	39,743	186,890	226,633
Charge for the year	60,137	33,267	93,404
At end of year	99,880	220,157	320,037
Net book value	**394,641**	**60,027**	**454,668**

25. INVESTMENT PROPERTY

	Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
At start of the year	**-**	-
Transfer from WIP	**2,054,071**	-
Transfer from property and equipment	**19,502,772**	
Depreciation charge for the year	**(169,991)**	-
At end of the year	**21,386,852**	-

Upon reclassification, the carrying amount of the asset was transferred to investment property at cost, which approximated its fair value at the date of change in use, as the property had recently reached a leasable condition. The Company has adopted the cost model for subsequent measurement of investment property.

25. INVESTMENT PROPERTY (continued)

Accordingly, the asset is carried at cost less accumulated depreciation and impairment, where applicable, consistent with the Group's accounting policy, the ground and front areas of Msasani Plot 818 have been leased, generating annual rental income of TZS 171 million.

During the year, a building with a carrying amount of TZS 19,332,781 was reclassified from property, plant and equipment to investment property.

The building is leased, with the World Bank and IFC being the anchor tenant under a long-term lease arrangement. Accordingly, the property meets the definition of investment property and has been transferred to investment property in accordance with IAS 40.

26. RIGHT-OF-USE ASSETS

	Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
At start of the year	**202,574**	268,608
Additions	**-**	-
Depreciation charge for the year	**(64,552)**	(66,034)
At end of the year	**138,022**	202,574

27. TRADE AND OTHER RECEIVABLES

	Group 2025 TZS'000	Group 2024 TZS'000	**Company 2025 TZS'000**	Company 2024 TZS'000
Other receivables	**900,055**	1,401,995	**25,265**	42,432
Receivable from Nico land (current portion)	**-**	-	**514,238**	2,638,318
Net trade and other receivables	**900,055**	1,401,995	**539,503**	2,680,750
Prepayments	**35,292**	42,359	**35,292**	42,359
	935,347	1,444,354	**574,795**	2,723,109

28. CASH AND CASH EQUIVALENTS

	Group 2025 TZS'000	Group 2024 TZS'000	Company 2025 TZS'000	Company 2024 TZS'000
Cash in hand	**423**	705	**196**	274
Cash at bank	**355,375**	2,918,606	**214,272**	98,622
At end of the year	**355,798**	2,919,311	**214,467**	98,896

The carrying amounts of the Group and Company's cash and cash equivalents are denominated in the following currencies:

	Group 2025 TZS'000	Group 2024 TZS'000	Company 2025 TZS'000	Company 2024 TZS'000
Tanzanian Shilling	**162,162**	1,282,143	**61,169**	12,862
United States Dollar	**193,636**	1,637,168	**153,298**	86,034
	355,798	2,919,311	**214,467**	98,896

29. TRADE AND OTHER PAYABLES

	Group 2025 TZS'000	Group 2024 TZS'000	Company 2025 TZS'000	Company 2024 TZS'000
Other payables	**240,994**	268,772	**240,993**	198,201
Accruals	**789,958**	323,520	**140,620**	207,721
Payables to related parties	**35,400**	17,432	**35,400**	17,432
	1,066,352	609,724	**417,013**	423,354

Other payables relate to payables to several creditors who remained unpaid during the close of the year.

30. CASH FROM OPERATIONS

	Group 2025 TZS'000	Group 2024 TZS'000	Company 2025 TZS'000	Company 2024 TZS'000
Profit before tax	**11,730,555**	9,929,926	**11,438,399**	9,296,096
Adjustments for:				
Depreciation property and equipment (Note 20)	**300,071**	3,514,516	**123,926**	93,404
Depreciation on right of use (Note 21)	**64,552**	66,034	**64,553**	66,034
Interest on lease liability (Note 16)	**34,987**	43,582	**34,987**	43,582
Mirambo Street Properties profit	**-**	(272,062)	**-**	-
Loan processing fee (Note 10)	**34,931**	-	**34,931**	-
Net income from land sales	**95,841**	(641,253)	**-**	-
Interest UTT	**(148,128)**	-	**(148,128)**	-
Interest expense on borrowings	**1,738,654**	2,127,727	**1,199,888**	1,489,409
Changes in working capital:				
- trade and other receivables	**(639,121)**	16,532,422	**1,000,187**	(1,851,849)
- trade and other payables	**456,628**	(987,147)	**(6,339)**	165,744
- long-term receivable	**-**	-	**-**	2,191,781
Cash from operations	**13,668,970**	30,313,745	**13,742,404**	11,494,201

31. INVESTMENT UTT

	Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
Opening balance	**-**	-
Investment made during the year	**4,500,000**	-
Redemption of units	**(3,500,000)**	-
Accrued income	**148,128**	-
At end of the year	**1,148,128**	-

32. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Compensation to key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including all directors.

The renumeration of Directors and other key management members during the year were as follows:

a) Director's renumeration

Renumeration paid to directors during the year was as follows:

	Group 2025 TZS'000	Group 2024 TZS'000	Company 2025 TZS'000	Company 2024 TZS'000
Director's fees	**175,438**	177,290	**89,385**	88,641
Director's expenses	**80,829**	55,277	**80,829**	37,820
Board expenses	**89,128**	207,081	**53,296**	207,081
	345,395	439,648	**223,510**	333,542

(b) Key management personnel

	Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
Salaries and allowances	**504,502**	481,692
Gratuity	**119,750**	55,215
	624,252	536,907

32. RELATED PARTY TRANSACTIONS (continued)

(c) Receivables from related party

	Group 2025 TZS'000	Group 2024 TZS'000	Company 2025 TZS'000	Company 2024 TZS'000
Nicoland Development Company Limited	**-**	-	**514,238**	2,638,318
Staff loan – key management personnel	**22,000**	31,064	**22,000**	31,064
	22,000	31,064	**536,238**	2,669,382

(d) Payables from related parties

	Group 2025 TZS'000	Group 2024 TZS'000	Company 2025 TZS'000	Company 2024 TZS'000
Legal fees	**35,400**	17,432	**35,400**	17,432
Gratuity	**100,449**	150,430	**100,449**	150,430
Director's fees	**100,206**	-	**-**	-
Management fee	**109,096**	-	**-**	-
Directors' terminal benefits	**36,421**	22,135	**36,421**	8,500
	381,572	189,997	**172,270**	176,362

(e) Payments made to Company Secretary and Company Lawyer

	Group 2025 TZS'000	Group 2024 TZS'000	Company 2025 TZS'000	Company 2024 TZS'000
Legal fees	**160,570**	124,912	**124,330**	58,640
Secretarial fees	**32,400**	32,400	**32,400**	32,400
	192,970	157,312	**156,730**	91,040

***** Company Lawyer's firm is controlled by the Company Secretary.

33. EQUITY INVESTMENT AT FVOCI

	Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
At start of the year	**114,933,931**	96,877,777
Acquisition of new shares (CRDB & Tanga)	**1,991,492**	-
Current year FV revaluation gain/(loss)	**69,559,062**	18,056,154
At 31 December	**186,484,485**	114,933,931

The equity investments designated as held at fair value through other comprehensive income (FVOCI) relate to the following investments in securities quoted and traded on the Dar es Salaam Stock Exchange PLC (DSE). The market prices of these securities are available to the public.

	%interest held		Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
	2025	2024		
National Microfinance Bank	**4.1**	4.1	**171,523,043**	109,113,945
Tanzania Breweries Limited	**0.04**	0.04	**1,090,386**	1,396,617
Tanga Cement PLC	**0.06**	0.06	**290,232**	72,558
CRDB Bank	**0.01**	0.01	**3,269,518**	192,250
Swissport Plc	**0.01**	0.01	**7,661**	3,696
Tanzania Cigarette Company	**0.01**	0.01	**78,336**	130,560
Tanzania Portland Cement PLC	**0.03**	0.03	**376,617**	219,744
Dar-es-Salaam Stock Exchange	**6.35**	6.35	**9,193,692**	3,034,561
Vodacom	**0.04**	0.04	**655,000**	770,000
			186,484,485	114,933,931

The table below discloses the number of shares and value per share for the mentioned period.

33. EQUITY INVESTMENT AT FVOCI (continued)

	No. of shares 2025	**Value per share 2025 TZS'000**	No. of shares 2024	Value per share 2024 TZS'000
NMB Bank Plc	**20,395,130**	**8,410**	20,395,130	5,350
Tanzania Breweries Plc	**128,130**	**8,510**	128,130	10,900
Tanga Cement Plc	**120,930**	**2,400**	40,310	1,800
CRDB Bank Plc	**2,136,940**	**1,530**	286,940	670
Swissport Plc	**3,360**	**2,280**	3,360	1,100
Tanzania Cigarette Plc	**7,680**	**10,200**	7,680	17,000
Tanzania Portland Cement Plc	**61,040**	**6,170**	61,040	3,600
Dar es Salaam Stock Exchange Plc	**1,285,831**	**7,150**	1,285,831	2,360
Vodacom Tanzania Plc	**1,000,000**	**655**	1,000,000	770

34. INVESTMENT IN SUBSIDIARY

	Company 2025 TZS'000	Company 2024 TZS'000
At start of the year	**23,241,234**	-
Additions during the year	**1,800,000**	23,241,234
At end of the year	**25,041,234**	23,241,234

35. CORPORATE BONDS

	Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
Principal amount	**200,000**	200,000
Accrued interest	**23,362**	23,362
Interest paid	**(20,400)**	(20,400)
Total	**202,962**	202,962

36. GOVERNMENT SECURITIES HELD AT AMORTIZED COST

	Group 2025 TZS'000	Company 2025 TZS'000	Group & Company 2024 TZS'000
Treasury bonds			
Maturing 22 May 2039	-	-	TZS'000
Maturing 22 April 2040	**2,115,427**	**2,115,427**	2,121,111
Maturing 30 July 2040	**9,743,193**	**9,743,193**	10,863,915
Maturing 21 May 2040	-	-	1,415,929
Maturing 11 February 2041	**2,317,341**	**2,317,341**	3,636,261
Maturing 20 May 2041	-	-	2,073,796
Maturing 8 July 2041	**3,769,390**	**3,769,390**	3,827,794
Maturing 23 June 2042	-	-	-
Maturing 28 July 2042	**995,060**	**995,060**	996,324
Maturing 29 September 2042	**7,199,372**	**7,199,372**	7,195,732
Maturing 24 November 2042	**2,004,548**	**2,004,548**	2,000,785
Maturing 22 April 2046	-	-	1,751,587
Maturing 5 August 2046	**6,965,168**	**3,743,342**	3,745,388
Maturing 9 January 2050	**638,607**	**338,608**	-
Maturing 7 August 2050	**7,731,949**	**7,731,949**	-
	43,480,055	**39,958,229**	44,675,021

Treasury Bonds are securities issued by the Government of the United Republic of Tanzania. During the year ended 31 December 2025, the above represents the total portfolio of government securities hold by the Group and Company. The maturity analysis of the treasury bonds is as stated above.

36. GOVERNMENT SECURITIES HELD AT AMORTIZED COST (continued)

The portfolio remains heavily weighted toward long-term maturities (2040–2050), increasing duration risk and sensitivity to interest rate movements. While this strategy enhances yield stability and predictable cash flows, it exposes the Group to mark-to-market volatility in a rising interest rate environment.

The treasury bond portfolio remains stable in size, high in credit quality, and positioned for long-term income generation. Continued oversight is required to balance yield optimization with capital preservation and liquidity needs.

37. BORROWINGS

	Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
Current	**3,452,381**	3,452,381
Non-current	**9,257,143**	12,709,524
Total borrowings	**12,709,524**	16,161,905

Total borrowings of the Group decreased from TZS 16.16 billion in 2024 to TZS 12.71 billion in 2025, primarily due to scheduled principal repayments made during the year in accordance with the loan amortisation terms.

The facilities were obtained from Diamond Trust Bank Ltd and are secured by Treasury Bonds pledged in favour of the lender. The loans carry an interest rate of 11.5% per annum and are measured at amortised cost using the effective interest method.

The current portion represents contractual repayments due within twelve months after the reporting date, while the non-current portion relates to amounts payable beyond one year. Management confirms that the Company remained compliant with all loan covenants during the reporting period.

37. BORROWINGS (continued)

	Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
Balance at start of the year	**16,161,905**	19,614,286
Additions	**-**	-
Accrued interest	**1,714,126**	2,127,727
Payments (principal & interest)	**(5,166,507)**	(5,580,108)
At end of the year	**12,709,524**	16,161,905

The Group and company's net debt comprises of leases and borrowings. The net debt reconciliation is as presented in note 23 for leases and above respectively.

38. INVENTORIES

	Group 2025 TZS'000	Group 2024 TZS'000
At start of the year	**2,120,398**	9,549,356
Cost of sales on disposed land	**-**	(7,428,958)
At end of the year	**2,120,398**	2,120,398

39. BANK OVERDRAFT

	Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
DTB Bank overdraft	**-**	6,108,984
	-	6,108,984

40. GOODWILL

Goodwill arose from the acquisition completed in 2024 by Nicoland Development Company Limited of 99.99% equity interest in Mirambo Street Properties Limited for a consideration of TZS 21.26 billion. The goodwill of TZS 169 million represents the excess of the purchase consideration over the fair value of the identifiable net assets acquired and is recognised for consolidation purposes only. The movement of goodwill is as follows:

	Group & Company 2025 TZS'000	Group & Company 2024 TZS'000
Opening balance	**168,980**	-
Arising on acquisition	**-**	168,980
Impairment loss	**-**	-
	168,980	168,980

Goodwill is allocated to the cash-generating unit (CGU) relating to the Mirambo property investment operations and is tested annually for impairment, or more frequently where indicators of impairment exist, in accordance with applicable accounting standards. Management performed the annual impairment assessment as at 31 December 2025 and determined that the recoverable amount of the CGU exceeded its carrying amount. Accordingly, no impairment loss has been recognised during the current year (2024: nil).

The subsidiary continues to measure its underlying assets and liabilities at historical cost in its separate financial statements, with fair value adjustments recognised only for consolidation purposes.

The recoverable amount of the CGU has been determined based on value-in-use calculations using discounted cash flow projections. Key assumptions include projected rental income growth rates, discount rates, and terminal growth rates

41. CONTINGENT LIABILITIES

The Company is currently defending few pending legal suits, for which no liability has been admitted. While the Company maintains a strong legal position, there remains a possibility of incurring claims if the defence is unsuccessful. Accordingly, management has assessed these matters in compliance with International Accounting Standard (IAS) 37 – Provisions, Contingent Liabilities, and Contingent Assets, and has recorded provisions were deemed appropriate.

The Directors do not anticipate that the outcome of these legal proceedings will have a material impact on the Group and Company's financial statements.

42. EVENTS AFTER THE REPORTING DATE

There are no events or otherwise matters occurring subsequent to year end requiring disclosure and/or adjustment to these financial statements.

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The Economic Shield of The Nation

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