Blu Label Unlimited Group Limited
(Previously Blue Label Telecoms Limited)
(Incorporated in the Republic of South Africa)
(Registration number: 2006/022679/06)
JSE Share code: BLU
ISIN: ZAE000109088
("Blu Label", "BLU", "the Company" or "Group")

AUDITED CONSOLIDATED ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 31 MAY 2026, CASH DIVIDEND DECLARATION AND CHANGES TO THE BOARD AND ITS COMMITTEES

KEY MESSAGES

The year ended 31 May 2026 was characterised by disciplined execution in a challenging consumer environment and continued progress in building a simpler, more focused Blu Label. The Group's core platforms remained cash-generative, supported by disciplined cost management, improved liquidity and a sharper focus on earnings quality and returns on invested capital.

The defining milestone of the period was the successful restructuring and subsequent listing of Cell C Holdings Limited ("Cell C"). The transaction de-risked the Group's exposure, reduced complexity and enhanced earnings visibility, while Blu Label's retained shareholding preserves strategic optionality. Cell C's listing introduces transparent market valuation, strengthened governance and independent access to capital, reinforcing Blu Label's role as a strategic shareholder focused on long-term value creation rather than operational support.

During the year under review, Blu Energy secured a multi-year energy trading licence from the National Energy Regulator of South Africa. The licence positions the Group to participate meaningfully in the reform of South Africa's electricity market and to supply renewable energy solutions to municipalities and independent power producers, thereby supporting the operational objectives and longer-term growth ambitions of the business.

Reported results for the year were materially affected by the impact of IFRS(R) Accounting Standards arising from the restructuring transactions and the listing of Cell C. These effects are non-operational in nature and do not reflect the underlying trading performance of the Group.

The Board resumed dividend distributions during the year, declaring and paying an interim dividend of 43.56 cents per share. A final dividend of 10 cents per share has been declared, bringing the total dividend for the year to 53.56 cents per share. In addition, the Board will return capital to shareholders through a share repurchase programme, to be implemented under the general authority granted by shareholders and subject to market conditions.

Blu Label is increasingly positioned as an essential-services platform, spanning distribution and payments, data intelligence, embedded financial services, and infrastructure and energy. The Group's priority for FY2027 is clear: to generate cash, preserve balance-sheet flexibility, execute against its growth opportunities and allocate capital with discipline.

NORMALISED FINANCIAL RESULTS

The Group's financial results for the year ended 31 May 2026 were materially impacted by a series of strategic transactions, most notably the acquisition of control of Cell C, the subsequent pre-listing restructuring (which included the disposal of Comm Equipment Company ("CEC")), and the partial disposal of Cell C which resulted in it transitioning from a subsidiary back to an associate.

These transactions, while strategically important, introduce a degree of accounting complexity that created volatility in the underlying performance of the Group. Although the related accounting treatments are required under IFRS Accounting Standards, they are not indicative of Blu Label's core operational trajectory or earnings capacity.

Accordingly, to provide a clearer view of the Group's core performance, normalised financial information has been presented excluding the financial results of Cell C and CEC, all extraneous items arising from the restructuring transactions and the listing of Cell C, and losses on disposal and impairments.

This approach provides an alternative basis from which to evaluate the Group's sustainable earnings profile and ongoing performance. The normalised financial information is not based on IFRS Accounting Standards and does not form part of the primary financial statements of the Group.

On a normalised basis for the year ended 31 May 2026, the financial highlights were as follows:

- Revenue of R9.4 billion. On inclusion of the gross amount generated on "PINless top-ups", prepaid electricity, ticketing and universal vouchers, the effective increase equated to 7% from R93.2 billion to R99.9 billion;
- Gross income of R2.555 billion;
- EBITDA of R923 million;
- Net profit after tax of R677 million;
- Headline and core headline earnings of R681 million;
- Core headline earnings of 75.33 cents per share;
- Final dividend of 10 cents per share, bringing the total dividend for the year to 53.56 cents per share; and
- Commencement of a share repurchase programme.

Normalised Financial Results	Group May 2026 R'000
Revenue	9,435,336
Gross income	2,555,281
EBITDA	922,523
Net profit after tax attributable to equity holders of the parent	676,894
Headline earnings	681,067
Core headline earnings	681,461
Share performance:	
Earnings per share (cents)	74.83
Headline earnings per share (cents)	75.29
Core headline earnings per share (cents)	75.33

Following the successful restructuring of Cell C and the relinquishment of control in November 2025, the Group equity accounted for its 49.53% shareholding in Cell C. This equity-accounted contribution included CEC's earnings, following the disposal of CEC to Cell C and its integration into the Cell C Group.

Accordingly, the Group's normalised earnings will incorporate its proportionate share of Cell C's annual profitability, which will be added to the core headline earnings base of R681 million. This is expected to provide a more comprehensive view of the Group's total earnings while enhancing earnings visibility.

Prior to the listing of Cell C, The Prepaid Company Proprietary Limited ("TPC") disposed of a 15.95% equity interest in Cell C to Sisonke Growth Partners, a broad-based black economic empowerment special purpose vehicle, on vendor-funded terms. The transaction was undertaken to ensure that Cell C satisfied Independent Communications Authority of South Africa's ("ICASA") minimum historically disadvantaged individuals ownership requirement of 30% at the time of listing.

TPC continues to recognise the 15.95% interest as an asset, which has been classified as a non-current asset held for sale. This classification reflects the Group's commencement of a formal disposal or refinancing process that is expected to result in the accounting derecognition of the interest within the next six months.

Proceeds from this transaction are intended to support debt reduction and strengthen the Group's working capital position.

REPORTED FINANCIAL RESULTS

BLU's reported results include Cell C's equity-accounted contribution for the three months ended 31 August 2025, its consolidated results for the three months ended 30 November 2025, and CEC's results for the full six-month period, as the disposal became effective only at the end of November 2025.

For the period from 1 December 2025 to 31 May 2026, following the partial disposal of Cell C, which resulted in Cell C transitioning from a subsidiary to an associate, BLU accounts for its investment in Cell C using the equity method. Accordingly, BLU's reported results for the six months ended 31 May 2026 include its 49.53% share of the Cell C Group's profits, which incorporate CEC's results.

	Group May 2026 R'000	Group May 2025 R'000	Growth R'000	Growth %
Reported Financial Results				
Revenue	13,052,808	14,050,177	(997,369)	(7%)
EBITDA	(4,765,413)	1,604,090	(6,369,503)	(397%)
Net (loss)/profit after tax attributable to equity holders of the parent	(4,882,394)	2,484,243	(7,366,637)	(297%)
Headline earnings adjustments	5,638,482	1,612,163	4,026,319	250%
Headline earnings	756,088	4,096,406	(3,340,318)	(82%)
Core headline earnings	797,862	4,147,296	(3,349,434)	(81%)
Share performance:				
Earnings per share (cents)	(539.73)	276.52	(816.25)	(295%)
Headline earnings per share (cents)	83.58	455.96	(372.38)	(82%)
Core headline earnings per share (cents)	88.20	461.63	(373.43)	(81%)

Included in headline earnings adjustments for the year ended 31 May 2026 is a net loss of R5.6 billion, which is added back in determining headline earnings. This comprises a net loss of R5.19 billion relating to the Group's investment in Cell C, impairments of goodwill of R201 million, impairments of intangible assets and fixed assets of R116 million, a loss on disposal of assets of R29 million, and a loss on disposal of a subsidiary of R105 million.

The net loss of R5.19 billion relating to Cell C comprises a loss of R6 billion recognised on the disposal of TPC's investment in Cell C and CEC following Cell C's listing at a market capitalisation of R9 billion, partially offset by a gain of R841 million on the remeasurement of the previously held interest on TPC's acquisition of control of Cell C in September 2025.

Included in headline earnings adjustments for the year ended 31 May 2025 is a net loss of R1.6 billion attributable to the Group's share of historical impairments recognised by Cell C of R3.144 billion, partially offset by the reversal of the impairment previously recognised on Blu Label's investment in Cell C of R1.559 billion.

PROSPECTS AND OUTLOOK

The 2026 financial year has materially reshaped the Group. Cell C has been restructured and separately listed, and now stands on an independent footing, with its own capital structure and a transparent market valuation.

Blu Label commences the new financial year with materially reduced structural complexity and the Board's attention directed towards growing its operating businesses rather than towards resolving legacy exposures.

Core prepaid distribution and payments operations remain resilient, with management focused on protecting the Group's market-leading position, deepening client relationships and enhancing and executing on revenue assurance capabilities (including municipal payment enablement at scale).

Strategic investments are shifting from build-out to commercial execution, with Blu Energy progressing toward first contracted revenues on the back of an expanding municipal/commercial pipeline and project readiness. Blu Energy has secured a multi-year energy trading licence from NERSA, enabling participation in South Africa's power sector reform and the delivery of renewable energy solutions across municipalities and independent power producers.

DIVIDEND DECLARATION

Subsequent to 31 May 2026, the Board declared and approved dividend number 10.

On 25 August 2026, the Board approved a gross dividend of 10.00 cents per ordinary share, payable from income reserves. Together with the interim dividend of 43.56 cents per ordinary share declared in February 2026, this brings the total dividends declared in respect of the year ended 31 May 2026 to 53.56 cents per ordinary share. As the final dividend was declared after the reporting date, it has not been recognised in the financial statements for the year ended 31 May 2026. The salient dates are as follows:

Declaration date	Wednesday, 26 August 2026
Last date to trade cum dividend	Tuesday, 15 September 2026
Trading ex-dividend commences	Wednesday, 16 September 2026
Record date	Friday, 18 September 2026
Payment date	Monday, 21 September 2026

Share certificates may not be dematerialised or rematerialised between Wednesday, 16 September 2026 and Friday, 18 September 2026, both days inclusive.

Prior to declaring the dividend, the Board applied the solvency and liquidity test to the Company and reasonably concluded that the Company will satisfy that test immediately after payment of the dividend. The number of ordinary shares in issue at the date of this declaration is 913 655 873. The dividend is subject to local dividend withholding tax at a rate of 20%. Accordingly, shareholders who are not exempt from dividend withholding tax will receive a net dividend of 8.00 cents per ordinary share. Blu Label Unlimited Group Limited's tax reference number is 9062246179.

DIVIDEND POLICY

On 25 August 2026, the Board adopted a formal dividend policy. Blu Label is committed to returning capital to shareholders and, under the policy, targets an aggregate annual distribution to shareholders of between 30% and 50% of Blu Label's core headline earnings (the "target range"). For this purpose, core headline earnings is measured after excluding Blu Label's share of the earnings of Cell C.

Distributions under the policy may take the form of interim dividends, final dividends, dividends in specie or share repurchases, or any combination of these. Distributions in specie are measured at the fair value of the assets distributed on the date of declaration. The Board will determine the appropriate mix at the time of each distribution, having regard to the prevailing share price and to the form of distribution that it considers will deliver the greatest value to shareholders at the time.

In addition to the target range, between 50% and 70% of the cash dividends received by the Group from Cell C will be returned to shareholders, either by way of a cash dividend or by the distribution of Cell C shares of equivalent value. The balance will be retained and applied to the general funding requirements of the Group, including its working capital requirements and, in particular, the reduction of the Group's debt. Retaining a portion of the Cell C dividend stream supports the liquidity of the underlying operations and, through the reduction of debt, lowers finance costs and strengthens headroom against the financial covenants under the Group's facility arrangements. As gearing reduces, a progressively greater proportion of Group cash flow becomes available for distribution. The Board accordingly considers this application of the retained portion to be in the long-term interests of shareholders and will keep the proportion distributed under review as the Group's financial position develops.

The declaration of any dividend, whether in cash or in specie, and the implementation of any repurchase, remains within the Board's discretion and will in each case be determined having regard to:

- the solvency and liquidity test prescribed by section 4 of the Companies Act, read together with sections 46 and 48 thereof;
- the Group's working capital requirements and the availability of distributable reserves and free cash flow;
- committed and anticipated capital expenditure and investment commitments;
- continued compliance with the financial covenants under, and any consents required in terms of, the Group's facility arrangements; and
- prevailing trading, economic and market conditions.

The Board will review the policy annually. The policy does not constitute a commitment or an obligation to declare a dividend, whether in cash or in specie, or to effect a repurchase in any period. Core headline earnings is a non-IFRS measure, which is defined and reconciled to headline earnings in note 1.5. The adoption of the policy has no effect on the financial statements for the year ended 31 May 2026.

SHARE REPURCHASE PROGRAMME

On 25 August 2026, the Board further approved a share repurchase programme, in terms of which Blu Label will repurchase its shares pursuant to its existing general authority granted by shareholders at the Company's Annual General Meeting held on 21 November 2025. The repurchase will be effected in accordance with section 48 of the Companies Act, read together with section 46 and the solvency and liquidity test prescribed in section 4, and pursuant to the general authority granted by shareholders by way of special resolution. Repurchases under the programme will be undertaken, subject to market conditions, for as long as the Board considers them to remain value accretive to shareholders.
The Board is of the view that the repurchase programme will deliver incremental value to Blu Label shareholders over the longer term.

No shares had been repurchased at the reporting date, and the programme accordingly has no effect on the financial statements for the year ended 31 May 2026. As and when shares are repurchased, the consideration paid, together with any directly attributable costs, will be recognised as a reduction in equity over the term of the programme.

CHANGES TO THE BOARD AND ITS COMMITTEES

Shareholders are referred to the SENS announcement released on 24 February 2026 regarding the appointment of Mr Lindsay Peter Ralphs as an Independent Non-Executive Director and Chairman designate with effect from such date. Shareholders are advised that, as announced, Mr LM Nestadt will step down as Chairman of the Blu Label Board and the Nominations Committee effective 26 August 2026 and Mr LP Ralphs will be appointed as Chairman of the Blu Label Board and the Nominations Committee.

APPRECIATION

The Blu Label Board would like to extend its gratitude to the staff, suppliers, customers and business partners for their ongoing support and dedication to the Group.

SHORT-FORM ANNOUNCEMENT

Certain information presented in this results announcement constitutes pro forma financial information. The responsibility for preparing and presenting the pro forma financial information is that of the Company's directors.
The pro forma financial information is presented for illustrative purposes only and, because of its nature, may not fairly present Blu Label's financial position, changes in equity, results of operations or cash flows. The Company's full audited consolidated annual financial statements for the year ended 31 May 2026 are available as set out below.

This short-form announcement, and the results contained therein, has been prepared in compliance with the JSE Limited Listings Requirements. This short-form announcement is the responsibility of the directors of the Company.

This short-form announcement is based on an extract of the audited consolidated annual financial statements for the year ended 31 May 2026 released on SENS on 26 August 2026. The announcement itself is not audited and does not contain full or complete details.

The consolidated annual financial statements for the year ended 31 May 2026 have been audited by SizweNtsalubaGobodo Grant Thornton Inc. (SNGGT), who have expressed an unmodified opinion thereon.

Any investment decision by investors and/or shareholders should be based on consideration of the full audited consolidated annual financial statements for the year ended 31 May 2026. These results together with a copy of the accompanying auditor's reports are available on the Company's website (www.bluelabeltelecoms.co.za).

The JSE link is as follows:
https://senspdf.jse.co.za/documents/2026/JSE/ISSE/BLU/FYresults.pdf.

For and on behalf of the Board

LM Nestadt
Chairman

BM Levy and MS Levy
Joint Chief Executive Officers

DA Suntup* CA(SA)
Financial Director

26 August 2026

* Supervised the preparation and review of the Group's audited year-end results.

Company Secretary: J van Eden
Sponsor: Investec Bank Limited
Auditor: SizweNtsalubaGobodo Grant Thornton Inc.