THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 10 of this Circular apply throughout this Circular, including this front cover.

Action required by Shareholders:

i. This Circular is important and should be read in its entirety, with particular attention to be given to the section entitled "*Action required by Shareholders*" commencing on page 4 of this Circular, which sets out the detailed actions required of Shareholders in respect of the matters dealt with in this Circular.

ii. If you are in any doubt as to what action you should take in relation to this Circular, please consult your CSDP, Broker, agent, banker, accountant, attorney, or other professional advisor immediately.

iii. If you have disposed of all your Shares, this Circular should be handed to the purchaser of such Shares or to the CSDP, Broker or other agent through whom such disposal was effected.

BLU does not accept responsibility, and will not be held liable, under any applicable law, regulation or otherwise, for any action of, or omission by, any CSDP, Broker, or other service provider to, or other agent of, any beneficial owner of Shares including, without limitation, any failure on the part of the CSDP, Broker, or other service provider to, or agent of, any beneficial owner of Shares to notify such beneficial owner of the General Meeting or of the matters set out in this Circular.

This Circular does not, and is not intended to, constitute or form part of any offer, or invitation for or solicitation of any offer, to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of, or issue, any security in any jurisdiction, nor shall it or any part of it form the basis of, or be relied on in connection with, any agreement or commitment whatsoever in any jurisdiction. Any decision to approve the Resolutions contained herein should be made only on the basis of the information in this Circular.

BLU LABEL UNLIMITED

BLU LABEL UNLIMITED GROUP LIMITED

(previously known as "Blue Label Telecoms Limited")
(Incorporated in the Republic of South Africa)
(Registration number: 2006/022679/06)
Share code: BLU
ISIN: ZAE000109088
("**BLU**")

CIRCULAR TO SHAREHOLDERS

regarding the proposed:

(1) implementation of the Pre-Listing Restructuring by TPC (a wholly-owned Subsidiary of BLU); and

(2) implementation of (i) the Sell-Down, which will comprise the sale by TPC (a wholly-owned Subsidiary of BLU) of the Sell-Down Shares to Qualifying Investors in conjunction with the anticipated Listing of Cell C Listco on the JSE and (ii) the Executive Transfer, which will comprise the transfer by TPC (a wholly-owned Subsidiary of BLU) of the Executive Shares to Scheme Participants for purposes of the Executive Scheme,

which will:

- **each constitute a Category 1 transaction for BLU in terms of the JSE Listings Requirements; and**
- **each constitute a disposal of the greater part of TPC's assets or undertaking in terms of section 112 (read with section 115) of the Companies Act, requiring the approval of BLU's shareholders in terms of section 115(2)(b) of the Companies Act,**

and incorporating:

(3) extracts of section 115 of the Companies Act dealing with the approval requirements for fundamental transactions and section 164 of the Companies Act dealing with Dissenting Shareholders' Appraisal Rights, attached as Annexure 5;

(4) a Notice of General Meeting; and

(5) a Form of Proxy (grey) in respect of the General Meeting (to be completed by Certificated Shareholders and Own-Name Dematerialised Shareholders only).

Legal Advisor to BLU as to South African law
WERKSMANS ATTORNEYS

Financial Advisor and Transaction Sponsor to BLU and Cell C
RMB

Independent Auditor
SNG Grant Thornton

Transfer Secretaries
JSE INVESTOR SERVICES

Financial Advisor to BLU
Investec

Date of issue: Monday, 22 September 2025

This Circular is available in English only. This Circular will be made available electronically on BLU's website (https://www.bluelabeltelecoms.co.za/) and by email request to Janine van Eden at janinev@blts.co.za. A copy of this Circular may be inspected during normal business hours from the date of issue of this Circular up to and including the date of the General Meeting (both days inclusive) at the registered office of BLU and at the address of the Transaction Sponsor (as set out in the "Corporate information and advisors" section of this Circular).

IMPORTANT INFORMATION, DISCLAIMERS AND FORWARD-LOOKING STATEMENTS

The definitions and interpretations commencing on page 10 of this Circular apply to this section.

GENERAL

This Circular does not, and is not intended to, constitute or form part of any offer, or invitation for or solicitation of any offer, to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of, or issue, any security in any jurisdiction, nor shall it or any part of it form the basis of, or be relied on in connection with, any agreement or commitment whatsoever in any jurisdiction, (including, without limitation, South Africa, Australia, Canada, Japan, Hong Kong, the United Kingdom, the United States of America or any member state of the European Economic Area). Any decision to approve the Resolutions contained herein should be made only on the basis of the information in this Circular.

Subject to the passing of the Resolutions by the requisite majority of votes of Shareholders, the Listing referred to in this Circular will be implemented pursuant to a Pre-Listing Statement which will be distributed at a future point in time to Shareholders in accordance with the JSE Listings Requirements and other applicable South African law and regulations. This Circular is not the Pre-Listing Statement and does not contain all of the information required for a Pre-Listing Statement prepared in accordance with the relevant disclosure requirements under the JSE Listings Requirements.

This Circular is not for distribution, directly or indirectly, in or into any jurisdiction outside of South Africa (including, without limitation, Australia, Canada, Japan, Hong Kong, the United Kingdom, the United States or any member state of the European Economic Area) if such distribution is restricted or prohibited by, or would constitute a violation of, the relevant laws or regulations of such jurisdiction. If the distribution of this Circular and any accompanying documentation in or into any jurisdiction outside of South Africa is restricted or prohibited by, or would constitute a violation of, the laws or regulations of any such jurisdiction, this Circular is deemed to have been sent for information purposes only and should not be copied or redistributed. Further, any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements or restrictions. Any failure to comply with the applicable requirements or restrictions may constitute a violation of the securities laws of any such jurisdiction.

The securities mentioned in this announcement (the "Securities") have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act"), or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Securities in the United States.

The contents of this Circular have not been reviewed by any regulatory authority, other than the JSE. This Circular does not take into account the investment objectives, financial situation or needs of any particular person. Further, the contents of this Circular do not constitute legal advice or purport to comprehensively deal with the legal, regulatory and tax implications of the Resolutions contained herein or any other matter for each Shareholder. Shareholders are accordingly advised to consult their professional advisors about their personal legal, regulatory and tax positions regarding the matters contained in this Circular.

The information contained in this Circular constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act, No. 37 of 2002, as amended, and should not be construed as an express or implied recommendation, guide or proposal that the Pre-Listing Restructuring, the Listing or the Sell-Down or the present or future business or investments of BLU or Cell C Listco is appropriate to the particular investment objectives, financial situations or needs of any Shareholder or prospective investor, and nothing in this Circular should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa.

FORWARD-LOOKING STATEMENTS

This Circular contains certain "*forward-looking statements*" which reflect the current views or expectations of BLU with respect to future events and future financial and operational performance. All statements other than statements of historical fact are, or should be deemed to be, forward-looking statements, including, without limitation, those concerning: the economic outlook for the industries in which the Group operates; use of the proceeds of the Sell-Down; the Group's ability to implement its strategy; the competitive environments in which the Group operates; trends in the industries and markets in which the Group operates; future operating results, growth prospects and outlook for the operations of the Group, individually or in the aggregate, the Group's liquidity and available capital resources and expenditure.

These forward-looking statements generally reflect BLU's current plans, estimates, projections and expectations concerning future results and events and generally are identified by the use of forward-looking words or phrases such as "*believe*", "*expect*", "*forecast*", "*foresee*", "*planned*", "*intend*", "*seek*", "*aim*", "*anticipate*", "*estimate*", "*predict*", "*potential*", "*assume*", "*continue*", "*may*", "*will*", "*should*", "*could*", "*shall*", "*risk*", "*likely*" or the negative of these terms or similar expressions which are predictions of or indicate future events and future trends. Similarly, statements that describe BLU's objectives, plans or goals are or may be forward-looking statements. Any forward-looking statement has not been reviewed nor reported on by BLU's Independent Auditor.

Although BLU believes that the expectations reflected in these and other forward-looking statements are reasonable, no assurances can be given that such expectations will materialise or prove to be correct. These forward-looking statements are based on various estimates and/or assumptions subject to known and unknown risks, uncertainties and other factors that may cause future events or the Group's actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. Investors are cautioned not to place undue reliance on the forward-looking statements.

The forward-looking statements included in this Circular are made only as of the Last Practicable Date. BLU undertakes no obligation to update publicly, or release any revisions to, these forward-looking statements to reflect events or circumstances after the Last Practicable Date or to reflect the occurrence of future events. All subsequent written and oral forward-looking statements attributable to BLU or any person acting on its behalf are qualified by the cautionary statements above.

DATE OF INFORMATION PROVIDED

Unless the context clearly indicates otherwise, all information in this Circular is provided as at the Last Practicable Date. All references to times in this Circular are to South African Standard Time.

TRANSACTION SPONSOR

Shareholders are advised that RMB acts as Transaction Sponsor in relation to this Circular and the Listing. RMB is also one of a number of lenders to the Group.

In its capacity as Transaction Sponsor, RMB has confirmed to the JSE and to BLU that there is no matter that would impact its ability to exercise reasonable care and judgement in order to achieve and maintain independence and objectivity in its professional dealings in relation to the Group or that would impact on its ability to act within the Code of Conduct as set out in the JSE Listings Requirements.

RMB has appropriate internal procedures in place to ensure that its ability to act independently as Transaction Sponsor in relation to this Circular, and the matters contained herein, is not compromised. Pursuant to these internal procedures, RMB identifies and manages the risks of perceived conflict and maintains strict information barriers to ensure that, as Transaction Sponsor, it is able to act independently from other divisions within RMB. RMB also maintains and enforces restrictions around access to information, in order to ensure that such access is limited to deal teams for whom the specific information is relevant.

CORPORATE INFORMATION AND ADVISORS

Registered Office
75 Grayston Drive
Sandton
Johannesburg
South Africa

Place of incorporation: South Africa

Date of incorporation: 21 July 2006

Website: https://www.bluelabeltelecoms.co.za

Legal Advisor to BLU
Werksmans Inc.
(Registration number: 1990/007215/21)
The Central
96 Rivonia Road
Sandton 2196
South Africa
(Private Bag 10015, Sandton, 2146, South Africa)

Financial Advisor and Transaction Sponsor to BLU and Cell C
Rand Merchant Bank, a division of
FirstRand Bank Limited
(Registration number: 1929/001225/06)
1 Merchant Place
Cnr Fredman Drive and Rivonia Road
Sandton, 2196
South Africa
(PO Box 786273, Sandton, 2146, South Africa)

Financial Advisor to BLU
Investec Bank Limited
(Registration number: 1969/004763/06)
100 Grayston Drive
Sandown
Sandton, 2196
South Africa
(PO Box 785700, Sandton, 2146, South Africa)

Company Secretary
J van Eden
75 Grayston Drive
Sandton
Johannesburg
South Africa

Transfer Secretaries
JSE Investor Services Proprietary Limited
(Registration number: 2000/007239/07)
5th Floor
One Exchange Square
2 Gwen Lane
Sandown
Sandton
2196
(PO Box 4844, Johannesburg, 2000)

Independent reporting accountant (and independent auditor)
SNG Grant Thornton Inc.
(Registration number 2005/034639/21)
152, 14th Road
Midrand
Johannesburg
1685
South Africa

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 10 of this Circular apply to this section.

This Circular is important and requires your immediate attention.

If you are in any doubt as to what action to take, please consult your CSDP, Broker, agent, banker, accountant, attorney or other professional advisor immediately.

If you have disposed of all your Shares, this Circular should, subject to compliance with applicable securities laws, be handed to the purchaser of such Shares or to the CSDP, Broker or other agent through whom such disposal was effected.

Shareholders are requested to take note of the following information regarding the actions required by them in connection with this Circular.

1. **GENERAL MEETING**

Shareholders are invited to speak and vote at, and participate in, a General Meeting, convened in terms of the Notice of General Meeting (which is attached to, and forms part of, this Circular) for purposes of considering and, if deemed fit, adopting, with or without modification, the Resolutions set out in the Notice of General Meeting.

The General Meeting will be held at **10:00** on **Monday, 20 October 2025** and will be conducted entirely by electronic communication, as contemplated in the MOI and in section 63(2)(a) of the Companies Act. Shareholders will accordingly only be able to speak and vote at, and participate in, the General Meeting electronically via an electronic facility. Further details on the steps which need to be taken in order to access the electronic facility are provided below and in the Notice of General Meeting.

2. **VOTING AND ATTENDANCE AT THE GENERAL MEETING**

2.1 **Dematerialised Shareholders other than Own-Name Dematerialised Shareholders**

If you have Dematerialised your Shares without "*own name*" registration, then the following is relevant to you in connection with the General Meeting:

a. Voting at the General Meeting

I. Your CSDP or Broker should contact you to ascertain how you wish to cast your vote (or to ascertain whether you wish to abstain from casting your vote) at the General Meeting, and thereafter cast your vote (or abstain from casting your vote) in accordance with your instructions.

II. If you have not been contacted by your CSDP or Broker, it is advisable that you contact your CSDP or Broker and furnish it with your voting instructions.

III. If your CSDP or Broker does not obtain voting instructions from you, it should vote in accordance with the instructions contained in the mandate agreement between you and your CSDP or Broker.

IV. You must **NOT** complete the attached Form of Proxy (*grey*).

b. Attendance and representation at the General Meeting

I. In accordance with the mandate agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to speak and vote at, and participate in, the General Meeting yourself or through a proxy. If you do so, your CSDP or Broker should issue the necessary letter of representation to you or your proxy to speak and vote at, and participate in, the General Meeting.

II. In order to speak and vote at, and participate in, the General Meeting, you or your proxy will additionally need to take the steps required in order to access the electronic facility, as provided below and in the Notice of General Meeting.

III. Unless you advise your CSDP or Broker, in accordance with the mandate agreement between you and your CSDP or Broker, that you wish to attend the General Meeting and have been provided with a letter of representation from it or instructed it to send a proxy to represent you at the General Meeting, your CSDP or Broker may assume that you do not wish to attend the General Meeting and may act in accordance with the mandate between you and your CSDP or Broker.

BLU does not accept responsibility, and will not be held liable, under any applicable law, regulation or otherwise, for any action of, or omission by, any CSDP, Broker, or other service provider to, or agent of, any beneficial owner of Shares, including, without limitation, any failure on the part of the CSDP, Broker, or other service provider to, or agent of, any beneficial owner of Shares to notify such beneficial owner of the General Meeting or of the matters set out in this Circular.

2.2 **Own-Name Dematerialised Shareholders and Certificated Shareholders**

If you are a Certificated Shareholder or an Own-Name Dematerialised Shareholder, then the following actions are relevant to you in connection with the General Meeting:

a. Voting, attendance and representation at the General Meeting

I. You may speak and vote at, and participate in, the General Meeting yourself by registering to do so in the manner provided below and in the "Electronic participation" section in the Notice of General Meeting.

II. Alternatively, you may appoint one or more proxies to represent you at the General Meeting by completing the attached Form of Proxy (*grey*) in accordance with the instructions contained therein. In order for your proxy to speak and vote at, and participate in, the General Meeting, your proxy will additionally need to take the steps required in order to access the electronic facility, as provided below and in the "Electronic participation" section in the Notice of General Meeting. A proxy need not be a Shareholder. For the purpose of effective administration, it is requested that the Form of Proxy (*grey*) be lodged with, emailed to or posted to TMS, to the addresses provided below, so as to reach them at or before 10:00 on Thursday, 16 October 2025, although such forms may be emailed to TMS at proxy@tmsmeetings.co.za at any time prior to the commencement of the General Meeting:

Hand deliveries to:	**Postal deliveries to**:
The Meeting Specialist Proprietary Limited 6th Floor One Exchange Square 2 Gwen Lane Sandown Sandton 2196 South Africa	The Meeting Specialist Proprietary Limited PO Box 62043, Marshalltown, 2107 South Africa **Email deliveries to**: proxy@tmsmeetings.co.za

3. **IDENTIFICATION OF SHAREHOLDERS AND PROXIES**

In terms of section 63(1) of the Companies Act, before any person may speak or vote at, or participate in, the General Meeting, that person must present reasonably satisfactory identification, and the person presiding at the General Meeting must be reasonably satisfied that the right of the person to speak and vote at, and participate in, the General Meeting, either as a Shareholder, or as a proxy for a Shareholder, has been reasonably verified. Acceptable forms of identification include a valid green bar-coded or smart card identification document issued by the South African Department of Home Affairs, a valid South African driver's licence or a valid passport.

Before a Shareholder or its proxy will be entitled to speak and vote at, and participate in, the General Meeting, such Shareholder or its proxy must provide the necessary proof of its identification (to the satisfaction of TMS).

If the Shareholder is not an individual, the necessary proof of identification of its representative (such as the representative's valid green bar-coded or smart card identification document issued by the South African Department of Home Affairs, valid South African driver's licence or valid passport) must be accompanied by a copy of a resolution by the Shareholder which sets out that the representative is authorised to represent the Shareholder at the General Meeting.

4. **VOTING BY WAY OF POLL**

As the General Meeting will cater for electronic participation only, it will not be desirable nor practical for voting to take place by way of show of hands. Accordingly, to allow the voting preferences of all Shareholders to be taken into account, all voting will be conducted by way of poll through the electronic facility provided. Shareholders will have one vote in respect of each Share held.

5. **ELECTRONIC PARTICIPATION BY SHAREHOLDERS**

BLU has retained the services of TMS to host the General Meeting. This will take place on an interactive electronic platform that will facilitate remote participation and voting by Shareholders. TMS will also act as scrutineer for purposes of the General Meeting. Shareholders who wish to participate electronically and/or vote at the General Meeting are requested to contact TMS as soon as possible, but in any event no later than 10:00 SA Standard Time on Thursday, 16 October 2025 either on: email at: proxy@tmsmeetings.co.za or by telephone at: Farhana Adam (+27 84 433 4836), Izzy van Schoor (+27 81 711 4255) or Michael Wenner (+27 61 440 0654). Members of the media and other stakeholders are welcome to attend the General Meeting via the electronic link. Should visitors wish to attend virtually, they should contact TMS via the email/telephone details above in order to obtain a link to the online meeting. TMS will assist shareholders with the requirements for participation in, and/or voting at the General Meeting, including details of how to access the electronic voting platform.

TMS will first validate such requests and confirm the identity of the Shareholder in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communication facility will be provided. BLU will inform participants who notified TMS of their intended participation by no later than 17:00 (South African Standard Time) on Friday, 17 October 2025 by e-mail of the relevant details through which participants can participate electronically.

Shareholders or their proxies wishing to speak and vote at, and participate in, the General Meeting electronically may still register <u>after the above date and time</u>, provided, however, that for those Shareholders or their proxies to speak and vote at, and participate in, the General Meeting, they must first be registered and verified (as required in terms of section 63(1) of the Companies Act) before the commencement of the General Meeting. TMS will first validate such requests and confirm the identity of the Shareholder or proxy in terms of section 63(1) of the Companies Act. If the request is validated, further details will be provided to the Shareholder or proxy on using the electronic facility to participate electronically in the General Meeting.

While BLU will bear all costs for hosting the General Meeting by way of the electronic facility, the cost of electronic participation in the General Meeting is for the expense of the participant and will be billed separately by the participant's own service provider. The participant acknowledges that the electronic communication services are provided by third parties and indemnifies BLU against any loss, injury, damage, penalty or claim arising in any way from the use of possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against BLU, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the participant via the electronic services to the General Meeting.

The electronic facilities will permit all participants at the General Meeting to communicate concurrently, without an intermediary, and to participate reasonably effectively in the General Meeting. Shareholders who wish to participate electronically in and/or vote at the General Meeting are required to follow the instructions and relevant prompts provided in the Notice of General Meeting. BLU cannot guarantee that there will not be a break in electronic communication that is beyond its control and therefore BLU, the JSE, the Transfer Secretaries or any third-party service provider appointed in order to facilitate the General Meeting by electronic means cannot be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, mobile data, internet connectivity, internet bandwidth and/or power outages which prevents any Shareholder from participating in and/or voting at the General Meeting.

Although voting will be permitted by way of electronic communication at the General Meeting, Certificated Shareholders and Own-Name Dematerialised Shareholders are encouraged to, for administrative ease, make use of proxies for purposes of voting at the General Meeting in accordance with the instructions contained in the Form of Proxy (*grey*). Dematerialised Shareholders other than Own-Name Dematerialised Shareholders are encouraged to furnish their CSDPs or Brokers with their voting instructions.

6. **DISSENTING SHAREHOLDERS' APPRAISAL RIGHTS**

In terms of section 164 of the Companies Act, Shareholders who are entitled to vote on a Special Resolution, are advised of their Appraisal Rights as follows:

- at any time before a Special Resolution ("**Relevant Special Resolution**") is to be voted on at the General Meeting, a Shareholder (who is entitled to vote at the General Meeting) may give BLU written notice objecting to the Relevant Special Resolution;
- within 10 business days after the Relevant Special Resolution has been adopted by Shareholders, BLU must send a notice confirming that the Relevant Special Resolution has been adopted, to each relevant Shareholder who gave BLU written notice of objection and has neither withdrawn that notice nor voted in favour of the Relevant Special Resolution; and
- a Shareholder who has given BLU written notice in terms of section 164 of the Companies Act objecting to the Relevant Special Resolution, has voted against the Relevant Special Resolution and has complied with all of the procedural requirements set out in section 164 of the Companies Act may make a Valid Demand (within 20 business days after the General Meeting, assuming the notices in respect of section 164 of the Companies Act is issued on the day of the General Meeting) pursuant to which BLU will be required, subject to section 164(9)(c) of the Companies Act, to pay such Dissenting Shareholder the fair value (in terms of and subject to the requirements set out in section 164 of the Companies Act) for all the Shares held by that Dissenting Shareholder.

The above information is a summary of Dissenting Shareholders' Appraisal Rights under the Companies Act and Shareholders are advised to consider section 164 of the Companies Act in full to obtain a better understanding of their Appraisal Rights. An extract of section 164 of the Companies Act pertaining to the Appraisal Rights of a Dissenting Shareholder is set out in **Annexure 5** to this Circular.

7. **POTENTIAL COURT APPROVAL**

Shareholders are advised that BLU may, in certain circumstances as contemplated in section 115(2)(c) of the Companies Act, require Court approval for the Pre-Listing Restructuring and/or the Sell-Down despite the fact that the relevant Special Resolutions may have been duly adopted by the requisite majority of Shareholders at the General Meeting.

In this regard, an extract of section 115 of the Companies Act, which details the circumstances under which Court proceedings may be applicable in respect of the Pre-Listing Restructuring and the Sell-Down, is set out in **Annexure 5** to this Circular.

TABLE OF CONTENTS

IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 10 of this Circular apply to this section.

	2025
Notice Record Date in order to be eligible to receive this Circular (including the Notice of General Meeting)	**Friday, 12 September**
SENS announcement confirming availability of the Circular (including the Notice of General Meeting) on BLU's website	**Monday, 22 September**
Circular (including the Notice of General Meeting) made available on BLU's website	**Monday, 22 September**
Circular (including the Notice of General Meeting) distributed to Shareholders	**Monday, 22 September**
Last Day to Trade in order to be eligible to speak and vote at, and participate in, the General Meeting	**Tuesday, 7 October**
Voting Record Date in order to be eligible to speak and vote at, and participate in, the General Meeting	**Friday, 10 October**
Last date and time to register to participate electronically in the General Meeting by **10:00** on (*see note 7*)	**Thursday, 16 October**
For the purpose of effective administration, requested last date and time on and at which Forms of Proxy (*grey*) are to reach the Transfer Secretaries, by **10:00** on (*see note 5*)	**Thursday, 16 October**
Last date and time for Shareholders to give notice in terms of section 164 of the Companies Act to BLU, objecting to either or both of the Special Resolutions by 10:00 SA time on	**Monday, 20 October**
General Meeting of Shareholders at 10:00 on	**Monday, 20 October**
Results of the General Meeting released on SENS	**Monday, 20 October**
If the Special Resolutions are adopted by Shareholders:	
Last date on which Shareholders who voted against a Special Resolution may require BLU to seek Court approval in terms of section 115(3)(a) of the Companies Act, but only if that Special Resolution was opposed by at least 15% of the voting rights exercised thereon, on	**Monday, 27 October**
Last date on which Shareholders who voted against a Special Resolution can make application to the Court in respect of that Special Resolution in terms of section 115(3)(b) of the Companies Act on	**Monday, 3 November**
Last date for BLU to send notices of the adoption of a Special Resolution, in terms of section 164 of the Companies Act, to Shareholders who provided written notice of objection of and subsequently did not vote in favour of that Special Resolution, on	**Monday, 3 November**

Notes:

(1) All dates and times above and elsewhere in this Circular are South African Standard Time.

(2) The above dates and times may be amended, subject to the approval of the JSE, if required. Any material amendments will be released on SENS.

(3) Shareholders are reminded that Shares can only be traded on the JSE in Dematerialised form. No orders to Dematerialise or rematerialise Shares will be processed from the business day following the Last Day to Trade up to and including the Voting Record Date. Such orders will again be processed from the first business day after the Voting Record Date.

(4) The Register will be closed for Certificated Shareholders between the Last Day to Trade and the Voting Record Date.

(5) As noted above, for the purposes of effective administration, it is requested that Shareholders lodge, email or post the Form of Proxy (*grey*) so as to reach TMS at or before 10:00 on Thursday, 16 October 2025, provided that such form may nevertheless be emailed to TMS at proxy@tmsmeetings.co.za at any time prior to the commencement of the General Meeting.

(6) If the General Meeting is adjourned or postponed, Forms of Proxy *(grey)* submitted for the General Meeting will remain valid in respect of the resumption of the adjourned meeting, and the recommencement of the postponed meeting.

(7) Shareholders may still register online to speak and vote at, and participate in, the General Meeting electronically after this date and time, provided; however, for those Shareholders to speak and vote at, and participate in, the General Meeting electronically, they must be verified and registered before the commencement of the General Meeting.

(8) Shareholders who wish to exercise their Appraisal Rights are referred to **Annexure 5** to this Circular for purposes of determining the relevant timing for the exercise of their Appraisal Rights.

(9) Shareholders who wish to exercise their rights in terms of section 115(3) of the Companies Act, to require the approval of a Court for the Pre-Listing Restructuring and/or the Sell-Down, should refer to **Annexure 5** to this Circular which includes an extract of section 115 of the Companies Act. Should Shareholders exercise their rights in terms of section 115(3) of the Companies Act, the dates and times set out above may change, and Shareholders will be notified separately of the applicable dates and times resulting from any such changes.

DEFINITIONS AND INTERPRETATIONS

In this Circular (including the Notice of General Meeting and Form of Proxy (grey) but excluding the Annexures hereto), unless otherwise stated or the context indicates otherwise: (i) the words or expressions in the first column below shall have the meaning assigned to them in the second column; (ii) a reference to the singular shall include the plural and *vice versa*; (iii) a word or an expression which denotes one gender includes all other genders; (iv) a natural person includes a juristic person and *vice versa*; and (v) cognate words and expressions shall bear corresponding meanings:

“2022 Cell C Recap”	the transaction entered into by, inter alios, various entities in the Group and Cell C in 2022 in terms of which Cell C was restructured and refinanced, the details of which are set out in the SENS announcement of BLU dated 22 September 2022. For the avoidance of doubt, the 2022 Cell C Recap included the conclusion and implementation of the TPC New Funding Term Loan Facility Agreement, the TPC Reinvested Term Loan Facility Agreement, the Nedbank Reinvested Term Loan Facility Agreement and the Gramercy Reinvested Term Loan Facility Agreement;
“Albanta”	Albanta Trading 109 Proprietary Limited (registration number 2015/261614/07), a private company with limited liability, duly incorporated in South Africa, which holds 5.50% of the issued Cell C Shares as at the date of this Circular. All of the shares in Albanta are held by the Believe Trust. Albanta is not a Related Party in relation to BLU;
“Annexures”	the annexures attached to this Circular;
“Appraisal Rights”	the rights afforded to Shareholders in terms of section 164 of the Companies Act as a consequence of the adoption of each of the Special Resolutions, as set out in **Annexure 5** to this Circular;
“Believe Trust”	The Employee Believe Trust (master’s reference number IT003241/2016);
“BLU” or “Blu Label”	Blu Label Unlimited Group Limited (registration number 2006/022679/06) (previously known as “Blue Label Telecoms Limited”), a public company incorporated in accordance with the laws of South Africa, the Shares of which are listed on the main board of the JSE;
“Board” or “Director”	the board of directors of BLU and Director means any member of the Board, as the context requires. The names of the Directors of BLU as at the Last Practicable Date are listed on page 17 of this Circular;
“Bookrunning Process”	has the meaning given to it in paragraph 6.3.1 of this Circular;
“Broker”	any person or entity registered as a “*broking member (equities)*” in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“CEC”	Comm Equipment Company Proprietary Limited (registration number 2014/180727/07), a private company with limited liability, duly incorporated in South Africa, a wholly-owned subsidiary of TPC;
“CEC Exchange”	the transaction described in paragraph 5.2.4.2 of this Circular;
“Cell C”	Cell C Limited (registration number 1999/007722/06), a public company with limited liability, duly incorporated in South Africa. TPC owned 49.53% in Cell C as at 31 May 2025 and, depending on whether the transaction referred to in 5.1.1.2 has closed, owns either 53.57% or 59.66% in Cell C as at the date of this Circular (see paragraph 5.1 in this regard);
“Cell C Listco”	Cell C Holdings Limited (registration number 2025/668465/06), a public company with limited liability, duly incorporated in South Africa, which was incorporated by TPC as its wholly-owned subsidiary on 29 August 2025 for purposes of the Listing and Sell-Down;
“Cell C Listco Flip-Up”	the transaction described in paragraph 5.2.4.6 of this Circular;
“Cell C Listco Flip-Up Agreement”	the written agreement titled “Cell C Listco Flip-Up Agreement” entered into or to be entered into between Cell C, Cell C Listco and Cell C shareholders, which agreement sets out the terms applicable to the Cell C Listco Flip-Up;

“Cell C Listco Shares”	ordinary shares of Cell C Listco;
“Cell C Shares”	ordinary shares of Cell C;
“Certificated Share”	a Share which has not been Dematerialised, title to which is evidenced by a share certificate, or other physical document of title acceptable to BLU;
“Certificated Shareholder”	a Shareholder who holds a Certificated Share;
“Cigicell”	Cigicell Proprietary Limited (registration number 1998/023249/07), a private company with limited liability, duly incorporated in South Africa. Cigicell is a subsidiary of BLU;
“CIPC”	the Companies and Intellectual Property Commission, established in terms of section 185 of the Companies Act;
“Circular”	this bound document dated **Monday, 22 September 2025**, including, without limitation, the Annexures hereto and incorporating the Notice of General Meeting and the Form of Proxy *(grey)*;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended;
“Company Secretary”	the company secretary of BLU from time to time, the name and details of whom as at the Last Practicable Date is stated in the “*Corporate information and advisors*” section of this Circular;
“Court”	any South African court with competent jurisdiction to make any order relating to either Special Resolution pursuant to sections 115(3) to 115(7) of the Companies Act and/or to determine the fair value of Shares pursuant to section 164(14) of the Companies Act;
“CSDP”	a central securities depository participant, being a “*participant*” as defined in section 1 of the Financial Markets Act;
“Dematerialised” or “Dematerialisation”	the process whereby physical share certificates are replaced with electronic records evidencing ownership of shares in accordance with the rules of Strate, as contemplated in the Financial Markets Act;
“Dematerialised Share”	a Share which has been Dematerialised;
“Dematerialised Shareholder”	a Shareholder who holds a Dematerialised Share;
“Dissenting Shareholders”	Shareholders who validly exercise their Appraisal Rights (if any) by giving written notice to BLU objecting to a Special Resolution, voting against that Special Resolution and demanding, in terms of sections 164(5) and 164(8) of the Companies Act, that BLU pay to them the fair value of their Shares;
“EBITDA” or “Earnings before interest, tax, depreciation and amortisation”	profit before net finance costs, equity-accounted profit and tax as reported, plus depreciation on property, plant and equipment and right-of-use assets and amortisation on intangible assets;
“EPS”	earnings per Share, in each case to be determined in accordance with IFRS® Accounting Standards;
“Executive Scheme”	has the meaning given to it in paragraph 9 of this Circular;
“Executive Shares”	has the meaning given to it in paragraph 9 of this Circular;
“Executive Transfer”	has the meaning given to it in paragraph 9 of this Circular;
“Facility Agent”	TMF Corporate Services (South Africa) Proprietary Limited (registration number 2006/013631/07), a private company with limited liability, duly incorporated in South Africa. The Facility Agent is an independent service provider and not a Related Party in relation to BLU;
“Financial Markets Act”	the South African Financial Markets Act, No. 19 of 2012, as amended;
“Form of Proxy (*grey*)”	the form of proxy *(grey)* attached to the Notice of General Meeting and incorporated into this Circular for use by Certificated Shareholders and Own-Name Dematerialised Shareholders only, for purposes of appointing a proxy to represent such Shareholders at the General Meeting;

"General Meeting" the general meeting of Shareholders to be held by electronic communication only at **10:00** on **Monday, 20 October 2025** for the purposes of considering, and if deemed fit, passing, the Resolutions set forth in the Notice of General Meeting;

"Gramercy" Gramercy SA Telecom Holdings LLC (file no. 6895553), a limited liability company established in accordance with the laws of the State of Delaware, United States of America which held 6.09% of the issued Cell C Shares as at 31 May 2025, which shareholding has been or shall be transferred to TPC pursuant to the transaction described in paragraph 5.1.1.2 below. Gramercy's beneficial owners are various comingled funds and a large UK corporate pension plan and is not a Related Party to BLU;

"Gramercy Claim Acquisition Agreement" the assignment agreement entered into between Gramercy and TPC on or about 10 January 2025;

"Gramercy Claim" the right to be repaid the loan advanced by Gramercy to Cell C in terms of the Gramercy Reinvested Term Loan Facility Agreement, which claim was acquired by TPC from Gramercy in terms of Gramercy Claim Acquisition Agreement, it being recorded that the face value of such claim is R449,242,449.00 plus interest;

"Gramercy Reinvested Term Loan Facility Agreement" the written loan agreement entitled "*Gramercy Reinvested Term Loan Facility Agreement*" concluded on or about 21 September 2022 between Gramercy, the Facility Agent and Cell C;

"Group" BLU and its Subsidiaries from time to time, it being recorded that, for purposes of this Circular, Cell C is not regarded as part of the Group because it only became a Subsidiary of BLU shortly before the posting of this Circular and is expected not to be a Subsidiary of BLU after the Sell-Down (assuming the Sell-Down is approved and implemented);

"HEPS" headline earnings per share, determined in accordance with SAICA Circular 1/2023 Headline Earnings;

"Historical Financial Information" the audited consolidated historical financial information of -

- Cell C for the 12 months ended 31 May 2025, 5 months ended 31 May 2024, 12 months ended 31 December 2023 and 12 months ended 31 December 2022, which consists of the following information in relation to Cell C: (i) the consolidated statement of financial position as at 31 May 2025, 31 May 2024 and 31 December 2023, and 31 December 2022 (ii) the consolidated statement of comprehensive income, (iii) the consolidated statement of changes in equity and (iv) the consolidated statement of cash flows for the 12 months ended 31 May 2025, 5 months ended 31 May 2024, 12 months ended 31 December 2023 and 12 months ended 31 December 2022, and the notes thereto; and
- CEC, as incorporated by reference in terms of paragraph 27 of this Circular for the 12-month periods ended 31 May 2025, 31 May 2024 and 31 May 2023;

"IFRS® Accounting Standards" IFRS® Accounting Standards as issued by the International Accounting Standards Board;

"Implementation Agreement" the written agreement titled "Pre-Listing Restructuring Implementation Agreement" concluded on 1 September 2025 between TPC, Cell C, CEC, BLU, SPV4 and SPV5, which agreement sets out the terms of the Pre-Listing Restructuring;

"Income Tax Act" the South African Income Tax Act, No. 58 of 1962, as amended;

"Independent Auditor" SNG Grant Thornton Inc., with practice number: 2005/034639/21, the Independent Auditor of BLU;

"Integrated Annual Report" the integrated annual report for the Group in respect of the 12 months ended 31 May 2024, published on 30 September 2024 and available at https://www.bluelabeltelecoms.co.za/integrated-annual-reports.php

"Joint Global Coordinators" RMB, Morgan Stanley & Co. International plc and Investec Bank Limited, acting through its Investment Banking Division: Corporate Finance;

"JSE" as the context requires, either the: (i) JSE Limited, registration number: 2005/022939/06, a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act; or (ii) the Johannesburg Stock Exchange, a securities exchange licensed in terms of the Financial Markets Act and operated by the JSE Limited;

"JSE Listings Requirements" the listings requirements of the JSE, as amended;

"Last Day to Trade" the last JSE trading day to trade Shares in order to be reflected in the Register so as to be eligible to vote at the General Meeting, being **Tuesday, 7 October**;

"Last Practicable Date" **Tuesday, 9 September 2025**, being the last practicable date prior to the finalisation of this Circular;

"Listing" subject to the approval of the JSE, the listing of all the issued Cell C Listco Shares on the Main Board of the JSE;

"Listing Date" the date on which the Listing is to take place, which remains subject to final Board approval, taking into account various factors, including market conditions, it being recorded that in terms of the Implementation Agreement TPC shall have the right to extend the Listing Date by written notice to Cell C to a date which is no later than 30 April 2026;

"MOI" the memorandum of incorporation of BLU;

"NAV" net asset value;

"Nedbank" Nedbank Limited (registration number 1951/000009/06), a public company with limited liability, duly incorporated in South Africa. Nedbank is owned by various public shareholders and is not a Related Party in relation to BLU;

"Nedbank Reinvested Term Loan Facility Agreement" the written loan agreement entitled "Nedbank Reinvested Term Loan Facility Agreement " concluded on or about 21 September 2022 between Nedbank, the Facility Agent and Cell C;

"Notice of General Meeting" the notice convening the General Meeting to conduct the business described therein and to consider and, if deemed fit, adopt, with or without modification, the Resolutions, and which notice is attached to, and forms part of, this Circular;

"Notice Record Date" the date determined by the Board in terms of section 59 of the Companies Act for Shareholders to be eligible to receive this Circular (including the Notice of General Meeting), expected to be **Friday, 12 September 2025**;

"Offer Price" the price per Cell C Listco Share at which the Sell-Down Shares will be sold by TPC, which price shall be determined shortly prior to the Listing in terms of the Bookrunning Process;

"Ordinary Resolution 1" ordinary resolution 1 set out in the Notice of General Meeting, in terms of which Shareholders will, subject to the passing thereof, approve the Pre-Listing Restructuring in terms of the JSE Listings Requirements;

"Ordinary Resolution 2" ordinary resolution 2 set out in the Notice of General Meeting, in terms of which Shareholders will, subject to the passing thereof, approve the Sell-Down and the Executive Transfer in terms of the JSE Listings Requirements;

"Ordinary Resolution 3" ordinary resolution 3 set out in the Notice of General Meeting, in terms of which Shareholders will, subject to the passing thereof, authorise the Directors of BLU to do all such things and sign all such documentation as are necessary to give effect to the Special Resolutions, Ordinary Resolution Number 1 and Ordinary Resolution 2;

"Ordinary Resolutions" collectively, Ordinary Resolution 1, Ordinary Resolution 2 and Ordinary Resolution 3 and "Ordinary Resolution" shall refer to any of them as the context may require;

"Own-Name Dematerialised Shareholder" a Dematerialised Shareholder who has instructed their CSDP to hold their Dematerialised Share in their own name on the sub-registers maintained by the CSDP;

"Pre-Listing Restructuring" has the meaning given to it in paragraph 5.2.2 of this Circular;

"Pre-Listing Restructuring First Closing Date"	subject to the fulfilment or waiver of the Pre-Listing Suspensive Conditions, the second day prior to the Pricing and Allocations Announcement Date, it being recorded that, for the avoidance of doubt, the Pre-Listing Restructuring First Closing Date shall be extended in time if the Listing Date is extended by TPC, and shall, in that event, be the second day prior to the extended Pricing and Allocations Announcement Date;
"Pre-Listing Restructuring Second Closing Date"	the day immediately following the Pre-Listing Restructuring First Closing Date, it being recorded that, for the avoidance of doubt, the Pre-Listing Restructuring Second Closing Date shall be extended in time if the Listing Date is extended by TPC, and shall, in that event, be the day immediately following the extended Pre-Listing Restructuring First Closing Date;
"Pre-Listing Restructuring Steps"	has the meaning given to it in paragraph 5.2.2 of this Circular;
"Pre-Listing Suspensive Conditions"	the suspensive conditions to the Pre-Listing Restructuring, including the conditions referred to in paragraph 5.3;
"Pre-Listing Statement"	the pre-listing statement to be published by Cell C Listco in connection with the Listing, in accordance with the JSE Listings Requirements;
"Pricing and Allocations Announcement Date"	the third Business Day prior to the Listing Date, it being recorded that, for the avoidance of doubt, the Pricing and Allocations Announcement Date shall be extended in time if the Listing Date is extended by TPC, but shall remain three Business Days prior to such extended Listing Date;
"*Pro Forma* Financial Information"	the *pro forma* Group Statement of Comprehensive Income for the 12 months ended 31 May 2025 and the *pro forma* Group Statement of Financial Position as at 31 May 2025, and related notes, which illustrate the *pro forma* financial effects of subsequent events within the scope of paragraph 8.26(d) of the JSE Listings Requirements, the Pre-Listing Restructuring and the Sell-Down on the Group;
"Qualifying Investors"	those investors who will be eligible to acquire Sell-Down Shares from TPC in the Listing as contemplated in paragraph 6, in accordance with the criteria to be set out in the Pre-Listing Statement;
"Register"	the register of Certificated Shareholders maintained by the Transfer Secretaries on behalf of BLU and each of the sub-registers of Dematerialised Shareholders maintained by the relevant CSDPs in terms of the Financial Markets Act;
"Related Party"	shall have the meaning ascribed thereto in section 10 of the JSE Listings Requirements;
"Resolutions"	collectively, the Special Resolutions and the Ordinary Resolutions set out in the Notice of General Meeting;
"RMB"	Rand Merchant Bank, a division of FirstRand Bank Limited (registration number 1929/001225/06), a public company with limited liability, duly incorporated in South Africa and Transaction Sponsor;
"SAICA"	South African Institute of Chartered Accountants;
"Scheme Participants"	has the meaning given to it in paragraph 9 of this Circular;
"Sell-Down"	the sale of the Sell-Down Shares by TPC, as described in paragraph 6 of this Circular;
"Sell-Down Consideration"	the quantum of the estimated consideration received by TPC through the sale of the Sell-Down Shares at the Offer Price to Qualifying Investors based on an estimated total of R9,000,000,000. The Sell-Down Consideration is also subject to market conditions at the time of the Sell-Down;
"Sell-Down Shares"	the Cell C Listco Shares to be offered for sale by TPC to Qualifying Investors at the Offer Price in terms of the Sell-Down including, for the avoidance of doubt, any additional overallotment shares sold in terms of any overallotment option granted by TPC in connection with the Sell-Down to any stabilisation manager for the purposes of stabilisation activities relating to the Listing. As to the number of Sell-Down Shares, see paragraph 6.2.1 of this Circular;
"SENS"	the Stock Exchange News Service of the JSE;
"Shareholder"	a registered holder of an issued Share from time to time;

"Shares"	the ordinary shares of BLU having no par value, which shares are admitted to listing and trading on the JSE;
"South Africa"	the Republic of South Africa;
"Special Resolution 1"	special resolution 1 set out in the Notice of General Meeting, in terms of which Shareholders will, subject to the passing thereof, approve the Pre-Listing Restructuring in terms of section 112 and section 115(2)(b) of the Companies Act;
"Special Resolution 2"	special resolution 2 set out in the Notice of General Meeting, in terms of which Shareholders will, subject to the passing thereof, approve the Sell-Down and the Executive Transfer in terms of section 112 and section 115(2)(b) of the Companies Act;
"Special Resolutions"	collectively, Special Resolution 1 and Special Resolution 2 and "Special Resolution" shall refer to either of them as the context may require;
"SPV1"	Cedar Cellular Investments 1 (RF) (Pty) Limited (registration number 2017/068178/07), a private company with limited liability, duly incorporated in South Africa. SPV1 holds 4.04% in Cell C as at 31 May 2025;
"SPV4"	K2021889191 (South Africa) (RF) Proprietary Limited (registration number 2021/889191/07), a private company with limited liability, duly incorporated in South Africa which holds the SPV4 Sale Shares and a wholly-owned subsidiary of Albanta (Albanta in turn a wholly-owned subsidiary of the Believe Trust). SPV4 is not a Related Party to BLU;
"SPV4/TPC Claims"	loan claims equalling R426,705,056 held by TPC against SPV4 as at the date of this Circular, it being recorded that such amounts are owing by SPV4 to TPC: – as to R223,000,000 thereof, in respect of a loan made by TPC to SPV4 in terms of a facility agreement entered into between TPC and SPV4 on or about 20 September 2022; and – as to R203,705,056 thereof, being the purchase price payable by SPV4 to TPC for the purchase of 73,078,047 Cell C Shares of Cell C from TPC in terms of a sale of shares agreement entered into between TPC and SPV4 on or about 29 September 2022, which purchase price was left owing on loan account in accordance with the terms of such agreement;
"SPV4 Sale Shares"	all of the Cell C Shares which are owned by SPV4, it being recorded that: – as at 31 May 2025, SPV4 owned 153,078,047 Cell C Shares (which comprise 10.47% of the issued Cell C Shares); and – pursuant to a transaction entered into between SPV4 and previous management of Cell C, it is expected that, as at the date of this Circular, SPV4 shall have acquired an additional 25,000,000 Cell C Shares (which comprise 1.71% of the issued Cell C Shares);
"SPV5"	K2022559963 (South Africa) (RF) Proprietary Limited (registration number 2022/559963/07), a private company with limited liability, duly incorporated in South Africa which holds 10.00% of the issued Cell C Shares as at the date of this Circular and a wholly-owned subsidiary of Albanta (Albanta in turn a wholly-owned subsidiary of the Believe Trust). SPV5 is not a Related Party to BLU;
"SPV5/TPC Claims"	loan claims equalling R275,000,000 plus interest held by TPC against SPV5 in respect of a loan made by TPC to SPV5 in terms of a loan agreement entered into between TPC, Cell C and SPV5 on or about 20 September 2022;
"SPV5 Sale Shares"	146,156,095 Cell C Shares which are owned by SPV5 and which comprise 10% of the issued Cell C Shares as at the date of this Circular;
"Strate"	Strate Proprietary Limited, registration number: 1998/022242/07, a private company incorporated in accordance with the laws of South Africa, which is a registered central securities depository in terms of the Financial Markets Act, and which is responsible for the electronic settlement system for transactions that take place on the JSE and off market trades;
"Subsidiary"	a "*subsidiary*" as defined in the Companies Act, but also includes a person incorporated outside South Africa which would, if incorporated in South Africa, be a "*subsidiary*" as defined in the Companies Act;
"TMS" or **"The Meeting Specialist Proprietary Limited"**	The Meeting Specialist Proprietary Limited (registration number 2017/287419/07), a private company with limited liability, duly incorporated in South Africa. TMS is not a Related Party of BLU;

"TNAV"	tangible net asset value;
"TPC"	The Prepaid Company Proprietary Limited (registration number 1999/016716/07), a private company with limited liability, duly incorporated in South Africa and a wholly-owned subsidiary of BLU;
"TPC Debt-to-Equity Conversion"	the transaction described in paragraph 5.2.4.1 of this Circular;
"TPC New Funding Addendum"	the written addendum entered into between TPC, Cell C and the Facility Agent in respect of the TPC New Funding Term Loan Facility Agreement;
"TPC New Funding Claim"	the right to be repaid the loan advanced by TPC to Cell C in terms of the TPC New Funding Term Loan Facility Agreement, it being recorded that the face value of such claim as at the date of this Circular is R2,839,737,241 plus interest;
"TPC New Funding Term Loan Facility Agreement"	the written loan agreement entitled "*TPC New Funding Term Loan Facility Agreement*" concluded on or about 21 September 2022 between TPC, the Facility Agent and Cell C;
"TPC Reinvested Addendum"	the written addendum entered into between TPC, Cell C and the Facility Agent in respect of the TPC Reinvested Term Loan Facility Agreement;
"TPC Reinvested Claim"	the right to be repaid the loan advanced by TPC to Cell C in terms of the TPC Reinvested Term Loan Facility Agreement, it being recorded that the face value of such claim as at the date of this Circular is R305,558,476 plus interest;
"TPC Reinvested Term Loan Facility Agreement"	the written loan agreement entitled "*TPC Reinvested Term Loan Facility Agreement*" concluded on or about 21 September 2022 between TPC, the Facility Agent and Cell C;
"Transaction Sponsor"	RMB, being the transaction sponsor of BLU for purposes of this Circular;
"Transfer Secretaries" or **"JSEIS"**	JSE Investor Services Proprietary Limited (registration number 2000/007239/07), a private company with limited liability, duly incorporated in South Africa and transfer secretaries to BLU;
"U.S." or "United States"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
"Valid Demand"	the demand which a Shareholder may deliver to BLU in terms of section 164(5) of the Companies Act, within the time period contemplated in section 164(7) of the Companies Act, for payment of the fair value of its Shares, provided that such Shareholder has complied with the requirements of section 164(5) (a) and (c) of the Companies Act;
"VAT"	any value added tax imposed by the South African Value-Added Tax Act, No. 89 of 1991, as amended, and legislation and regulations supplemental thereto;
"Voting Record Date"	the date on which Shareholders must be entered in the Register in order to be eligible to speak and vote at, and participate in, the General Meeting, expected to be **Friday, 10 October 2025**;
"ZAR", "R" or "cents"	South African Rand and cents, the lawful currency of South Africa;
"ZTE Claims Acquisition Agreement"	the assignment agreement entered into between the ZTE Entities, TPC and Cell C on or about 13 March 2022;
"ZTE Entities"	ZTE Corporation (South Africa) Proprietary Limited (registration number 2006/003382/07), a private company with limited liability, duly incorporated in South Africa and ZTE Corporation (registration number 4403011038552869), a company with limited liability registered in accordance with the laws of the People's Republic of China. None of the ZTE Entities are Related Parties in respect of BLU;
"ZTE Claims"	the claims for payment which the ZTE Entities held against Cell C in terms of various supply agreements and services agreements entered into between the ZTE Entities and Cell C, which claims were acquired by TPC from the ZTE Entities in terms of the ZTE Claims Acquisition Agreement, it being recorded that the aggregate face value of such claims as at the date of this Circular is R82,628,875.

BLU LABEL UNLIMITED

BLU LABEL UNLIMITED GROUP LIMITED
(previously known as "Blue Label Telecoms Limited")
(Incorporated in the Republic of South Africa)
(Registration number: 2006/022679/06)
Share code: BLU
ISIN: ZAE000109088
("**BLU**")

DIRECTORS

Executive Directors:
BM Levy (Joint Chief Executive Officer)
MS Levy (Joint Chief Executive Officer)
DA Suntup (Financial Director)

Independent Non-executive Directors:
LM Nestadt*
LE Mthimunye
NP Mnxasana
H Masondo
SJ Vilakazi

* *Independent Non-Executive Chairman*

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

1.1 Shareholders are referred to the SENS announcement released by BLU on Friday, 16 May 2025, as well as the subsequent announcements made on 2 July 2025, 13 August 2025 and 1 September 2025 respectively, in terms of which BLU advised that it intended to undertake (i) the Pre-Listing Restructuring and (ii) the Sell-Down, to which this Circular relates.

1.2 BLU now wishes to obtain the necessary shareholder approvals to allow it to proceed with (i) the Pre-Listing Restructuring and (ii) the Sell-Down, if and at such time as the Board considers appropriate, taking into account various factors (including market conditions), and subject to the conditions set out in paragraphs 5.3 and 6.5, respectively.

1.3 This Circular also sets out the salient details of the Executive Transfer, the approval of which has been included together with the approval of the Sell-Down.

1.4 The purpose of this Circular is to:

1.4.1 provide Shareholders with additional information in relation to: (i) the Pre-Listing Restructuring and the manner in which it will be implemented, and (ii) the Sell-Down and the Executive Transfer, to enable Shareholders to make an informed decision in respect of the Resolutions set out in the Notice of General Meeting attached to this Circular; and

1.4.2 convene the General Meeting for Shareholders to consider and, if deemed fit, adopt the Resolutions to authorise BLU to proceed with (i) the Pre-Listing Restructuring and (ii) the Sell-Down and the Executive Transfer.

1.5 Please refer to:

1.5.1 paragraphs 5, 6 and 9 for the salient terms of the Pre-Listing Restructuring, the Sell-Down and the Executive Transfer, respectively; and

1.5.2 the Notice of General Meeting for a detailed description of the Resolutions to be voted on by Shareholders at the General Meeting.

1.6 The Pre-Listing Statement will be published by Cell C Listco, and the details of the Listing (including the timing thereof and the potential price range for the Offer Price) will be announced, in due course.

2. BACKGROUND TO, AND RATIONALE FOR, THE PRE-LISTING RESTRUCTURING AND THE SELL-DOWN

2.1 Following the 2022 Cell C Recap, BLU has been assessing further ways to unlock value for its Shareholders. BLU has supported Cell C across a number of transactions since the initial investment in the business.

2.2 As per the SENS announcement released on 16 May 2025 and 1 September 2025, BLU has been considering various strategic options and initiatives to unlock and deliver value to its Shareholders. In the consideration of these strategic options in relation to the Group and Cell C, BLU has decided to pursue the Pre-Listing Restructuring, which is intended to facilitate a separation and potential future listing of Cell C on the Prime Segment of the Main Board of the JSE. The proposed restructure encompasses various transactions as outlined in section 5 below, aimed at optimising Cell C's capital structure and balance sheet in preparation for a potential separation and future listing on the JSE.

2.3 The Pre-Listing Restructuring, Listing and Sell-Down are expected to deliver significant benefits for BLU, its Shareholders and Cell C. Should the Pre-Listing Restructuring be implemented, it will facilitate a separation of Cell C, and a potential future Listing of Cell C, allowing investors to independently assess the value and strategic focus of each business.

2.4 Following the implementation of the Pre-Listing Restructuring, Cell C will be structured in an efficient manner to facilitate the Listing. From a BLU perspective, the Listing of Cell C, together with the benefits to be derived from the successfully completed turnaround strategy and its improved sustainability, will enhance the value of Cell C and in turn restore its shareholder value. Additionally, the Listing of Cell C is expected to deliver significant benefits to BLU and Cell C including:

2.4.1 providing Cell C with access to capital markets on an independent basis, which it may use to support further growth and to finance acquisitions or investments;

2.4.2 crystallisation of value for BLU shareholders on the investment in Cell C given that it was undervalued for a number of years and;

2.4.3 elevating the Cell C brand through its potential listing on the JSE.

2.5 As per the publication of the Cell C presentation published on 26 May 2025 (see the SENS announcement released by BLU on Monday, 26 May 2025), under the leadership of the Cell C executive management team, Cell C has transformed its business model and is well positioned for the next phase of its development. BLU continues to believe in the strong investment case of Cell C, however the proposed Listing and separation of BLU and Cell C are aimed at ensuring the future success of both businesses.

2.6 BLU accordingly wishes to obtain the necessary shareholder approvals to allow it to proceed with the Pre-Listing Restructuring and Sell-Down, if and at such time as the Board considers appropriate, taking into account various factors (including market conditions), and subject to the conditions set out in paragraph 5.2.

2.7 The Pre-Listing Restructuring and the Sell-Down have the support of the Board, which recommends that Shareholders vote in favour of the Resolutions to approve the Pre-Listing Restructuring and the Sell-Down.

3. OVERVIEW OF THE GROUP AND CELL C

3.1 The Group

3.1.1 BLU is a leading digital distribution company, seamlessly connecting people with essential products and services. BLU specialises in prepaid solutions, virtual goods and value-added offerings, making them readily available to the mass market.

3.1.2 Listed on the JSE since 2007, BLU derives its strength from its extensive distribution network and building long-term partnerships.

3.1.3 BLU's proprietary platforms enable mobile networks, utilities, banks, retailers, petroleum companies and point-of-sale devices to drive consumer-centricity and speed to market, while ensuring the stability and security of its systems.

3.1.4 BLU has an extensive distribution footprint across South Africa. BLU has a large network of distribution points nationally across corporate distribution, retail outlets, standalone stores and mobile platforms.

3.1.5 Mobile networks, utilities, banks, retailers and others leverage BLU's proprietary platforms for efficient consumer engagement and rapid product launches, all backed by robust and secure systems.

3.1.6 BLU's neutral aggregation and intelligent switch capabilities allow MNOs to distribute multiple products (airtime, data, starter packs) through a single interface. This reduces complexity, improves reconciliation of nano-transactions, and enhances operational efficiency.

3.1.7 BLU's model is built around financial inclusion, enabling MNOs to serve customers who are unbanked or underbanked. This is especially critical in South Africa, where prepaid services dominate and traditional banking infrastructure is limited in many areas.

3.1.8 BLU goes beyond distribution. It offers a virtual platform, or what is referred to as a "virtual mall", for merchants, eliminating inventory management and reducing the risk of obsolescence.

3.1.9 BLU is a digital distributor of fintech products and services in an open loop encompassing:

3.1.9.1 scalable and transferable proprietary technology;

3.1.9.2 hardware that operates with different types of systems without suffering compatibility issues;

3.1.9.3 products and services that focus on expertise, knowledge and technology rather than on a brand;

3.1.9.4 customer experiences that are the same, regardless of the channel;

3.1.9.5 a relentless focus on providing an always-on and time-saving method of transacting;

3.1.9.6 payment facilitation that accommodates all methods of payment by the consumer and significantly reduces the cost of capital for customers; and

3.1.9.7 rich data and in-depth analysis to refine targeting and sales processes.

3.1.10 BLU's core distribution platform is a specialist in prepaid products and the electronic distribution of Value-Added Services ("**VAS**") across South Africa with an extensive distribution network that includes banks, retailers, and petroleum forecourts.

3.1.11 As the premier distributor of prepaid airtime and starter packs for all the major South African network operators, BLU leverages trusted proprietary technology to ensure purchasing efficiency and robust inventory control.

3.1.12 BLU's proprietary payments platform enables mobile networks, utilities, banks, retailers, and petroleum companies to seamlessly acquire and distribute VAS.

3.1.12.1 This platform enhances consumer-centricity and accelerates time to market, while maintaining robust system stability and security. Specifically, through its subsidiary company Cigicell, BLU plays a critical role in the distribution of prepaid electricity, partnering with over 100 South African municipalities.

3.1.12.2 Cigicell manages prepaid meters and integrates seamlessly with municipal financial systems, offering services such as bill presentment, meter auditing, and revenue assurance.

3.2 Cell C

3.2.1 Cell C is a telecommunications and technology company within the South African market with a highly recognisable brand and strong market presence, in which BLU held a 49.53% shareholding stake as at 31 May 2025 (which stake increased to over 50% as at the date of this Circular – see paragraph 5.1 below). Cell C has a diversified business model across its retail and wholesale businesses and is the leading enabler of mobile virtual network operators in South Africa.

3.2.2 Since July 2023 Cell has implemented a turnaround strategy, focusing on operational efficiencies, reducing operational expenditure and optimising traffic. This includes a significant reduction in capital expenditure and a conversion of a fixed-cost infrastructure-based network to a variable operational expenditure model. This, together with the recapitalisation of the debt structure as part of the Pre-Listing Restructuring, will result in a significant improvement of its liquidity and enable Cell C's long-term sustainability.

3.2.3 From a management perspective, Cell C's executive committee is now in place and additional management capacity has been established, enabling focus on key strategic areas that should result in the successful implementation of the strategy.

3.2.4 Over the past 24 months, the strengthened Cell C executive management team has been able to successfully stabilise the core segments and accelerate growth in the strategic segments. There has been significant improvement in both operational and financial metrics, that will be the foundation for sustainable growth and profitability of Cell C going forward.

3.2.5 Cell C operates a unique and disruptive business model built around a wholesale aggregator strategy, which minimises infrastructure ownership by leveraging long-term roaming agreements and virtualised network services. This approach reduces capital intensity, enhances operational flexibility, and enables scalable growth through strategic MVNO partnerships. The MVNO market has significant growth potential with Cell C being well poised to capture this growth through its unique and innovative business model. Cell C has established itself as the leading enabler of wholesale and mobile virtual network operators ("**MVNOs**") services in South Africa. As at mid-2025, 13 of the country's 23 active MVNOs are operating on its network, giving Cell C the largest share of MVNO partnerships in the market. With a robust and scalable platform, Cell C continues to serve as the primary launchpad for new entrants and challenger brands looking to disrupt the mobile space.

3.2.6 Cell C has also maintained success in the prepaid market driven by its focus on affordability, flexibility, and accessibility. Cell C's postpaid Average Revenue Per User (**ARPU**") is competitive, and its simplified contract structures, device financing options, and customer-centric service have helped it retain a loyal base, even as it faces tough competition from larger incumbents.

3.2.7 Cell C has re-emerged as a lean, agile and customer-focused telecommunications challenger in South Africa. Its transformation is underpinned by a low capital expenditure and asset-light.

3.2.8 Cell C's pioneering Multi-Operator Core Network ("**MOCN**") strategy, which is the first of its kind in South Africa, enables seamless switching between other MNO networks, improving reliability and user experience. This structure enables Cell C to deliver national high-grade coverage without the heavy capital investment required to compete on breadth and quality of coverage. The MOCN platform is underpinned by mutually beneficial long-term agreements that ensure capacity prioritization and access to its partner's emerging mobile technologies such as "fifth generation" mobile ("**5G**"). This model enhances flexibility, allowing rapid deployment of new products and services while freeing up resources for innovation, expanding product and service offerings, and enhancing customer experience.

3.2.9 In the wholesale and enterprise segment, Cell C is the leading platform for supporting MVNOs in South Africa, with majority market share and partnerships with major brands across retail, financial services and more. It offers MVNOs advanced value-added services, positioning itself for continued growth.

3.2.10 Going forward, Cell C will leverage network parity and invest further to enhance customer offerings and experience. Additionally, they will continue improving customer touch points and journeys through investment in digital platforms for a seamless customer experience.

4. PROSPECTS OF BLU AFTER THE SELL-DOWN

4.1 BLU will remain a vertically and horizontally integrated digital distribution company, and platform company specialising in prepaid products and the electronic distribution of virtual merchandise and value-added services.

4.2 BLU's prospects can be considered in terms of the focus of BLU's portfolio post the Sell-Down, BLU's intention in relation to its investment in Cell C post the Sell-Down, Cell C's prospects and other consequences of the Sell-Down.

4.2.1 **Focus of BLU's portfolio post the Sell-Down:** BLU is expected to sharpen its focus on its core digital distribution and fintech ecosystems in order to continue to drive financial inclusion in the mass market. BLU has developed extensive distribution network capabilities and strategic long-term partnerships which will enable BLU to achieve continued success. BLU's core proprietary platforms will ensure that BLU continues to be a key technology company across the South African landscape. BLU will focus on exploring further value-accretive and synergistic opportunities, indicating a forward-looking and diversified growth strategy.

4.2.2 **Refocused strategy on scalable core segments:** BLU's core business digital distribution of prepaid airtime, electricity, ticketing, universal vouchers and financial services continues to deliver strong performance.

4.2.3 **Strategic Rebranding and Market Positioning:** The rebranding to **Blu Label Unlimited Group** reflects a strategic pivot toward broader digital ecosystems. This positions BLU as a diversified fintech and digital services platform, better aligned with investor expectations and market trends in financial inclusion and e-tech solutions.

4.2.4 **Strong growth prospects in the electricity distribution platform:** BLU's electricity distribution arm, primarily through Cigicell. This growth reflects strong demand for prepaid electricity services and the resilience of the platform despite macroeconomic headwinds.

4.2.5 **BLU's intention in relation to its remaining investment in Cell C:** BLU intends to retain a residual strategic interest in Cell C which is dependent on a number of factors including being dependent on the ultimate valuation of Cell C and market conditions at the time of Listing. BLU will retain a strategic interest in Cell C reflecting its support for the significant positive changes that the Cell C executive management team have made. The Sell-Down will result in the introduction of non-controlling shareholders in Cell C Listco and a Cell C Listco board of directors that includes directors independent of BLU.

4.2.6 **Cell C's prospects:** Following the Listing and the Sell-Down, BLU is confident that the management and board of directors of Cell C Listco will continue to operate Cell C to its full potential. This will include focusing on growth of both its retail and wholesale segments and exploring further value-accretive opportunities. The capital expenditure-light business model, implementation of the MOCN strategy and diversification as part of the MVNO segment has set up Cell C's business strongly as a disruptor in the South African telecommunications space.

5. SALIENT TERMS OF THE PRE-LISTING RESTRUCTURING

5.1 Key events prior to the Pre-Listing Restructuring

5.1.1 In terms of prior transactions, TPC agreed two separate transactions in relation to the acquisition of further shares in Cell C:

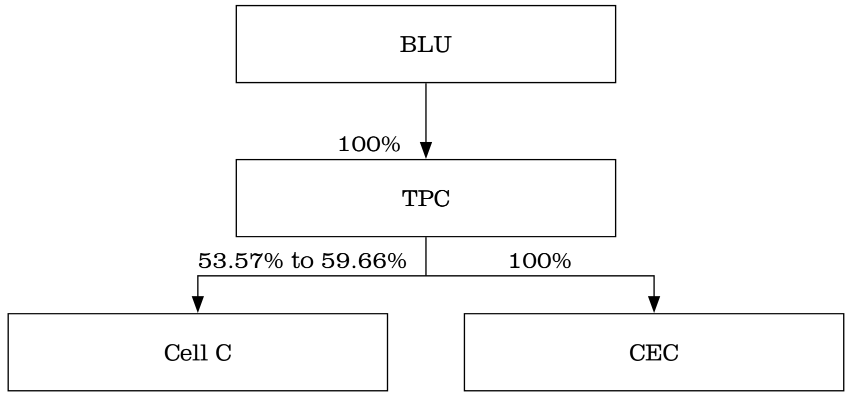
5.1.1.1 The acquisition of 4.04% of the Cell C Shares held by the Facility Agent following the enforcement by the Facility Agent of security rights over such shares in Cell C held by SPV1, which transaction was implemented on 11 September 2025;

5.1.1.2 The acquisition of 6.09% of Cell C Shares held by Gramercy for which all conditions were fulfilled during September 2025. It is envisaged that this transaction shall have been implemented as at the date of this Circular or shortly thereafter.

5.1.2 The effect of the above-mentioned transactions is that Cell C became a Subsidiary of TPC effective 11 September 2025, with TPC's voting rights in Cell C increasing from 49.53% to 53.57%. TPC's shareholding in Cell C shall further increase to 59.66% upon the closing of the transaction referred to in 5.1.1.2. However, as indicated in the definition of "Group", Cell C is not included in the BLU Group for purposes of this Circular.

5.2 Terms of the Pre-Listing Restructuring

5.2.1 Currently BLU owns 100% of TPC which, in turn, owns 100% of CEC and, depending on whether the transaction referred to in 5.1.1.2 has closed, either 53.57% or 59.66% of Cell C. The current (simplified) structure of the Group and Cell C, is as follows:



5.2.2 For the purposes of the Listing and the Sell-Down, BLU, TPC, Cell C and various other entities intend to implement the series of transactions referred to in paragraph 5.2.4 below (the "**Pre-Listing Restructuring**"). All the Pre-Listing Restructuring transactions will occur at a price per Cell C Share which shall be determined with reference to the Offer Price, which will not have been determined at the date of this Circular or at the date of the General Meeting. Although the price per Cell C Share at which the Pre-Listing Restructuring will be implemented ("**Pre-Listing Price**") will be determined with reference to the Offer Price (and, consequently, the valuation of the Cell C business pursuant to the Bookrunning Process) the Pre-Listing Price per Cell C Share will not be identical to the Offer Price per Cell C Listco Share, given that the number of Cell C Shares and Cell C Listco Shares in issue shall not be the same. The purpose of executing the Pre-Listing Restructuring at a price per Cell C

Share, which shall be determined with reference to the Offer Price per Cell C Listco Share, is to ensure that TPC and new investors into Cell C Listco are treated in an equal manner. The Offer Price will be used to determine the valuation of Cell C prior to the implementation of the Pre-Listing Restructuring. In the instances in which the Pre-Listing Restructuring transactions will be settled through the issuance of Cell C Shares, the requisite number of shares to be issued will be determined in accordance with the Pre-Listing Price per Cell C Share. For the avoidance of doubt, the Offer Price and the Pre-Listing Price will not be known as at the time of the General Meeting.

5.2.3 In anticipation of the Pre-Listing Restructuring:

5.2.3.1 TPC, Cell C and the Facility Agent shall enter into the TPC New Funding Addendum and the TPC Reinvested Addendum, in terms of which the TPC New Funding Term Loan Facility Agreement and the TPC Reinvested Term Loan Facility Agreement shall be converted into compulsory convertible instruments, pursuant to which TPC shall be granted the rights ("**TPC Conversion Rights**") to convert the TPC New Funding Claim and the TPC Reinvested Claim (in each case, at a discount of 0.01% to the face value of such claim) into Cell C Shares on the Pre-Listing Restructuring First Closing Date at a price equal to the Pre-Listing Price per Cell C Share;

5.2.3.2 TPC shall exercise the TPC Conversion Rights by written notice to Cell C, which shall give rise to the obligation to convert the TPC New Funding Claim and the TPC Reinvested Claim into Cell C Shares on the Pre-Listing Restructuring First Closing Date, which conversion is described in paragraph 5.2.4.1 below.

5.2.4 The terms of the Pre-Listing Restructuring are set out in the Implementation Agreement and the Cell C Listco Flip-Up Agreement. The Pre-Listing Restructuring shall consist of the following steps (collectively the "**Pre-Listing Restructuring Steps**"):

5.2.4.1 **Step 1**, being the **TPC Debt-to-Equity Conversion** in terms of which, on the Pre-Listing Restructuring First Closing Date, the TPC New Funding Claim, the TPC Reinvested Claim, the ZTE Claims (which were transferred to TPC in terms of the ZTE Claims Acquisition Agreement) and the Gramercy Claim (which was transferred to TPC in terms of the Gramercy Claim Acquisition Agreement) held by TPC against Cell C will be converted into equity by Cell C issuing Cell C Shares to TPC at a price equal to the Pre-Listing Price per Cell C Share (the TPC New Funding Claim and the TPC Reinvested Claim being converted at a discount of 0.01% to the face value of such claim);

5.2.4.2 **Step 2**, being the **CEC Exchange**, in terms of which, on the Pre-Listing Restructuring First Closing Date, TPC shall dispose to Cell C 1,001 ordinary shares in CEC which are owned by TPC, comprising 100% of the issued ordinary shares of CEC, in return for the issuing by Cell C to TPC of Cell C Shares at a price equal to the Pre-Listing Price per Cell C Share, on the terms set out in the Implementation Agreement. The CEC Exchange shall constitute an asset-for-share transaction in terms of section 42 of the Income Tax Act. In terms of the Implementation Agreement:

5.2.4.2.1 The CEC Exchange consideration is R2.150 billion, which will be settled through the issuance of Cell C Shares;

5.2.4.2.2 TPC provides warranties to Cell C which are standard for a transaction of this nature, including relating to the business, financial information, and tax affairs of CEC; and

5.2.4.2.3 Cell C shall procure the release of BLU (or any of its affiliates) from any liability which BLU (or any of its affiliates) may have under any guarantee, suretyship, indemnity or the like furnished on behalf of CEC.

After the CEC Exchange, CEC shall dispose of all of its assets to Cell C in anticipation of CEC's liquidation, in accordance with section 47 of the Income Tax Act;

5.2.4.3 **Step 3**, being the **TPC Airtime Disposal** in terms of which TPC shall, on the Pre-Listing Restructuring First Closing Date, dispose of Cell C airtime with a sales value of between R7,300,000,000 to R7,500,000,000 (inclusive of VAT) held by TPC to Cell C, in return for the issuing by Cell C to TPC of Cell C Shares at a price equal to the Pre-Listing Price per Cell C Share, on the terms set out in the Implementation Agreement. The purchase price of the airtime transferred by TPC is at a discount of c. 8.77% to face value;

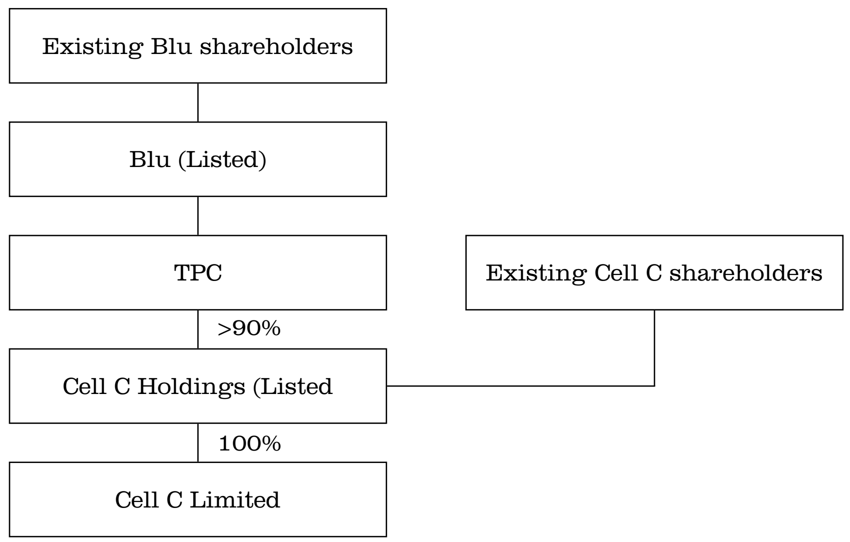
5.2.4.4 **Step 4**, being the sale by SPV4 of its shares in Cell C (being the SPV4 Sale Shares) to TPC, on the terms set out in the Implementation Agreement. The purchase price for the SPV4 Sale Shares shall be R287,927,500 ("**SPV4 Purchase Price**"), which shall be set-off against the obligation of SPV4 to repay the SPV4/TPC Claims to TPC for an amount equal to the SPV4 Purchase Price. The balance of the SPV4/TPC Claims owing by SPV4 to TPC shall be written off by TPC. SPV4 shall only grant title warranties in respect of the SPV4 Sale Shares to TPC;

5.2.4.5 **Step 5**, being the sale by SPV5 of its shares in Cell C (being the SPV5 Sale Shares) to TPC, on the terms set out in the Implementation Agreement. The purchase price for the SPV5 Sale Shares shall be R275,000,000 ("**SPV5 Purchase Price**"), which shall be set-off against the obligation of SPV5 to repay the SPV5/TPC Claims to TPC for an amount equal to the SPV5 Purchase Price. The balance of the SPV5/TPC Claims owing by SPV5 to TPC shall be written off by TPC. SPV5 shall only grant title warranties in respect of the SPV5 Sale Shares to TPC;

5.2.4.6 **Step 6**, being the **Cell C Listco Flip-Up** in terms of which, on the Pre-Listing Restructuring Second Closing Date, the holders of Cell C Shares (including TPC) shall dispose to Cell C Listco 100% of the Cell C Shares, in return for the issuing by Cell C Listco to those shareholders of the proportionate number of Cell C Listco Shares in the proportions in which the Cell C Shares were held by those shareholders, on the terms set out in the Cell C Listco Flip-Up Agreement. All Cell C shareholders, including TPC, will hold a proportionate share of Cell C Listco shares reflecting the exact interest held by those Cell C shareholders in Cell C immediately prior to the Cell C Listco Flip-Up. The effect of this would be that TPC would hold shares in Cell C Listco, proportionate to the shares which TPC held in Cell C immediately prior thereto, and that Cell C would be a wholly owned subsidiary of Cell C Listco.

5.2.5 In terms of the Implementation Agreement, Cell C provides warranties to TPC which are standard for a transaction of this nature, including relating to the business, financial information, and tax affairs of Cell C.

5.2.6 The structure of the Group and Cell C immediately after the implementation of the Pre-Listing Restructuring, but prior to the Sell-Down, shall be as follows:



5.2.7 As illustrated by the organogram above, TPC will hold its interest directly in Cell C Listco post the implementation of the Pre-Listing Restructuring.

5.2.8 Although the ultimate shareholding will depend on the Offer Price, it is expected that TPC will hold an interest of more than 90% in Cell C Listco post the implementation of the Pre-Listing Restructuring.

5.2.9 The Pre-listing Statement will be published by Cell C Listco, and the details of the Listing (including the timing thereof and the potential price range for the Offer Price) will be announced to Shareholders, in due course.

5.3 **Suspensive Conditions to the Pre-Listing Restructuring**

5.3.1 The Pre-Listing Restructuring will be subject to the fulfilment (or, where applicable, waiver) of various suspensive conditions, including the following (the "**Pre-Listing Suspensive Conditions**"):

5.3.1.1 that Special Resolution 1 and Ordinary Resolution 1 are approved by the requisite majority of Shareholders specified in the Notice of General Meeting;

5.3.1.2 the sole shareholder of TPC shall have approved the implementation of the Pre-Listing Restructuring by TPC as a special resolution in terms of section 112 (read with section 115) of the Companies Act;

5.3.1.3 if Court approval is required for the implementation of the Pre-Listing Restructuring as envisaged in section 115(2)(c) of the Companies Act, the Court shall have approved the implementation of the Pre-Listing Restructuring and no appeal or review of that decision shall have been timeously lodged (or if timeously lodged, such appeal or review shall not have been successful), or the provisions of section 115(2)(c) shall otherwise have ceased to be applicable;

5.3.1.4 if one or more Shareholders give notice objecting to Special Resolution 1 in terms of section 164(3) of the Companies Act and subsequently vote against that Special Resolution at the General Meeting, either:

5.3.1.4.1 such objection and subsequent vote take place in respect of less than or equal to 2% of all of the Shares; or

5.3.1.4.2 such objection and subsequent vote take place in respect of more than 2% of all of the Shares (or such greater percentage as is acceptable to the Board), and BLU thereafter receives Valid Demands in terms of sections 164(5) to 164(8) of the Companies Act in respect of less than or equal to 2% (or such greater percentage as is acceptable to the Board) of all the Shares within the time periods required in terms of section 164(7) of the Companies Act, provided that any Valid Demands received within such time periods that have subsequently been withdrawn will not be counted for purposes of this subclause;

5.3.1.5 all consents, waivers and approvals required in respect of the Pre-Listing Restructuring shall have been obtained from the directors and shareholders of the entities which are party to the Pre-Listing Restructuring Steps including, TPC, CEC, Cell C, Cell C Listco, SPV4 and SPV5;

5.3.1.6 all necessary consents, waivers and approvals required in respect of the Pre-Listing Restructuring shall have been obtained from relevant third parties;

5.3.1.7 a final tax opinion shall have been issued confirming the tax consequences of the Pre-Listing Restructuring Steps;

5.3.1.8 the Pre-Listing Statement shall have been finally approved by the JSE and, thereafter, published;

5.3.1.9 the MOI of Cell C shall have been validly amended to provide for the authorised shares of Cell C to consist of a single class of 12,000,000,000 Cell C Shares;

5.3.1.10 all regulatory consents (including the requisite approvals from the competition authorities) shall have been received on an unconditional basis or, to the extent that any such regulatory consents are subject to any obligation, undertaking, condition or qualification, the party adversely affected by the obligation, undertaking, condition or qualification shall have confirmed in writing that the condition is acceptable to it; and

5.3.1.11 each of the Implementation Agreement and the Cell C Listco Flip-Up Agreement shall have been signed by the parties thereto and shall have become unconditional in accordance with its terms.

5.3.2 One or more parties to the Implementation Agreement shall be entitled to waive each of the Pre-Listing Suspensive Conditions in accordance with the terms set out in the Implementation Agreement, except for Pre-Listing Suspensive Conditions which are regulatory in nature and which, accordingly, are not capable of waiver.

5.4 **Implementation of Sale Steps before The Pre-Listing Restructuring First Closing Date**

5.4.1 Each of Step 4 and Step 5 (each a "**Sale Step**") entails the purchase of Cell C Shares by TPC from another shareholder in Cell C (namely SPV4 and SPV5, respectively) at the SPV4 Purchase Price and the SPV5 Purchase Price referred to above and as recorded in the Implementation Agreement.

5.4.2 TPC and each counterparty to a Sale Step shall have the right to implement that Sale Step on any date prior to the Pre-Listing Restructuring First Closing Date agreed to between them, which implementation shall not affect the implementation of the other Steps on the Pre-Listing Restructuring First Closing Date.

5.5 **Resolutive Condition to the Pre-Listing Restructuring**

5.5.1 Should TPC have given Cell C written notice ("**No-Go Notice**") prior to the Listing Date to the effect that TPC no longer wishes to proceed with the Sell-Down, then the Pre-Listing Restructuring shall cease to be of any force or effect and the parties shall, subject to 5.5.2, be restored as near as possible to the positions in which they would have been, had the Implementation Agreement and the Cell C Listco Flip-Up Agreement not been entered into.

5.5.2 Notwithstanding 5.5.1, TPC shall, in its sole discretion, be entitled to specify in a No-Go Notice any one or more of the Pre-Listing Restructuring Steps ("**Keep Steps**") which shall not cease to be of force and effect in terms of 5.5.1, in which case the implementation of the Keep Steps shall be wholly unaffected by the resolutive condition. For the avoidance of doubt, the Pre-Listing Restructuring Steps which are not indicated as Keep Steps in the No-Go Notice shall cease to be of any force or effect and shall be cancelled in terms of 5.5.1. The Keep Steps shall be implemented at a price per Cell C Share determined in accordance with an agreed valuation.

5.6 **Categorisation of the Pre-Listing Restructuring**

5.6.1 The aggregate value of the transactions entered into by TPC pursuant to the Pre-Listing Restructuring, measured against the market capitalisation (excluding treasury shares) of BLU as at the close of business on the Last Practicable Date, are expected to result in a percentage ratio of more than 30%. Accordingly, the Pre-Listing Restructuring is classified as a Category 1 transaction in terms of section 9.5(b) of the JSE Listings Requirements and, as such, requires Shareholder approval by way of ordinary resolution, which will require the support of more than 50% of the votes exercised thereon at the General Meeting of Shareholders in terms of section 9.20 of the JSE Listings Requirements.

5.6.2 Regarding the categorisation of the Pre-Listing Restructuring for purposes of section 112 of the Companies Act - see paragraph 7 below.

6. SALIENT TERMS OF THE SELL-DOWN

6.1 **The Sell-Down**

6.1.1 It is expected that the Sell-Down will comprise of an offer for the sale of the Sell-Down Shares by TPC to Qualifying Investors post the implementation of the Pre-Listing Restructuring. The sale of the Sell-Down Shares by TPC shall be referred to as the "**Sell-Down**", which shall occur simultaneously with the Listing.

6.2 **Sell-Down Shares**

6.2.1 It is not possible at this stage to specify what the number of Sell-Down Shares or Offer Price will be. A range for the Offer Price will be specified in the Pre-listing Statement. TPC will dispose of sufficient Sell-Down Shares such that its final shareholding in Cell C Listco, post the Pre-Listing Restructuring and Sell-Down, will be not less than 26%. Given that the Pre-Listing Restructuring will be implemented based on the Offer Price, the number of Sell-Down Shares cannot be determined at this stage.

6.2.2 Subject to the Board electing to proceed with the Sell-Down, it is proposed that, on the Listing Date, Cell C Listco shareholders will place the Sell-Down Shares on offer at the Offer Price to Qualifying Investors, in terms of the process set out in paragraph 6.3.

6.3 **Sell-Down Consideration**

6.3.1 The Offer Price will be dependent on a number of factors, including market conditions and investor interest, and will be determined in accordance with an arms-length bookrunning process conducted by the Joint Global Coordinators on behalf of TPC and Cell C Listco (the "**Bookrunning Process**"), which will broadly entail the Joint Global Coordinators:

6.3.1.1 receiving bids from Qualifying Investors on the number of Sell-Down Shares that they would be interested in subscribing for and the prices that they would be willing to pay within a stated price range, in accordance with market best practice;

6.3.1.2 listing and evaluating the aggregated demand for the Sell-Down Shares from the submitted bids and determining the cut-off price for the Sell-Down Shares (i.e. the Offer Price), so as to ensure that the Sell-Down Consideration will be raised, the necessary shareholder spread following the Sell-Down will be achieved and that aftermarket liquidity will not be negatively impacted; and

6.3.1.3 allocating Sell-Down Shares at the Offer Price, in TPC's discretion with input from the Joint Global Coordinators in accordance with market best practice, to selected Qualifying Investors whose submitted bids meet or exceed the Offer Price at the required levels of demand.

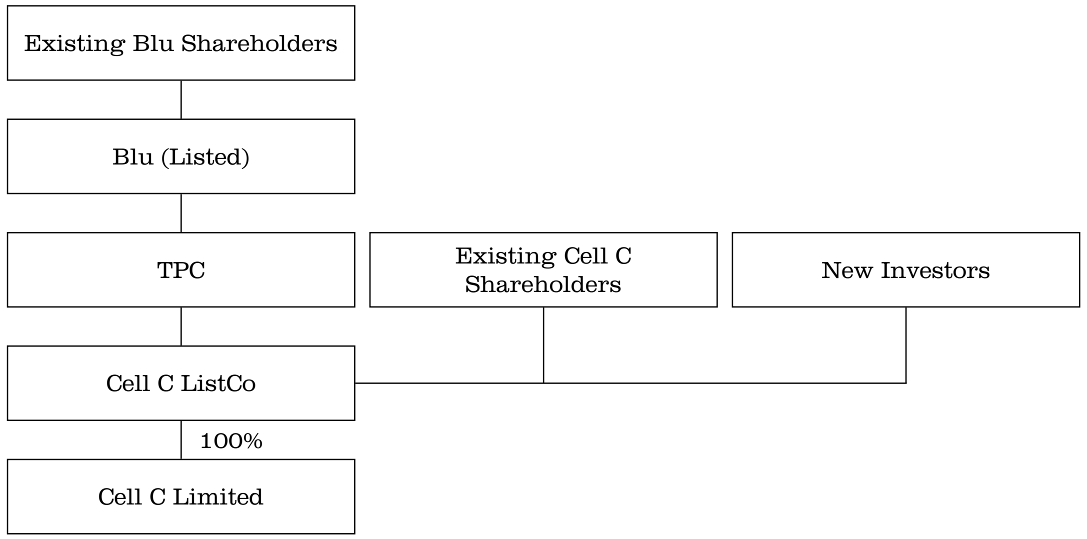
6.3.2 The Sell-Down will be unconditional prior to the listing date and that the settlement will occur in accordance with the allotment terms of the overall listing process. This is currently anticipated to take place towards the end of 2025, but remains subject to final Board approval, taking into account various factors, including market conditions.

6.3.3 In addition, the Sell-Down Shares will constitute sufficient shares issued to public shareholders (as is contemplated in the JSE Listings Requirements), to satisfy the JSE that Cell C Listco complies with the JSE's free float requirements for main board listed companies.

6.3.4 As per section 9 below, TPC will also transfer up to 4.5% of Cell C Listco shares to the Cell C executive management team.

6.4 **Post Sell-Down structure**

6.4.1 Following the completion of the Sell-Down under section 6.2 and 6.3, the proposed new structure of the Group and Cell C immediately after the implementation of the Sell-Down shall be as follows:



6.5 **Suspensive Conditions to the Sell-Down**

If the BLU and TPC Board elect to proceed with the Sell-Down, the Sell-Down will be subject to the fulfilment (or, where applicable, waiver) of the following suspensive conditions (the "**Sell-Down Suspensive Conditions**"):

6.5.1 that the Pre-Listing Restructuring is fully implemented;

6.5.2 that the Resolutions are approved by the requisite majority of Shareholders specified in the Notice of General Meeting;

6.5.3 if Court approval is required for the implementation of the Sell-Down as envisaged in section 115(2)(c) of the Companies Act, the Court shall have approved the implementation of the Sell-Down and no appeal or review of that decision shall have been timeously lodged (or if timeously lodged, such appeal or review shall not have been successful), or the provisions of section 115(2)(c) shall otherwise have ceased to be applicable;

6.5.4 if one or more Shareholders give notice objecting to a Special Resolution 2 in terms of section 164(3) of the Companies Act and subsequently vote against that Special Resolution at the General Meeting, either:

6.5.4.1 such objection and subsequent vote take place in respect of less than or equal to 2% of all of the Shares (or such greater percentage as is acceptable to the Board); or

6.5.4.2 such objection and subsequent vote take place in respect of more than 2% of all of the Shares (or such greater percentage as is acceptable to the Board), and BLU thereafter receives Valid Demands in terms of sections 164(5) to 164(8) of the Companies Act in respect of less than or equal to 2% of all the Shares (or such greater percentage as is acceptable to the Board) within the time periods required in terms of section 164(7) of the Companies Act, provided that any Valid Demands received within such time periods that have subsequently been withdrawn will not be counted for purposes of this subclause;

6.5.5 the sole shareholder of TPC shall have approved the implementation of the Sell-Down by TPC as a special resolution in terms of section 112 (read with section 115) of the Companies Act;

6.5.6 that all board and shareholder approvals required in respect of the Sell-Down, be obtained from the directors and shareholders of Cell C Listco;

6.5.7 that any and all regulatory approvals that may be required to implement the Sell-Down have been obtained; and

6.5.8 that the JSE unconditionally approves the Listing of Cell C Listco on the main board of the JSE.

6.6 **Categorisation of the Sell-Down**

6.6.1 The Sell-Down Consideration received from the Sell-Down, measured against the market capitalisation (excluding treasury shares) of BLU as at the close of business on the Last Practicable Date, is expected to result in a percentage ratio of more than 30%. Accordingly, the Sell-Down is classified as a Category 1 transaction in terms of section 9.5(b) of the JSE Listings Requirements and, as such, requires Shareholder approval by way of ordinary resolution, which will require the support of more than 50% of the votes exercised thereon at the General Meeting of Shareholders in terms of section 9.20 of the JSE Listings Requirements.

6.6.2 Regarding the categorisation of the Sell-Down for purposes of section 112 of the Companies Act – see paragraph 7 below.

7. SECTION 112 (READ WITH SECTION 115) OF THE COMPANIES ACT AND APPRAISAL RIGHTS

7.1 Pursuant to the Pre-Listing Restructuring, TPC (BLU's wholly-owned subsidiary) shall make several disposals of assets ("**Pre-Listing Disposals**"). The Pre-Listing Disposals constitute a series of agreements to dispose of the greater part of TPC's assets or undertaking. Accordingly, the approval of TPC's sole shareholder by special resolution is required for the implementation of the Pre-Listing Disposals in accordance with section 115 of the Companies Act. Such approval is a Pre-Listing Restructuring Suspensive Condition - see paragraph 5.3.1.2 above.

7.2 In addition, section 115(2)(b) of the Companies Act provides that a disposal made by a Subsidiary must be approved by special resolution of the shareholders of the disposing company's holding company, in the event that the disposal also constitutes a disposal of all or the greater part of the assets or undertaking of the holding company, having regard to the consolidated financial statements of the holding company. Having regard to the consolidated financial statements of BLU, the Pre-Listing Disposals constitute the disposal of the greater part of BLU's assets or undertaking.

7.3 Pursuant to the Sell-Down TPC (BLU's wholly-owned subsidiary) shall make disposals of assets, which constitute the disposal of the greater part of TPC's assets or undertaking. Accordingly, the approval of TPC's sole shareholder by special resolution is required for the implementation of the Sell-Down in accordance with section 115 of the Companies Act. Such approval is a Sell-Down Suspensive Condition – see paragraph 6.5.5 above.

7.4 In addition, section 115(2)(b) of the Companies Act provides that a disposal made by a Subsidiary must be approved by special resolution of the shareholders of the disposing company's holding company, in the event that the disposal also constitutes a disposal of all or the greater part of the assets or undertaking of the holding company, having regard to the consolidated financial statements of the holding company. Having regard to the consolidated financial statements of BLU, the Sell-Down constitutes the disposal of the greater part of BLU's assets or undertaking.

7.5 Accordingly:

7.5.1 Shareholder approval by special resolution, adopted in the manner required by section 115 of the Companies Act, is required for the implementation of the Pre-Listing Restructuring and the Sell-Down; and

7.5.2 in terms of section 115(8) of the Companies Act, Shareholders are entitled to exercise their Appraisal Rights on the basis set out in section 164 of the Companies Act.

7.6 The provisions of sections 115 and 164 of the Companies Act are contained in **Annexure 5** to this Circular.

7.7 It is recorded that TPC is not a "regulated company" as defined in section 118 of the Companies Act, since TPC is a private company in which less than 10% of its shares have been transferred in the 24 months prior to the date of this Circular. Accordingly, the Pre-Listing Disposals do not constitute an "affected transaction" for TPC for purposes of section 117(1)(c)(i) of the Companies Act and Parts B and C of Chapter 5 of the Companies Act and the Takeover Regulations (as defined in the Companies Act) do not apply to the Pre-Listing Disposals.

8. **USE OF PROCEEDS**

The Sell-Down Consideration will be dependent on a number of factors, including market conditions. TPC intends to utilise the proceeds from the Sell-Down to strategically enhance its financial position. The proceeds raised will be allocated towards settling certain interest-bearing borrowings and other debt obligations. Additionally, a portion of the funds will be earmarked for dividends to shareholders, reflecting BLU's commitment to delivering value to its investors. Furthermore, the remaining excess proceeds will be directed towards meeting working capital requirements, enabling TPC to capitalise on trading opportunities.

9. **EXECUTIVE TRANSFER**

9.1 TPC has agreed to enter into an executive scheme with executives of Cell C ("**Executive Scheme**").

9.2 It is currently envisaged that:

9.2.1 TPC shall transfer up to 4.5% of the Cell C Listco Shares ("**Executive Shares**") to executives of Cell C for purposes of the Executive Scheme ("**Executive Transfer**"); and

9.2.2 the Executive Transfer will occur:

9.2.2.1 immediately after the Cell C Listco Flip-Up; and

9.2.2.2 for no consideration. The Executive Transfer will occur at no consideration for the purpose of incentivising and motivating the current highly skilled and competent executive team of Cell C, which has, as explained in paragraph 5 above, successfully implemented Cell C's turnaround strategy over the last 24 months. TPC is of the view that the value added by the Cell C executive team will outweigh the cost of transferring the Executive Shares at no consideration.

9.3 As at the date of this Circular, the terms of the Executive Scheme (including the date of the Executive Transfer) have not yet been finalised. Subject to the discretion and final approval of the board of TPC, it is envisaged that the salient terms applicable to the Executive Scheme will be as follows:

9.3.1 participants in the Executive Scheme ("**Scheme Participants**") will be awarded Cell C Listco Shares; provided that such shares shall be subject to restrictions relating to their disposal or encumbrance by the relevant Scheme Participant;

9.3.2 60% of the Cell C Listco Shares awarded to a Scheme Participant will become unrestricted upon the fifth anniversary of the date upon which that Scheme Participant became employed by Cell C;

9.3.3 the remaining 40% of the Cell C Listco Shares awarded to a Scheme Participant will become unrestricted upon the seventh anniversary of the date upon which that Scheme Participant became employed by Cell C;

9.3.4 if a Scheme Participant's employment with Cell C is terminated before an award (or portion thereof) becomes unrestricted, that award (or portion thereof) will be terminated; and

9.3.5 standard malus and clawback provisions will apply, in terms of which awards may be forfeited in the case of financial misstatements, serious misconduct or reputational damage to Cell C.

9.4 Approval of the Executive Transfer has been included together with the approval of the Sell-Down in Special Resolution 2 and Ordinary Resolution 2.

9.5 For the avoidance of doubt, the executive management team of Cell C are not related parties to BLU.

10. ***PRO FORMA* FINANCIAL INFORMATION OF THE GROUP**

10.1 The *Pro Forma* Financial Information is set out in **Annexure 3** to this Circular.

10.2 The *Pro Forma* Financial Information has been provided for illustrative purposes only, to provide information on how the Pre-Listing Restructuring and Sell-Down may have affected the results and financial position of the Group, assuming it was implemented on 1 June 2024 and for purposes of the *Pro Forma Group* Statement of Comprehensive Income, and 31 May 2025 for purposes of the *Pro Forma* Group Statement of Financial Position. Because of its nature, the *Pro Forma* Financial Information may not fairly present the Group's financial position, changes in equity, results of operations or cash flow, nor the effect and impact of the Pre-Listing Restructuring and Sell-Down going forward.

10.3 The *Pro Forma* Financial Information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Directors. Consistent with the foregoing, the *Pro Forma* Financial Information set forth in **Annexure 3** is based on available information and certain assumptions and estimates, which the Board believe are reasonable.

10.4 The *Pro Forma* Financial Information has been prepared in accordance with the JSE Listings Requirements, the Guide on Pro Forma Financial Information issued by SAICA and the Group's accounting policies, which are compliant with IFRS® Accounting Standards. The *Pro Forma* Financial Information should be read in conjunction with the Independent Auditor's assurance report, as contained in **Annexure 4** to this Circular.

10.5 The *Pro Forma* Financial Information has been prepared in order to assist Shareholders in assessing the impact of the Pre-Listing Restructuring and Sell-Down on the Group's EPS, diluted EPS, HEPS, diluted HEPS, NAV per Share and TNAV per Share.

11. **WORKING CAPITAL STATEMENT**

The Directors have considered the effects of the Pre-Listing Restructuring and the Sell-Down and are of the opinion that the working capital available to the Group (following implementation of the Pre-Listing Restructuring and the Sell-Down) will be adequate for the Group's ordinary business purposes for a period of at least 12 (twelve) months from the date of this Circular.

12. **HISTORICAL FINANCIAL INFORMATION**

12.1 The Historical Financial Information of Cell C is disclosed in **Annexure 1** to this Circular, whilst the Historical Financial Information of CEC has been incorporated by reference in terms of paragraph 27 of this Circular. The preparation and fair presentation of the Historical Financial Information, as well as the preparation and contents of the Historical Financial Information in terms of the JSE Listings Requirements, is the responsibility of the Directors.

12.2 The Historical Financial Information for Cell C should be read in conjunction with the Independent Auditor's assurance report thereon, contained in **Annexure 2** to this Circular and for CEC has been incorporated by reference in terms of paragraph 27 of this Circular.

13. **INFORMATION ON DIRECTORS**

13.1 **Directors' remuneration and service contracts**

13.1.1 The Directors' remuneration and benefits for FY25 are set out on pages 102–105 of BLU's annual financial statements; available on BLU's website on https://www.bluelabeltelecoms.co.za. There will be no change to the Directors' remuneration and benefits as a result of the Pre-Listing Restructuring and the Sell-Down.

13.1.2 Permanent employment agreements are in place for the executive Directors and include standard termination and other provisions for contracts of this nature. No restraint of trade payments are payable to any Directors.

13.2 **Directors' interests in Shares**

13.2.1 The interests (both direct and indirect) in Shares held by all the Directors (including their associates and any director who has resigned during the last 18 months) as at the Last Practicable Date (based on the most recent information available to the Directors) are set out below, as well as their interests in Shares held as at 31 May 2025.

	How held(1)	Beneficial interest(2)	As at Last Practicable Date(3) Ordinary Shares	As at 31 May 2025 Ordinary Shares	As at 31 May 2024 Ordinary Shares
BM Levy	Direct	Beneficial	71 251 324	71 251 324	71 251 324
	Indirect	Beneficial	17 772 778	17 772 778	17 772 778
MS Levy	Direct	Beneficial	63 843 916	63 843 916	63 843 916
	Indirect	Beneficial	19 120 980	19 120 980	19 120 980
DA Suntup	Direct	Beneficial	5 985 092	5 985 092	5 985 092
	Indirect	Beneficial	177 778	177 778	177 778
LM Nestadt	Direct	Beneficial	–	–	–
	Indirect	Beneficial	10 000 000	10 000 000	10 000 000
JS Mthimunye(4)	Direct	Beneficial	130 000	130 000	130 000
	Indirect	Beneficial	242 573	242 573	242 573
SJ Vilakazi	Direct	Beneficial	–	–	–
	Indirect	Beneficial	8 200	8 200	8 200
LE Mthimunye	Direct	Beneficial	–	–	–
	Indirect	Beneficial	–	–	–
H Masondo	Direct	Beneficial	–	–	–
	Indirect	Beneficial	–	–	–
NP Mnxasana	Direct	Beneficial	–	–	–
	Indirect	Beneficial	–	–	–

(1) Direct interests represent a holding in the Director's personal capacity. Indirect interests represent a holding by a trust or a company (of which the Director is a trustee or director, as relevant), a spouse or minor children of the Directors.

(2) Beneficial interest represents an interest in shares in which a person is entitled to receive income payable in respect to that shareholding and/or obtain any benefit as a result of holding those shares.

(3) There have been no Directors' dealings in shares since 31 May 2025.

(4) Resigned on 29 August 2025 as per SENS announcement released on 1 September 2025

13.2.2 Save as set out in the table above, no other Director (and/or their associates), including any former directors who have resigned or retired during the past 18 (eighteen) months, held any interest either directly or indirectly in BLU's issued share capital as at the Last Practicable Date.

13.3 **Directors' interests in transactions**

None of the Directors, including any Director who has resigned during the last 18 (eighteen) months, had or has any interest, direct or indirect, in any transactions that were effected by BLU during the current or immediately preceding financial year or during any earlier financial year and which remain in any respect outstanding or unperformed.

14. MAJOR SHAREHOLDERS

14.1 As far as the Board is aware, based on the most recent information available to the Directors as at the Last Practicable Date, the following persons held, whether directly or indirectly, a beneficial interest in 3% or more of the issued Shares:

Major beneficial shareholders	Number of Shares	% of issued capital
Allan Gray Proprietary Limited	119 984 514	13.13%
Peresec Prime Brokers Proprietary Limited	106 451 373	11.65%
Shotput Investments Proprietary Limited	100 000 000	10.95%
Brett M Levy	89 024 102	9.74%
Mark S Levy	82 964 896	9.08%
Sanlam Investment Management	59 124 755	6.47%
Basa Ventures Proprietary Limited	36 580 326	4.00%
Zarclear Securities Lending Proprietary Limited	33 899 645	3.71%

14.2 There is no controlling shareholder (as such term is defined in the JSE Listings Requirements) of BLU.

15. MATERIAL CHANGES

There have been no material changes in the financial or trading position of BLU and its subsidiaries since the end of its last financial period being 31 May 2025.

16. MATERIAL CONTRACTS AND VENDORS OF MATERIAL ASSETS

16.1 **CEC**

Below a list of CEC's material contracts entered in the two years prior to the date of this Circular:

Agreement	Party	Description	Date
African Bank facility agreement	African Bank	CEC concluded a facility arrangement with African Bank Limited for an amount of up to R1.9 billion. The Facility was structured as a revolving facility for the first 12 months until 31 December 2024, followed by 35 equal monthly instalments commencing on 31 January 2025, with a final instalment of R215 million payable on 30 November 2027. The Facility attracts a floating interest rate at prime plus 3% and is collateralised by a combination of handset receivables and service revenue receivables. The joint guarantee of R250 million provided by BLU and TPC remained intact.	2023/12/14
Master Receivables agreement	African Bank	Sale of handset receivables from CEC to African Bank for upfront payment	2023/09/03

17. MATERIAL LOANS

17.1 **Cell C**

17.1.1 The material loans of Cell C are primarily shareholder loans provided by TPC, Nedbank and Gramercy that arose from the 2022 Cell C Recap as follows:

17.1.1.1 the TPC New Funding Term Loan Facility Agreement. This loan will be converted into Cell C Shares pursuant to the TPC Debt-to-Equity Conversion – see paragraph 5.2.4.1 of this Circular;

17.1.1.2 the TPC Reinvested Term Loan Facility Agreement. This loan will be converted into Cell C Shares pursuant to the TPC Debt-to-Equity Conversion – see paragraph 5.2.4.1 of this Circular;

17.1.1.3 the ZTE Claims (TPC reinvested loan relating to ZTE claims), which will be converted into Cell C Shares pursuant to the TPC Debt-to-Equity Conversion – see paragraph 5.2.4.1 of this Circular;

17.1.1.4 the Gramercy Reinvested Term Loan Facility. This loan, which was assigned to TPC in terms of the Gramercy Claim Acquisition Agreement, will be converted into Cell C Shares pursuant to the TPC Debt-to-Equity Conversion – see paragraph 5.2.4.1 of this Circular;

17.1.1.5 the Nedbank Reinvested Term Loan Facility

17.1.1.6 the loan from CEC originally for an amount of R1.1 billion ("**CEC Loan**"). CEC and Cell C entered into an agreement whereby on the 2022 Cell C Recap, set-offs were performed resulting in an adjusted existing claim of R1.1 billion by CEC against Cell C. CEC accounted for the change in repayment terms as a significant modification, which resulted in the derecognition of the previous trade receivable and the recognition of a new long-term loan.

17.1.2 The abovementioned loans are described in further detail below. It should be noted that, except for the TPC New Funding Term Loan Facility Agreement (see paragraph 17.1.2.1 below) and the TPC Reinvested Term Loan Facility Agreement (see paragraph 17.1.2.2 below), none of the loans are convertible or have any conversion rights associated therewith.

17.1.2.1 On or about 21 September 2022, Cell C, TPC and the Facility Agent entered into the TPC New Funding Term Loan Facility Agreement as part of the 2022 Cell C Recap. The loan was entered into primarily to enable Cell C to settle foreign currency denominated debt at a discount, and to replace that debt with a rand denominated shareholder loan. The key terms of this loan are as follows:

Face value	R2,839,737,241
Interest Rate	Interest free to September 2024; 10% p.a. from October 2024 to March 2026; Prime + 3% from April 2026 to March 2028;
Default Rate	N/A
Interest Payments	From month 25, commencing October 2024, payments shall be made on a monthly basis.
Security	None
Final Maturity Date	31 March 2028
Repayment Terms	Interest payable monthly (commencing October 2024) 1st payment due March 2026- R1,032,631,724 2nd payment due March 2028- R1,807,105,517
Other relevant terms and conditions	The loan bears no interest for the first 24 months following the recapitalisation date. From October 2024, the total capital amount bears interest at a fixed rate of 10% per annum until month 42, and thereafter the outstanding amount bears interest at prime plus 3% until month 66, payable monthly. This loan will be converted into a compulsorily convertible instrument pursuant to the entering into of the TPC New Funding Addendum – see paragraph 5.2.3 in this regard. Included in the TPC Debt-to-Equity Conversion

17.1.2.2 On or about 21 September 2022 Cell C, TPC and the Facility Agent entered into the TPC Reinvested Term Loan Facility Agreement as part of the 2022 Cell C Recap. The loan was entered into primarily to enable Cell C to settle foreign currency denominated debt at a discount, and to replace that debt with a rand denominated shareholder loan. The key terms of this loan are as follows:

Face value	R305,558,476
Interest Rate	Interest free to September 2024; 10% p.a. from October 2024
Default Rate	N/A
Interest Payments	From month 25, commencing October 2024, payments shall be made on a monthly basis.
Security	None
Final Maturity Date	31 March 2026
Repayment Terms	Interest payable monthly (commencing October 2024) Loan repayable in March 2026
Other relevant terms and conditions	The loan bears no interest for the first 24 months following the recapitalisation date. From October 2024, the total capital amount bears interest at a fixed rate of 10% per annum until month 42. This loan will be converted into a compulsorily convertible instrument pursuant to the entering into of the TPC Reinvested Addendum – see paragraph 5.2.3 in this regard. Included in the TPC Debt-to-Equity Conversion

17.1.2.3 Cell C owes the ZTE Claims to TPC, which claims were acquired by TPC from the ZTE Entities in terms of the ZTE Claims Acquisition Agreement. The key terms of the ZTE Claims are as follows:

Face value	R82,628,875
Interest Rate	Interest free
Default Rate	N/A
Interest Payments	N/A
Security	None
Final Maturity Date	At maturity date the loan is fully settled via the cash sweeping mechanism
Repayment Terms	Based on a cash sweeping mechanism
Other relevant terms and conditions	None

17.1.2.4 On or about 21 September 2022, Gramercy, the Facility Agent and Cell C entered into the Gramercy Reinvested Term Loan Facility as part of the 2022 Cell C Recap. This loan was a reinvestment of Gramercy's debt, thus the balance did not need to be settled as part of the 2022 Cell C Recap. The right to be repaid under this loan was acquired by TPC from Gramercy in terms of the Gramercy Claim Acquisition Agreement. The key terms of this loan are as follows:

Face value	R449,242,449
Interest Rate	5% per annum for the first 24 months and 10% per annum from month 25 to month 42
Default Rate	N/A
Interest Payments	Monthly in arrears
Security	None
Final Maturity Date	31 March 2026
Repayment Terms	The loan is repayable as follows: – four instalments of R14,194,871 from October 2024 to September 2025; – Cell C will pay an amount equal to 47.32% of the portion of the Cash Sweep Amount to be paid to the lenders other than TPC in accordance with the cash sweep mechanism; and – the balance to be repaid in March 2026
Other relevant terms and conditions	Included in the TPC Debt-to-Equity Conversion

17.1.2.5 On or about 21 September 2022, Nedbank, the Facility Agent and Cell C entered into the Nedbank Reinvested Term Loan Facility as part of the 2022 Cell C Recap. The loan was a reinvestment of Nedbank's debt, thus the balance did not need to be settled as part of the 2022 Cell C Recap. The key terms of this loan are as follows:

Face value	R462,934,151
Interest Rate	5% per annum for the first 24 months and 10% per annum from month 25 to month 42
Default Rate	N/A
Interest Payments	Monthly in arrears
Security	None
Final Maturity Date	31 March 2026
Repayment Terms	The loan is repayable as follows: – four instalments of R15,805,129 from October 2024 to September 2025; – Cell C will pay an amount equal to 52.68% of the portion of the Cash Sweep Amount to be paid to the lenders other than TPC in accordance with the cash sweep mechanism; – the balance to be repaid in March 2026
Other relevant terms and conditions	N/A

17.1.2.6 On or about 20 September 2022, Cell C entered into the CEC Loan with CEC, the key terms of which are as follows:

CEC Loan	R1.1 billion (balance outstanding as at 31 May 2025 being R490,308,048)
Interest Rate	12% per annum compounded monthly in arrears
Default Rate	If Cell C fails to pay any amount payable on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate equal to the higher of: – sum of the Prime Interest Rate plus 3%; or – 15%
Interest Payments	Monthly in arrears
Security	None
Final Maturity Date	30 September 2027
Repayment Terms	Monthly payments of R18,333,333 by Cell C to CEC, commencing October 2022
Other relevant terms and conditions	None

Details of all amounts owing by Cell C to other members of the Group, as per Cell C's records, are set out in the Historical Financial Information of Cell C set out in Annexure 1 to this circular.

17.2 **The Group**

17.2.1 The material loans made to the Group comprise a variety of funding arrangements provided by various lenders, as follows:

17.2.1.1 a general banking facility of R500 million, in terms of a general banking facility agreement originally entered into between TPC, Investec Bank Limited (acting through its Investment Banking Division: Corporate Solutions) and FirstRand Bank Limited (acting through its Rand Merchant Bank division) on or about 20 September 2022 and amended on or about 28 November 2024 and 27 March 2025 (the "**Working Capital Facility**"). The R500 million facility was raised to assist with the working capital requirements of the Group.

17.2.1.2 a revolving facility totalling R660 million, in terms of a Revolving Facility Agreement originally entered into between TPC, FirstRand Bank Limited (acting through its Rand Merchant Bank division), Futuregrowth Asset Management Proprietary Limited and Investec Bank Limited (acting through its Investment Banking Division: Corporate Solutions) on or about 20 September 2022 and amended on or about 28 November 2024 and 27 March 2025. The R660 million facility was raised to assist with the working capital requirements of the Group.

17.2.1.3 a transaction facility totalling R1.6 billion, in terms of a Transaction Facility Agreement originally entered into between TPC and FirstRand Bank Limited (acting through its Rand Merchant Bank division) on or about May 2025. The R1.6 billion is a short-term facility raised for bulk buying or early settlements from suppliers;

17.2.1.4 a term facility totalling R 311 million, in terms of a Transaction Facility Agreement originally entered into between TPC, FirstRand Bank Limited (acting through its Rand Merchant Bank division), Futuregrowth Asset Management Proprietary Limited and Investec Bank Limited (acting through its Investment Banking Division: Corporate Solutions) on or about 27 March 2025. The R311 million facility were raised to assist with the working capital requirements of the Group; and

17.2.1.5 a financing facility totalling R1.9 billion in terms of the African Bank facility agreement referred to in 16.1 entered into between African Bank Limited and CEC on or about 26 November 2021 and amended on or about 14 December 2023.

17.2.2 The abovementioned loans are described in further detail below:

17.2.2.1 On or about 20 September 2022 and amended on or about 28 November 2024 and 27 March 2025, TPC entered into a general banking facility with Investec Bank Limited (acting through its Investment Banking Division: Corporate Solutions) and FirstRand Bank Limited (acting through its Rand Merchant Bank division), the key terms of which are as follows:

Commitment	R500 million
Interest Rate	Prime + 1%
Default Rate	N/A
Interest Payments	Monthly
Security	• A general covering pledge, cession and security over the assets of BLU, TPC, BLD and Cigicell; • A General Notarial Bond over all the moveable assets of BLU, TPC and Cigicell Proprietary Limited, limited to R4.75 billion each; • Cross guarantee from certain group companies; • Debt guarantee provided by Bowwood and Main No 334 (RF) (Pty) Limited on behalf of the BLU entities; • Cession & Securitatem Debiti by certain Group companies of all of their incorporeal moveable assets and claims; • A counter indemnity issued by certain Group companies indemnifying the lenders against any loss that they may suffer as a result of enforcing their rights; • A Cession in Securitatem Debiti by certain Group companies in favour of the lenders as a result of the lenders invoking revisionary and/or principal rights which they may have against any entity guaranteeing the principal debt owed by TPC; and • A Subordination by BLU and its subsidiaries of any and all inter-group claims which each may have against the other, in favour of debt and/or obligations owed by any of them to lenders.
Final Maturity Date	31 March 2027
Repayment Terms	Bullet payment 31 March 2027
Other relevant terms and conditions	The following debt covenants must be complied with: • Total consolidated debt to adjusted consolidated EBITDA ratio must be less than a stipulated decreasing ratio at each measurement period, from 2.75 times at 31 May 2025 to 2.5 times at 31 August 2025; and • BLU's market capitalisation must exceed R3 billion.

17.2.2.2 On or about 20 September 2022 and amended on or about 28 November 2024 and 27 March 2025, TPC entered into a revolving credit facility with FirstRand Bank Limited (acting through its Rand Merchant Bank division), Futuregrowth Asset Management Proprietary Limited and Investec Bank Limited (acting through its Investment Banking Division: Corporate Solutions), the key terms of which are as follows:

Commitment	R660 million
Interest Rate	Prime + 1%
Default Rate	N/A
Interest Payments	Monthly
Security	• A general covering pledge, cession and security over the assets of BLU, TPC, BLD and Cigicell; • A General Notarial Bond over all the moveable assets of BLU, TPC and Cigicell Proprietary Limited, limited to R4.75 billion each; • Cross guarantee from certain group companies; • Debt guarantee provided by Bowwood and Main No 334 (RF) (Pty) Limited on behalf of the BLU entities; • Cession in Securitatem Debiti by certain Group companies of all of their incorporeal moveable assets and claims; • A counter indemnity issued by certain Group companies indemnifying the lenders against any loss that they may suffer as a result of enforcing their rights; • A Cession in Securitatem Debiti by certain Group companies in favour of the lenders as a result of the lenders invoking revisionary and/or principal rights which they may have against any entity guaranteeing the principal debt owed by TPC; and • A Subordination by BLU and its subsidiaries of any and all inter-group claims which each may have against the other, in favour of debt and/or obligations owed by any of them to lenders.
Final Maturity Date	31 March 2027
Repayment Terms	Bullet payment 31 March 2027
Other relevant terms and conditions	The following debt covenants must be complied with: • Total consolidated debt to adjusted consolidated EBITDA ratio must be less than a stipulated decreasing ratio at each measurement period, from 2.75 times at 31 May 2024 to 2.5 times at 31 August 2024; and • BLU's market capitalisation must exceed R3 billion.

17.2.2.3 On or about 27 March 2025, TPC entered into a term facility with FirstRand Bank Limited (acting through its Rand Merchant Bank division), Futuregrowth Asset Management Proprietary Limited and Investec Bank Limited (acting through its Investment Banking Division: Corporate Solutions), the key terms of which are as follows:

Commitment	R311 million
Interest Rate	Prime + 1%
Default Rate	N/A
Interest Payments	Monthly
Security	• A general covering pledge, cession and security over the assets of BLU, TPC, BLD and Cigicell; • A General Notarial Bond over all the moveable assets of BLU, TPC and Cigicell Proprietary Limited, limited to R4.75 billion each; • Cross guarantee from certain group companies; • Debt guarantee provided by Bowwood and Main No 334 (RF) (Pty) Limited on behalf of the BLU entities; • Cession in Securitatem Debiti by certain Group companies of all of their incorporeal moveable assets and claims; • A counter indemnity issued by certain Group companies indemnifying the lenders against any loss that they may suffer as a result of enforcing their rights; • A Cession in Securitatem Debiti by certain Group companies in favour of the lenders as a result of the lenders invoking revisionary and/or principal rights which they may have against any entity guaranteeing the principal debt owed by TPC; and • A Subordination by BLU Limited and its subsidiaries of any and all inter-group claims which each may have against the other, in favour of debt and/or obligations owed by any of them to lenders.
Final Maturity Date	30 September 2026
Repayment Terms	Amortised over 18 months
Other relevant terms and conditions	The following debt covenants must be complied with: • Total consolidated debt to adjusted consolidated EBITDA ratio must be less than a stipulated decreasing ratio at each measurement period, from 2.75 times at 31 May 2025 to 2.5 times at 31 August 2025; and • BLU's market capitalisation must exceed R3 billion.

17.2.2.4 During May 2025, TPC entered into a short-term working capital transaction facility with FirstRand Bank Limited (acting through its Rand Merchant Bank division), the key terms of which are as follows:

Commitment	R1.6 billion
Interest Rate	Prime – 1%
Default Rate	N/A
Interest Payments	Monthly
Security	None
Final Maturity Date	30 June 2025 – Short-term working capital transaction facility with no fixed maturity (rolling month-to-month facility)
Repayment Terms	Bullet payment 30th June 2025. Short-term working capital facility with no fixed maturity (rolling month-to-month facility)
Other relevant terms and conditions	None

17.2.2.5 On or about 26 November 2021, CEC entered into a revolving credit facility with African Bank, the key terms of which are as follows:

Commitment	R1.9 billion
Interest Rate	Prime + 3%
Default Rate	N/A
Interest Payments	Monthly

Security	• The Group has pledged the outstanding value of handset receivables of R806 million, service revenue receivables of R1.683 billion and trade receivables of R226 million, totalling R2.715 billion as security for the utilised facility. • BLU and TPC have issued guarantees to the value of R250 million for the African Bank facility.
Final Maturity Date	31 December 2027
Repayment Terms	The repayment terms are aligned to the handset receivables which are funded by African Bank under this facility. The Facility was structured as a revolving facility for the first 12 months until 31 December 2024, followed by 35 equal monthly instalments commencing on 31 January 2025, with a final instalment of R215 million payable on 30 November 2027.
Other relevant terms and conditions	The following debt covenant must be complied with: • the cover ratio shall not be less than 1.25 times for each measurement period.

18. **LITIGATION STATEMENT**

As at the Last Practicable Date, there are no legal or arbitration proceedings, including proceedings that are pending or threatened, of which BLU is aware, that may have or have had, in the 12 (twelve)-month period preceding the date of this Circular, a material effect on the financial position of the Group.

19. **MATERIAL RISKS**

Shareholders are referred to page 22 to the Integrated Annual Report (which is available at https://www.bluelabeltelecoms.co.za/annual-results.php), for full details of the risks that may have a material impact on the Group's strategic objectives and ability to create sustainable value for stakeholders over the long term.

Document description	Link
Integrated Annual Report	https://www.bluelabeltelecoms.co.za/pdf/reports/2024/blt-iar-2024.pdf

20. **RELATED PARTIES**

20.1 At the time of publishing the Circular and of the General Meeting, no exclusive agreement, understanding or arrangement exists or will exist between BLU and any Related Party to BLU (e.g. material shareholders or directors of BLU) in connection with the Pre-Listing Restructuring or the Sell-Down. To the extent that the Sell-Down is launched, it will be implemented by way of a private placement in accordance with local and international market convention and the Bookrunning Process set out in paragraph 6.3, meaning that participation in the Sell-Down will be limited to certain categories of Qualifying Investors. The criteria for being a Qualifying Investor will be set out in the Pre-Listing Statement, but in respect of South African investors will include the criteria as described in section 96 of the Companies Act, 71 of 2008 in respect of offers that are not "offers to the public" (typically including financial institutions and other institutional investors, portfolio managers, brokers and investors applying for allocations above a threshold of R1 million).

20.2 In this context, and again assuming the launch of the Sell-Down pursuant to publication of the Pre-Listing Statement, BLU is not capable of knowing, as at the date of this Circular, which investors may apply for allocations of Cell C Sell-Down Shares in terms of the Bookrunning Process. While BLU is not aware of any Related Parties who intend to participate in the Sell-Down, it is possible that one or more Related Parties to BLU may wish to apply for allocations. The decision by any Related Party to participate in the Sell-Down, if any, will be made entirely independently of BLU, with reference to the information disclosed in the Pre-Listing Statement and subject to market and other conditions at the relevant time. There is no exclusive upfront agreement, understanding or arrangement between BLU and any Related Parties to participate in the Sell-Down. All Qualifying Investors, including Related Parties, will receive fair and equitable treatment should they choose to participate in the Sell-Down and apply for allocations of Cell C Sell-Down Shares in the Bookrunning Process.

20.3 The Offer Price, which will apply equally to all Qualifying Investors who receive allocations in the Sell-Down, will be determined in accordance with a competitive, arms-length Bookrunning Process, aimed at achieving the best possible price for the Sell-Down Shares. The final Offer Price and the allocation of Sell-Down Shares will be determined by the uninterested directors of Cell C Listco and TPC as per the applicable law in consultation with the Joint Global Coordinators, who are incentivised to ensure that the Offer Price is as high as market demand will allow, subject to other relevant considerations such as investor spread, quality and geographic diversity. No BLU Related Party will have any involvement in the determination of the Offer Price or the allocation of Offer Shares, nor will they be able to influence this process in any way. The Offer Price will be dependent on a number of factors, including market conditions and investor interest, and will be determined in accordance with an arm's length Bookrunning Process conducted by the Joint Global Coordinators on behalf of TPC and Cell C Listco. Based on the Offer Price mechanics and allocation principles noted above, all Qualifying Investors, including Related Parties will all be treated on a fair and equitable basis.

21. **RESOLUTIONS TO BE PROPOSED TO SHAREHOLDERS**

The Board proposes the Resolutions for consideration, and if deemed fit, adoption, by Shareholders. Further details in relation to the Pre-Listing Restructuring, the Sell-Down and the Executive Transfer, to which the Resolutions relate, are provided in paragraphs 5, 6 and 9 above. The Resolutions are set out in the Notice of General Meeting.

22. **OPINION AND RECOMMENDATION**

22.1 The Board is of the view that the Pre-Listing Restructuring, the Executive Transfer, the Sell-Down and the Listing are consistent with BLU's strategic objectives and in the best interests of BLU. It follows that the Board unanimously recommends that Shareholders vote in favour of the Resolutions.

22.2 Each Director who beneficially owns Shares will vote those Shares in favour of all the Resolutions.

23. **CONSENTS**

23.1 Each of BLU's advisors, whose names appear on the inside front cover of this Circular, have consented in writing to act in the capacities stated and to their names appearing in this Circular, and in the case of the Independent Auditor, to the reports set out in **Annexure 2** and **Annexure 4** to this Circular being included in this Circular, and has not withdrawn its consent prior to the Last Practicable Date.

24. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors, whose names are stated on page 17 of this Circular, collectively and individually accept full responsibility for the accuracy of the information contained in this Circular in relation to the Group, and certify that, to the best of their knowledge and belief, there are no facts which have been omitted which would make any statement in this Circular in relation to the Group false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by the JSE Listings Requirements.

25. **NOTICE OF GENERAL MEETING**

25.1 The General Meeting will be held entirely by electronic communication at **10:00** on **Monday, 20 October 2025** for Shareholders to consider and, if deemed fit, adopt, with or without modification, the Resolutions.

25.2 The General Meeting will be conducted entirely by electronic communication as contemplated in the MOI and section 63(2)(a) of the Companies Act, and Shareholders will accordingly only be able to access the General Meeting electronically via an electronic facility. More information in this regard is provided in the section entitled "*Action required by Shareholders*" commencing on page 4 of this Circular and in the Notice of General Meeting.

25.3 The Notice of General Meeting is attached to and forms part of this Circular. A Form of Proxy *(grey)* is also included with this Circular for use by those Certificated Shareholders and Own-Name Dematerialised Shareholders who, while being unable to participate in the General Meeting may nevertheless wish to be represented thereat. Such persons are requested to complete and to return the Form of Proxy *(grey)* in accordance with its instructions.

25.4 Shareholders are advised to carefully read both the "*Action required by Shareholders*" section commencing on page 4 of this Circular and the Notice of General Meeting for information on the procedure to be followed by Shareholders in order to participate and to exercise their voting rights in respect of the Resolutions at the General Meeting.

25.5 The quorum requirement for the General Meeting to begin or for a matter to be considered at the General Meeting is at least three Shareholders present in person and entitled to vote on the Resolutions. In addition:

25.5.1 the General Meeting may not begin until sufficient persons are present or represented by proxy to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of the Resolutions; and

25.5.2 the Resolutions may not begin to be considered unless those who fulfilled the quorum requirements continue to be present.

25.6 As the General Meeting will cater for electronic participation only, it will not be desirable nor practical for voting to take place by way of show of hands. Accordingly, to allow the voting preferences of all Shareholders to be taken into account, all voting will be conducted by way of poll through the electronic facility provided. Shareholders will have one vote in respect of each Share held. More information in this regard is provided in the section entitled "*Action required by Shareholders*" commencing on page 4 of this Circular and the Notice of General Meeting.

25.7 Shareholders who wish to understand their Appraisal Rights in terms of section 164 of the Companies Act, and the Court remedies available to them in terms of section 115(3) of the Companies Act, are referred to **Annexure 5** of this Circular.

26. EXPENSES

It is estimated that BLU's expenses relating to this Circular and the approval of the Pre-Listing Restructuring and the Sell-Down as category 1 transactions will amount to approximately R11.55 million. These expenses will be paid from existing resources of TPC. These expenses are detailed in the table below.

Nature of expense	Paid/payable to	Amount (R'000)
Independent Auditor	SNG	1 250
Legal advisers to BLU as to South African law	Werksmans Inc	5 000
Tax Advisor to BLU	PWC	3 250
JSE documentation fees	JSE	250
Transfer Secretaries	JSE Investor Services Proprietary Limited	100
Printing costs	Ince	700
Other advisor costs	PWC	1 000
TOTAL		**11 550**

27. DOCUMENTS INCORPORATED BY REFERENCE

27.1 The following documents are incorporated by reference into this Circular, and can be accessed at the links provided below, and are available for inspection, by prior arrangement with the Company Secretary of BLU, Janine van Eden (janinev@blts.co.za), at the registered office of BLU from the date of this Circular until the date of the General Meeting (both days inclusive).

Document description	Link
CEC Audited annual financial statements for the twelve months ended 31 May 2025	https://www.bluelabeltelecoms.co.za/pdf/circulars/fy25-afs.pdf
CEC Audited annual financial statements for the twelve months ended 31 May 2024	https://www.bluelabeltelecoms.co.za/pdf/circulars/fy24.pdf
CEC Audited annual financial statements for the twelve months ended 31 May 2023	https://www.bluelabeltelecoms.co.za/pdf/circulars/cec-fy23.pdf

28. DOCUMENTS AVAILABLE FOR INSPECTION

28.1 The documents listed below, or copies thereof, will be available for inspection by Shareholders from the issue date of this Circular, up to and including the date of the General Meeting at the registered office of BLU, and at the address of the Transaction Sponsor, during office hours at the address set out in the "*Corporate information and advisors*" section of this Circular during normal business hours. Requests for electronic copies of the documents listed below may be made by emailing Janine van Eden at janinev@blts.co.za:

28.1.1 the Historical Financial Information, as set out in **Annexure 1** to this Circular;

28.1.2 the signed Independent Auditor's assurance report on the Historical Financial Information, as set out in **Annexure 2** to this Circular;

28.1.3 the *Pro Forma* Financial Information of the Group, as set out in **Annexure 3** to this Circular;

28.1.4 the signed Independent Auditor's assurance report on the compilation of the *Pro Forma* Financial Information of the Group, as set out in **Annexure 4** to this Circular;

28.1.5 the material contracts referred to in paragraph 16 of this circular;

28.1.6 a signed copy of this Circular (*available in English only*);

28.1.7 a signed copy of each of the consent letters referred to in paragraph 23 above;

28.1.8 the MOI;

28.1.9 the audited consolidated financial statements of the Group as at and for 12 months ended 31 May 2025, 31 May 2024, and 31 May 2023 including the notes thereto and any independent auditor's reports referred to therein; and

28.1.10a signed copy of the Implementation Agreement.

By order of the Board

Blu Label Unlimited Group Limited

Monday, 22 September 2025
Company Secretary

(Being duly authorised hereto to sign this Circular for and on behalf of each and every Director in accordance with a round robin resolution of the Board signed by each and every Director)

Registered Office:
75 Grayston Drive
Sandton
Johannesburg
South Africa

HISTORICAL FINANCIAL INFORMATION OF CELL C LIMITED FOR THE 12 MONTHS ENDED 31 MAY 2025, 5 MONTHS ENDED 31 MAY 2024, 12 MONTHS ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022

BASIS OF PREPARATION

The Historical Financial Information of Cell C Limited set out below has been extracted from the audited group annual financial statements of Cell C Limited for the 12 months ended 31 May 2025, 5 months ended 31 May 2024, and the 12 months ended 31 December 2023 and 31 December 2022 ("Audited Financial Statements"). The Audited Financial Statements were prepared in accordance with the IFRS® Accounting Standards ("IFRS Accounting Standards"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by Financial Reporting Standards Council.

The Audited Financial Statements have been audited by SNG Grant Thornton Inc. who expressed an unmodified audit opinion thereon, however included a material uncertainty relating to the going concern and emphasis of matter relating to the comparability of the consolidated and group financial statements. SNG Grant Thornton Inc. is the Independent Auditor of Cell C Limited and has issued the Independent Auditor's assurance report on Historical Financial Information.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards and the JSE Listings Requirements, and prepared in accordance with, and by applying, the accounting policies of the Cell C Limited Group (the "Cell C Group"), for the purpose of providing financial information to satisfy the requirements of section 8 of the JSE Listings Requirements. The additional disclosure required in terms of paragraph 8.12 of the JSE Listings Requirements has been included in the Historical Financial Information.

The Directors of Cell C Limited are responsible for the preparation, contents and presentation of the Historical Financial Information as included in this Circular.

The Historical Financial Information was approved by the Directors of Cell C Limited on 15 September 2025.

DIRECTORS' COMMENTARY

12 months ended 31 May 2025

For the financial year ended 31 May 25, the Group profitability improved, driven by strong data growth and accelerated wholesale performance on the back of growth in the Mobile Virtual Network Operator's ("**MVNO**").

Total revenue delivered of R11,138 million is comprised of service revenue of R11,019 million, equipment revenue of R119 million less net discount and commission costs of R1,038 million. Currently the Group's participation in equipment sales is limited due to the high capital outlay required. The growth in equipment revenue that can be unlocked by access to capital remains an opportunity for the company. Equipment revenue related to all equipment required to provide telecommunication services to customers, like handsets, routers or PABX for enterprise clients.

The main contributor to service revenue is prepaid revenue of R6,332 million (before volume discounts). Performance in prepaid revenue is predominantly driven by Data Revenue of R4,215 million, with data traffic continuing to grow. Voice revenue continues to decline but still contributes over R1,376 million. The balance of prepaid revenue consists of sundry prepaid revenue items such as digital revenues. The prepaid end of period base for the financial year ended 31 May 2025 was 6.774 million with an ARPU of R78.

Postpaid service revenue of R2,294 million was achieved for the financial year ended 31 May 2025 driven by the revision of core products offered to consumers. The postpaid end of period base for the financial year ended 31 May 2025 was 0.798 million with an ARPU of R239.

Wholesale revenue reached R1,466 million. Wholesale revenue comprises MVNO revenues, Bulk SMS revenue and International ATP revenue. MVNO's continue to show accelerated growth. The HLR register numbers increased to 4.489 million with data usage increasing by 127% and voice utilisation growth 2% compared to the twelve month period ended 31 May 2024.

Other revenue of R2,084 million is split between roaming and other revenue and equipment. Performance increased for the financial year ended 31 May 2025.

EBITDA of R2,104 million is net of operating costs that are growing below inflation. Due to the low asset base of the Group, the annual depreciation and amortisation remains low at R508 million, resulting in EBIT of R1,597 million. The net finance costs of R1,301 million is comprised of finance income earned from positive balances and finance costs on leases and shareholder loans. The company has returned to profit and achieved a profit of R296 million. We have recognised a deferred tax asset of R2,025 million in the year, which is netted off by the annual income tax expenses of R104 million. The tax benefit has added to the profit and loss for the year of R2,217 million.

The recognised deferred tax asset has resulted in an increase in the total assets of the company, with a 21% improvement in the negative equity.

5 months ended 31 May 2024

Performance for the business remained stable achieving a revenue of R4,619 million although the period reflected a net loss of R231 million due to the impact of seasonality as the peak volume months for the industry are from October to December, with the lowest volume months being January and February annually. Since the Cell C Group has some fixed costs, the profitability of the Group for the 5 months would not be reflective of a 12 month period. The Cell C Group's total assets reduced from R4,364 million as at 31 December 2023 to R3,876 million driven by the lower trade receivables. With total liabilities showing a net reduction from R14,655 million as at 31 December 2023 to R14,397 million as at 31 May 2024 driven mostly by the reduction in long-term borrowing from R4,800 million to R4,642 million over the same periods respectively.

12 months ended 31 December 2023

The net revenue for the Group reduced from R11,310 million as at 31 December 2022 to R10,702 million as at 31 December 2023 due to the reduction in equipment revenue from R438 million as at 31 December 2022 to R128 million as at 31 December 2023 due to an accounting principle change from principal to agent for the postpaid handsets. The 2023 handset revenue reflects the prepaid and wholesale handset and equipment sales only. There was a continued reduction in postpaid hybrid revenue from R2,120 million as at 31 December 2022 to R1,553 million as at 31 December 2023 as a result of a lower postpaid base. Despite the reduction in revenue the Group achieved a net profit of R190 million. 2023 was the first full financial year post the 2022 recapitalisation. During this period, was a notable increase in the shareholder loans and lease liabilities, both of which were components of the recapitalisation process.

12 months ended 31 December 2022

The net revenue for the Group reduced from R12,996 million as at 31 December 2021 to R11,310 million as at 31 December 2022 due to the reduction in equipment revenue from R901 million as at 31 December 2021 to R438 million as at 31 December 2022 due to an accounting principle change from principal to agent for the postpaid handsets from 1 June 2022. The 2022 handset revenue reflects the prepaid and wholesale handset and equipment sales, and the pre June 2022 handset revenues related to postpaid. There was a reduction in postpaid revenue from 31 December 2021 to 31 December 2022 as a result of a lower postpaid base. The Group achieved a net profit of R3,939 million due to the balance sheet restructuring that occurred as part of the 2022 recapitalisation transaction.

GROUP STATEMENT OF FINANCIAL POSITION

Figures in R'000	Notes	As at 31 May 2025	As at 31 May 2024	As at 31 December 2023	As at 31 December 2022
Assets					
Non-current assets					
Property, plant and equipment	2	459,262	509,576	502,308	1,241,304
Intangible assets	3	1,338,514	1,001,273	822,125	485,873
Equity-accounted investments	4	10,958	10,523	10,281	9,948
Deferred tax assets	8	2,024,749	–	–	–
Capitalised contract costs	5	23,563	41,339	42,668	11,365
		3,857,046	**1,562,711**	**1,377,382**	**1,748,490**
Current assets					
Inventories	6	55,455	109,517	50,644	42,102
Trade and other receivables	7	978,967	2,102,620	2,646,566	1,627,419
Cash and cash equivalents	11	182,110	101,042	290,019	75,459
		1,216,532	**2,313,179**	**2,987,229**	**1,744,980**
Total assets		**5,073,578**	**3,875,890**	**4,364,611**	**3,493,470**
Equity and liabilities					
Equity					
Issued capital	12	11,500,612	11,500,612	11,500,612	11,500,612
Share premium	12	14,168,218	14,168,218	14,168,218	14,168,218
Accumulated loss		(33,973,577)	(36,190,629)	(35,960,126)	(36,150,397)
Total equity		**(8,304,747)**	**(10,521,799)**	**(10,291,296)**	**(10,481,567)**
Liabilities					
Non-current liabilities					
Interest-bearing borrowings	10	1,472,779	3,096,109	3,253,555	2,874,737
Lease liabilities	16	1,638,044	1,546,713	1,546,881	1,472,334
		3,110,823	**4,642,822**	**4,800,436**	**4,347,071**
Current liabilities					
Employee benefit obligations	13	215,972	142,086	144,436	–
Provisions	14	–	–	–	13,232
Trade and other payables	15	4,547,182	6,262,830	7,097,033	6,221,658
Current tax liabilities	9	147,295	48,749	–	–
Interest-bearing borrowings	10	2,483,531	653,855	417,262	250,000
Lease liabilities	16	278,972	245,533	289,053	627,180
Contract liabilities	17	2,594,550	2,401,814	1,907,687	2,515,896
		10,267,502	**9,754,867**	**9,855,471**	**9,627,966**
Total liabilities		**13,378,325**	**14,397,689**	**14,655,907**	**13,975,037**
Total equity and liabilities		**5,073,578**	**3,875,890**	**4,364,611**	**3,493,470**

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in R'000	Notes	12-month period ended 31 May 2025	5-month period ended 31 May 2024	12-month period ended 31 December 2023	12-month period ended 31 December 2022
Revenue	18	11,138,167	4,619,830	10,702,963	11,310,320
Other income	19	1,319,077	648,430	3,159,195	10,604,718
Direct expenses	20	(7,720,889)	(3,385,724)	(8,482,574)	(8,574,401)
Employee benefits expense	21	(818,183)	(332,594)	(726,374)	(590,848)
Depreciation and amortisation	22	(507,638)	(161,829)	(978,017)	(1,479,110)
Loss on derecognition of capitalised contract costs		–	–	–	(22,396)
Impairment loss reversal/(impairment loss) on trade receivables	7	(1,034)	6,291	144,616	114,166
Other expenses	23	(1,812,736)	(967,841)	(2,128,246)	(5,175,942)
Profit before net finance costs, equity-accounted profit and tax		**1,596,764**	**426,563**	**1,691,563**	**6,186,507**
Finance income	24	11,032	5,692	9,157	10,607
Finance costs	25	(1,311,740)	(614,820)	(1,510,782)	(2,258,375)
Share of profit from equity-accounted investments	26	434	242	333	639
Profit/(loss) before tax		**296,490**	**(182,323)**	**190,271**	**3,939,378**
Income tax credit/(expense)	27	1,920,562	(48,180)	–	–
Profit/(loss) for the period		**2,217,052**	**(230,503)**	**190,271**	**3,939,378**
Earnings per share		**Cents**	**Cents**	**Cents**	**Cents**
Basic earnings per share	31	1,52	(0,16)	0,13	5,31
Diluted earnings per share	31	1,52	(0,16)	0,13	5,31

GROUP STATEMENT OF CHANGES IN EQUITY

Figures in R'000	Issued capital	Share premium	Accumulated loss	Total
Balance at 1 January 2022	11,333,339	14,168,218	(40,089,775)	(14,588,218)
Changes in equity				
Profit for the year	–	–	3,939,378	3,939,378
Total comprehensive income for the period	–	–	3,939,378	3,939,378
Shares issued at fair value	167,273	–	–	167,273
Balance at 31 December 2022	**11,500,612**	**14,168,218**	**(36,150,397)**	**(10,481,567)**
Balance at 1 January 2023	11,500,612	14,168,218	(36,150,397)	(10,481,567)
Changes in equity				
Profit for the year	–	–	190,271	190,271
Total comprehensive income for the period	–	–	190,271	190,271
Balance at 31 December 2023	**11,500,612**	**14,168,218**	**(35,960,126)**	**(10,291,296)**
Balance at 1 January 2024	11,500,612	14,168,218	(35,960,126)	(10,291,296)
Changes in equity				
Loss for the period	–	–	(230,503)	(230,503)
Total comprehensive income for the period	–	–	(230,503)	(230,503)
Balance at 31 May 2024	**11,500,612**	**14,168,218**	**(36,190,629)**	**(10,521,799)**
Balance at 1 June 2024	11,500,612	14,168,218	(36,190,629)	(10,521,799)
Changes in equity				
Profit for the period	–	–	2,217,052	2,217,052
Total comprehensive income for the period	–	–	2,217,052	2,217,052
Balance at 31 May 2025	**11,500,612**	**14,168,218**	**(33,973,577)**	**(8,304,747)**
Notes	12	12		

GROUP STATEMENT OF CASH FLOWS

Figures in R'000	Notes	12-month period ended 31 May 2025	5-month period ended 31 May 2024	12-month period ended 31 December 2023	12-month period ended 31 December 2022
Net cash flows from operations	32	**1,886,395**	**482,399**	**1,934,050**	**1,798,816**
Finance costs paid	25	(25,614)	(1,131)	(140,392)	–
Income taxes paid	34	(5,642)	–	–	–
Net cash flows from operating activities		**1,855,139**	**481,268**	**1,793,658**	**1,798,816**
Cash flows used in investing activities					
Finance income	24	11,032	5,692	9,157	10,607
Acquisition of property, plant and equipment	2	(269,358)	(122,616)	(135,444)	(512,233)
Purchase of intangible assets	3	(493,652)	(224,797)	(469,051)	(245,092)
Additions to capitalised contract assets	5	(6,567)	(13,278)	(60,163)	(108,578)
Cash flows used in investing activities		**(758,545)**	**(354,999)**	**(655,501)**	**(855,296)**
Cash flows used in financing activities					
Cash flows from interest-bearing borrowings	33	(158,195)	(110,000)	(201,667)	(1,198,744)
Cash flows from lease liabilities	33	(262,145)	(44,238)	(284,833)	(656,760)
Proceeds from interest-bearing borrowings	33	–	–	–	1,143,744
Interest paid	33	(595,186)	(161,008)	(437,097)	(512,567)
Cash flows used in financing activities		**(1,015,526)**	**(315,246)**	**(923,597)**	**(1,224,327)**
Net (decrease)/increase in cash and cash equivalents		**81,068**	**(188,977)**	**214,560**	**(280,808)**
Cash and cash equivalents at beginning of the period		101,042	290,019	75,459	356,266
Cash and cash equivalents at end of the period	11	**182,110**	**101,042**	**290,019**	**75,459**

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of compliance

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, the interpretations adopted by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

1.2 Basis of preparation

The Historical Financial Information is prepared on the historical cost bases except where stated otherwise in the accounting policies below. All financial information is presented in South African Rand (ZAR). Amounts have been rounded to the nearest thousand, unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information, except where the Cell C Group has adopted IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations and amendments that became effective during the period. Several new standards, amendments to standards and interpretations became applicable to the Cell C Group during the current period and have been applied in the preparation of the Historical Financial Information. New standards, amendments to standards and interpretations did not have a significant impact on the Cell C Group.

1.3 Basis of consolidation

Investment in subsidiaries

Subsidiaries are entities controlled by the Cell C Group. The Cell C Group 'controls' an entity when it 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. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the Historical Financial Information from the date control is obtained by the Cell C Group until the date the Cell C Group ceases to control the subsidiary.

Investment in equity-accounted investee

The Cell C Group's interest in an equity-accounted investee comprises of an interest in a joint venture.

A joint venture is an arrangement in which the Cell C Group has joint control, whereby the Cell C Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The investment in an investee is accounted for using the equity method. The investment is recognised initially at cost including transaction costs. Subsequent to initial recognition, the financial statements include the Cell C Group's share of profit or loss of equity-accounted investees, until the date which joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Cell C Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.4 Foreign currency transactions and translations

Transactions in foreign currencies are translated into ZAR at the exchange rates ruling when the transactions occur. Monetary assets and liabilities denominated in foreign currencies are translated into ZAR at the exchange rate at the reporting date. Foreign currency gains or losses are recognised in profit or loss.

1.5 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of property, plant and equipment includes directly attributable costs incurred, being the purchase cost plus any cost to prepare the assets for their intended use, decommissioning costs incurred, and subsequent costs that may be capitalised.

Depreciation is calculated on cost less estimated residual values using the straight-line method over the estimated useful lives, and recognised in profit or loss.

The estimated useful lives, per category of property, plant and equipment, are as follows:

Network assets	3 to 20 years
Computer equipment	3 years
Leasehold improvements	5 to 7 years
Furniture and fixtures	5 years
Equipment	5 to 10 years
Right-of-use asset: Building*	20 years
Right-of-use assets: Network assets and equipment*	5 to 20 years
Motor vehicles: including right-of-use assets*	4 to 5 years

** Refer to Note 1.6 for the accounting policy on right-of-use assets.*

The residual values, useful lives and depreciation methods are reviewed at each reporting date and adjusted if appropriate.

The carrying amount of property, plant and equipment is derecognised when the asset is disposed of or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property, plant and equipment are determined as the difference between the carrying amount and the net disposal proceeds, and are recognised in profit or loss.

1.6 Leases

At inception of a contract, the Cell C Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Cell C Group as lessee

The Cell C Group leases buildings, network assets and related equipment and motor vehicles.

At commencement or on modification of a contract that contains a lease component, the Cell C Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Cell C Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Cell C Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset to the Cell C Group by the end of the lease term. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is tested for impairment, when appropriate, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Cell C Group's incremental borrowing rate. Generally, the Cell C Group uses its incremental borrowing rate as the discount rate.

If lease payments are deferred beyond the normal credit terms, interest may be capitalised where material. The interest incurred on deferred payments is calculated by applying the discount rate used to measure the lease liability and is included as part of the lease liability on the balance sheet. This interest is recognised as an expense in profit or loss over the lease term using the effective interest method.

Where deferred payments result in a significant financing component, the Cell C Group adjusts the cost of the right-of-use asset and the corresponding lease liability to reflect the time value of money.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured if the Cell C Group changes its assessment of whether it will exercise an extension option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Cell C Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities separately in the statement of financial position.

Lease modifications

A lease is modified when there is a change in the scope, or the consideration, of a lease, that was not part of the original terms and conditions of the lease. Where the lease has been assessed as modified, the modification is either accounted for as a separate lease or as a remeasurement, depending on the nature of the modification. All modifications are accounted for at the effective date of the lease modification.

Lease modification accounted for as a separate lease

The Cell C Group accounts for lease modifications as a separate lease when the modification increases the scope of the lease by adding the right to use one or more underlying assets and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope.

Lease modifications not accounted for as a separate lease

Where a lease modification is not accounted for as a separate lease, the Cell C Group accounts for the modification as a remeasurement of the lease liability by discounting the revised lease payments using a revised discount rate.

The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the Cell C Group's incremental borrowing rate at the effective date of the modification, if the lease does not specify the interest rate.

The remeasurement of the lease liability results in a decrease of the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for modifications that decrease the scope of the lease, unless the decrease exceeds the carrying amount of the right-of-use asset, in which case the excess is recognised in profit or loss.

Short-term leases

The Cell C Group recognises lease contracts that are 12 months or less on a straight-line basis as an expense.

1.7 Intangible assets

All intangible assets of the Cell C Group have finite useful lives and are measured at cost, less accumulated amortisation and accumulated impairment losses.

Computer software	Computer software that is not considered as an integral part of any hardware equipment is recognised as an intangible asset.
Capitalised contract costs	The Cell C Group recognises an asset for the incremental costs of obtaining a contract with a customer if the Cell C Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Cell C Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. These costs include certain connection bonuses, interest, administration and margin fees and commissions payable to staff or agents for acquiring customers on behalf of the Cell C Group. Incremental costs of obtaining a contract, such as selling, distribution and marketing expenses, are recognised as an expense in profit or loss and included as part of other expenses (refer to Note 26.) when incurred since the amortisation period, if the costs were capitalised, would be less than one year. Capitalised costs are recognised as an asset and amortised over the term of the contract and assessed annually for impairment based on subscriber churn. This class is presented separately in the statement of financial position and disclosed in Note 5.
Indefeasible right of use	The indefeasible right of use (IRU) relates to the contractual right to access fibre assets over the useful life.
Purchased subscriber base	The purchased subscriber base relates to the prepaid customer base with an indefinite useful life.
Software under development	The software under development relates to Next Generation Business Support System (NGBSS), an internally generated software for the billing of customers. Development costs are capitalised and research expenditure is recognised in profit or loss. The software under development has been capitalised as computer software and amortised over its estimated useful life.

Amortisation is calculated to write off the cost of intangible assets using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives, per category of intangible assets, are as follows:

Computer software	3 to 5 years*
Capitalised contract costs (costs to obtain a contract)	2 to 3 years
Indefeasible right of use	20 years
Purchased subscriber base	Indefinite useful life

** The useful life of 5 years relates to the internally generated software: Next Generation Business Support System (NGBSS) that was completed and capitalised in the 2025 reporting period. The useful life of other assets within this class has not changed.*

The useful life is reviewed at each reporting date and adjusted if appropriate. Impairment is tested annually for assets with an indefinite useful life, while assets with a finite useful life are tested whenever there is an indicator that the asset may be impaired. Impairment loss is recognised in profit or loss.

Any gain or loss on disposal of an intangible asset is recognised in profit or loss.

1.8 Financial instruments

Initial measurement, classification and subsequent measurement

Initial measurement:

Financial assets and liabilities are recognised in the Cell C Group's statement of financial position when it becomes a party to the contractual provisions of the instruments. All financial assets (unless it is a trade receivable without a significant financing component) and financial liabilities are initially measured at fair value, including transaction costs. A trade receivable without a significant financing component is initially recognised at the transaction price.

Financial assets:

The Cell C Group's financial assets comprise only financial assets at amortised cost which consist of trade and other receivables and cash and cash equivalents.

Section 1.01 Classification

- A financial asset is measured at amortised cost when the following criteria are met:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Cell C Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Section 1.02 Subsequent measurement and gains and losses

Financial assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Derecognition:

Cell C Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. An interest in such derecognised financial assets that is created or retained by the Cell C Group is recognised as a separate asset or liability. Any gain or loss on derecognition is recognised in profit or loss.

The Cell C Group transfers financial assets if it retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

Section 1.03 Financial liabilities:

The Cell C Group's financial liabilities comprise only financial liabilities at amortised cost which consist of trade payables, lease liabilities and interest-bearing borrowings.

Section 1.04 Classification

Financial liabilities are classified as measured at amortised cost.

Section 1.05 Subsequent measurements

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition:

The Cell C Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Cell C Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Cell C Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Cell C Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Cell C Group measures loss allowances at an amount equal to lifetime ECLs, except for debt securities that are determined to have low credit risk at the reporting date and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs using a provision matrix, i.e., the simplified approach.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The Cell C Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Cell C Group considers a financial asset to be in default when the financial asset is more than 90 days past due, after which it is considered to be credit-impaired.

Trade receivables generally have 30 to 60 days payment terms.

When estimating ECLs, the Cell C Group considers the maximum contractual period over which the Cell C Group is exposed to credit risk.

Simplified approach

ECLs are calculated by applying a loss ratio to the aged balance of trade receivables at each reporting date, using a provision matrix. The loss ratio is calculated according to the ageing/payment profile of sales by applying historical/proxy write-offs to the payment profile of the sales population. In instances where there is no evidence of historical write-offs the Cell C Group uses an estimated proxy write-off.

Trade receivable balances have been grouped so that the ECL calculation is performed on groups of receivables with similar risk characteristics and ability to pay. Similarly, the sales population selected to determine the ageing/payment profile of the sales is representative of the entire population and in line with future payment expectations. The historical loss ratio is then adjusted for forward-looking information to determine the ECL for the portfolio of trade receivables at the reporting date to the extent that there is a strong correlation between the forward-looking information and the ECL.

Factors that would cause trade receivables in excess of 90 days not to be written off in full are if the debtor is a major shareholder and if subsequent payments have been received as the intention is to settle the debt in full. This assessment is based on the customer's payment history and patterns as well as payments received after the reporting date.

Credit-impaired financial assets

At each reporting date, the Cell C Group assesses whether financial assets measured at amortised cost are credit-impaired. A financial asset or finance lease receivable is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset or finance lease receivable have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Cell C Group on terms that the Cell C Group would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off

The gross carrying amount of a financial asset is written off when the Cell C Group has no reasonable expectations of recovering such in its entirety or a portion thereof. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Cell C Group and a failure to make contractual payments for a period of greater than 90 days past due. The Cell C Group expects no significant recovery from the amount written off. However, financial assets that are written off are no longer subject to enforcement activities for recovery of amounts due.

1.9 Inventories

Inventories for the Cell C Group consist of handsets, routers, set-top boxes, handset accessories, laptops, sim cards and starter packs (merchandise) and are initially recognised at cost. Inventories sold in the Cell C Group's branded stores and website for which the Cell C Group has no control over, are not included as part of inventory. Inventories are subsequently measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories is based on the weighted average cost principle and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The same cost formula is used for all inventories having a similar nature and use.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in profit or loss in the period in which the related revenue is recognised. Direct expenses include commission, buy-out campaign costs, cost of sales for airtime, data, SMS and GPRS costs, connection costs bonus, sim and handset acquisition costs.

An allowance for obsolete or damaged inventory is maintained by the Cell C Group. The level of the allowance for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value at the reporting date. Movements in this allowance are recognised in profit or loss.

1.10 Contingent Liabilities

The Cell C Group does not recognise contingent liabilities in the Statement of Financial Position until future events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made, at which time a provision is recognised.

1.11 Share capital

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of ordinary shares or share options are recognised in equity as a deduction, net of tax from the proceeds.

1.12 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only where:

- there is a legally enforceable right to set off the recognised amounts; and
- there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax value used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Cell C Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available which the temporary difference can be utilised against.

Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. The amount already paid in respect of current and prior periods which exceeds the amount due for those periods, is recognised as an asset.

The benefit relating to a tax loss that can be carried back to recover current tax of a previous period is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The measurement of deferred tax liabilities and deferred tax assets are made to reflect the tax consequences that would follow from the manner in which it is expected, at the end of the reporting period, recovery or settlement of temporary differences will occur.

1.13 Revenue from contracts with customers

The Cell C Group generates revenue from the distribution of telecommunication services which include prepaid, wholesale, contract (postpaid, hybrid, Fibre-to-the-home (FTTH), broadband, SMS and roaming) as well as from the sale of equipment. Products and services are sold separately or in bundled packages.

When the Cell C Group enters into an agreement with a customer, goods and services deliverable under the contract are identified as separate performance obligations to the extent that the customer can benefit from the goods or services on their own and that the separate goods and services are considered distinct from other goods and services in the agreement. The Cell C Group determines the transaction price to which it expects to be entitled to in return for providing the promised goods or services to the customer based on the committed contractual amounts, net of VAT and discounts.

The Cell C Group recognises revenue when it transfers control over a good or service to a customer. Revenue for the provision of services, such as telecommunication services, is recognised as the Cell C Group provides the related service during the agreed service period. Revenue from equipment sales is recognised when the device is delivered to the end customer.

Customers subscribe to a bundled or telecommunications (sim only) contract for periods ranging between 12 and 24 months.

For bundled packages (equipment and telecommunication services), the Cell C Group accounts for individual products and services separately if they are distinct. The consideration is allocated between separate products and services in a bundle and is based on the stand-alone selling prices. The stand-alone selling prices are determined and based on the list prices at which the Cell C Group sells the mobile devices and telecommunication services separately. Telecommunication services revenue is recognised at the earlier of usage or expiry.

The Cell C Group determines whether the nature of the transaction, in a bundled contract, is a performance obligation provided by the Cell C Group or by a third party.

With a bundled package, a customer signs two contracts; a contract with the Cell C Group for telecommunication services and a contract with a third party for the device (i.e., devices provided in a bundled arrangement are financed by the third party through a handset financing arrangement).

For device sales made to intermediaries such as franchisees and indirect channel dealers, revenue is recognised if control of the device has transferred to the intermediary and the intermediary has no right to return the device to receive a refund; otherwise, revenue recognition is deferred until sale of the device to an end customer by the intermediary or the expiry of any right of return.

When the Cell C Group has control of goods or services prior to delivery to a customer, then the Cell C Group is the principal in the sale to the customer. As a principal, receipts from, and payments to, suppliers are reported on a gross basis in revenue and operating costs. If another party has control of goods or services prior to transfer to a customer, then the Cell C Group is acting as an agent for the other party and revenue (e.g., Value-added Services ("VAS")) in respect of the relevant performance obligation is recognised net of any related payments to the supplier and represents the margin earned by the Cell C Group.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Type of product/ service	**Nature and timing of satisfaction of performance obligations, including significant payment terms**	**Revenue recognition**
Wholesale services	This telecommunication service comprises revenue generated from Mobile Virtual Network Operators (“MVNO”), Mobile Virtual Network Enablement (“MVNE”) and Business Service Providers (“BSP”) customers. The Cell C Group provides additional products and services to MVNOs and BSPs such as: SIM cards, devices, VAS and roaming services. The contracts are typically month to month and the telecommunication services and equipment sales is recognised in the manner described above for contract revenue. Due to the short-term nature of each contract no significant finance component exists.	Revenue is recognised over time as the customer simultaneously receives access to and uses the network services. The Cell C Group satisfies the performance obligation when the customer has access to the network and utilises voice, SMS, and data connectivity services.
Postpaid and prepaid distribution services	This revenue stream comprises Voice, SMS, Data, WASP and Contract charges. Payment for prepaid is collected in cash at the point of purchase of airtime vouchers by the customer. Payment terms differ in relation to different dealers which ranges from cash on delivery (COD) to 60 days. Contract customers are billed the month after services have been provided and payment is collected monthly in equal instalments over the period of the contract.	Revenue is recognised over time as the customer simultaneously receives access to and uses the network services. The Cell C Group satisfies the performance obligation when the customer has access to the network and utilises voice, SMS, and data connectivity services. The Cell C Group allocates a portion of the revenue received to volume discounts. Payments received in advance from customers for prepaid services are deferred and included in contract liabilities. The contract liability is recognised as revenue based on usage or breakage.
FTTH services	Fibre-to-the-home comprises line rental, connection fee, installation fee. Revenue is recognised as the customer simultaneously receives access to and uses the network services. Invoices are generated in advance of the service being provided. Invoices are payable in advance of the service being provided to the customer. Payments received in advance are included in contract liabilities.	Revenue is recognised over time as the customer simultaneously receives access to and uses the network services. The Cell C Group satisfies the performance obligation when the customer has access to the network and utilises voice, SMS, and data connectivity services.

Type of product/ service	**Nature and timing of satisfaction of performance obligations, including significant payment terms**	**Revenue recognition**
Equipment – Handsets (devices)	In a post-paid contract, when the Cell C Group sells a device as part of a bundling offering, the Cell C Group is an agent (Refer to Note 1.16.1). Therefore the Cell C Group doesn’t recognise the revenue in respect of the device sale. However, the Cell C Group continues to sell devices on a prepaid basis and in those transactions the Cell C Group is a principal. Accordingly, the Cell C Group recognises full revenue in respect of devices.	Revenue is recognised at a point in time when the customer takes control of the device.
Incoming (Interconnect)	Customers from other service providers are allowed to terminate their calls on the Cell C Group’s network. The performance obligation is met when calls from the other service providers terminate on the Cell C Group’s network. Payment for interconnect is generally received monthly based on usage for the month and is considered not to have a significant financing component.	The service is provided at a point in time when the calls from the other service providers are allowed to terminate on the network.
Roaming revenue	This revenue relates to the network spectrum of the Cell C Group. External parties are allowed access on the network spectrum at an agreed fee. The performance obligation is met when the external party makes use of the network spectrum. Payment for roaming services is generally received monthly as per agreed rates.	The service is provided over time as and when the external parties use the network spectrum.

1.14 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits are recognised as an expense in profit or loss during the reporting period in which the employee renders the related service.

Liabilities for employee entitlements to wages, salaries and annual leave represent the amount which the Cell C Group has a present obligation to pay as a result of employee services provided during the reporting period.

Defined contribution plan

The Cell C Group provides retirement benefits to all permanent employees through a defined contribution pension fund, which is subject to the Pension Fund Act of South Africa, 1956 as amended. Contributions to defined contribution pension funds are recognised as an expense in profit or loss as the related service is provided.

1.15 Finance income and finance costs

Finance income and finance costs are recognised in profit or loss using the effective interest method as the instruments to which this relates are measured at amortised cost.

Finance income comprises interest income from funds invested.

Finance costs comprise interest expenses on borrowings and lease liabilities and working capital.

1.16 **Significant judgements and estimates**

In preparing these financial statements, management has made judgements and estimates that affect the application of the Cell C Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

1.16.1 **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is as follows:

Sale of handsets

Significant judgement is required in respect of handset sales. The entity is considered to be a principal in such transactions if it controls the handsets before the handset is transferred to a customer (refer to Note 1.16.1 below).

The Cell C Group has an agreement with CEC for the facilitation of the sale of handsets. The contract allows CEC to control the inventory and the risks related to the inventory up to the point of sale to the customer, therefore CEC controls the inventory in the Cell C warehouse. The Cell C Group is responsible for providing telecommunication services to the customer, all the administration in respect of the sale and distribution of handsets included as part of a contract with a customer and the marketing and promotion of the services offered by the Cell C Group.

Management has applied the following judgements:

- The Cell C Group obtains no control of handsets that are purchased by CEC for resale to the Cell C Group's postpaid customers, the proceeds from the sale of handsets belongs to CEC and the pricing decisions of these devices is directed by CEC (i.e., the Cell C Group has no risks or rewards from the ownership and sale of handsets). Management has concluded that the Cell C Group acts as an agent in respect of the sale of handsets to postpaid subscribers.
- With risks and rewards of owning handsets that are sold to postpaid customers resting with CEC, the control of these handsets is also with CEC. The Cell C Group, therefore, does not account for handsets controlled by CEC as its inventory.

Based on management's assessment, the Cell C Group acts as an agent in respect of the sale of the handsets.

Significant financing component

Management considered its contracts with customers to determine whether they contain a significant financing component. Specifically, the Cell C Group has elected to apply the practical expedient in IFRS 15 to not account for a financing component when the period between the time of providing goods and services compared to payment timing is 12 months or less.

The Cell C Group sells all the devices it controls on a cash basis only, hence, there is no time difference between when the payment is received and when the devices are transferred to the customers. Postpaid subscribers pay their subscription monthly.

Therefore, management has concluded that none of the contracts with customers contain a significant financing component.

Recognition in respect of breakage

The Cell C Group recognises breakage based on the pattern of prepaid usage or when the likelihood of the customer exercising its remaining rights become remote. Revenue from breakage is recognised when the Cell C Group expects to be entitled to the amount, when it is highly probable, and that it would not result in significant reversal of the cumulative revenue recognised.

Contingent liabilities

The Cell C Group applies judgement in assessing the potential outcome of uncertain legal matters. The Cell C Group does not recognise contingent liabilities in the statement of financial position until future events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made, at which time a provision is recognised. The Cell C Group has disclosed contingent liabilities where economic outflows are considered possible but not probable.

1.16.2 **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties at the reporting dates that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next reporting period are as follows:

Property, plant and equipment – Estimation of useful lives

The estimation of useful lives is based on certain indicators such as historical experience and anticipation of future events, which may impact the useful lives, such as changes in technology, regulatory or economic environment. The useful lives will also depend on the future performance of the assets as well as management's judgement of the period over which economic benefits will be derived from the assets. Useful lives are reviewed on an annual basis with the effects of any changes in estimate accounted for on a prospective basis.

Management has made a significant judgement in determining the useful life of an internally generated intangible asset: Next Generation Billing Support System (NGBSS). This asset was developed internally and meets the recognition criteria set out in IAS 38 – Intangible Assets. Based on the expected useful life and anticipated technological evolution, management determined that a finite useful life of five (5) years is appropriate.

Impairment of financial assets

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. A key source of estimation uncertainty exists in the determination of the loss rates of trade receivables applied in determining the expected credit losses. The Cell C Group applies judgement in selecting the inputs to the impairment calculation, based on the Cell C Group's past history, existing market conditions as well as forward-looking estimates at each reporting date.

The assessment of the correlation between historical observed loss rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Cell C Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future.

Details of the key assumptions and inputs used are disclosed in Note 31.

Deferred tax – Availability of future taxable profits against which deductible temporary differences and tax losses carried forward can be utilised

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The deferred tax asset is recognised to the extent that there are sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses can be utilised.

In determining whether it is probable that future taxable profits will be available against which the deferred tax assets can be used, the Cell C Group has estimated the probability of future taxable profits based on budgeted forecasts of the Cell C Group and the probable reversal of taxable temporary differences in the future.

Medium-term forecasts are prepared and reviewed by management on a bi-annual basis which includes estimates and assumptions regarding economic growth, interest rates, inflation and applicable factors. Management exercises judgement in determining whether forecasts are likely to be achieved and, in turn, whether the deferred tax assets will be recoverable.

The Cell C Group's deferred tax assets for the current year amounted to R2 billion (2024: R Nil million, 2023: R Nil million and 2022: R Nil million) (refer to Note 8). Management was able to demonstrate with significant certainty that the Cell C Group will generate future taxable profits to utilise the unused tax loss and it was able to determine that the temporary differences would be utilised.

1.17 **Recapitalisation transaction**

Overview of the recapitalisation transaction

The Cell C Group concluded a robust recapitalisation process in the prior reporting period with the purpose of deleveraging its statement of financial position and providing liquidity with which to operate and grow its businesses. In addition, the process was an enabler for the Cell C Group to achieve long-term success for the benefit of its customers, employees, creditors, shareholders and its other stakeholders.

A summary of the salient terms of the transaction is set out below:

Debt restructure

Intercreditor Agreement ('ICA') lenders had aggregate claims against the Cell C Group of approximately R10,4 billion. A compromise agreement was reached, wherein they were offered either a final cash settlement or the option to re-invest the payout for reinvested debt plus Cell C shares at a nominal amount. Refer to Note 10 for the reinvested debt.

Loan from TPC

To facilitate the restructuring of the Cell C Group's secured debt owing to ICA Lenders who chose not to reinvest their claims, the Cell C Group obtained a R1,03 billion loan required to effect the compromise offer. Refer to Note 10.

The Cell C Group obtained an additional loan of R53 million from TPC to fund an interrelated transaction from ZTE Corporation. Refer to Note 10.

Comm Equipment Cell C Group (Pty) Ltd ("CEC") deferral

The Cell C Group was indebted to CEC in an aggregate amount of at least R1,25 billion in respect of the procurement of goods and services. Refer to Note 10.

Compromise with creditors

The Cell C Group entered into an agreement to purchase unsold airtime held by Lesaka Technologies SA (Pty) Ltd ("Lesaka") amounting to R287 million. Lesaka is allowed to sell any of the airtime to the market which reduced the amount of the airtime to be bought back and the cash to be paid by the Cell C Group. The unsold airtime was previously recognised as unearned revenue however the new agreement changed the nature of the Cell C Group's obligation from providing airtime/services to an obligation to pay cash. As at the end of 31 May 2025 the full loan balance was settled.

Shares

Participating lenders who wished to remain invested in the Cell C Group were entitled to share pro rata in an issue of ordinary shares in the Cell C Group at a nominal value. All shareholders of the Cell C Group diluted proportionately to enable the issuance of these ordinary shares to the participating lenders.

Compromised leases

The Cell C Group renegotiated certain of its lease agreements. The amendments predominantly aimed to provide financial relief needed by the Cell C Group to improve its liquidity position. Refer to Note 16.

Bulk airtime purchase and repurchase of stock (Liquidity requirements)

To further assist the Cell C Group with its working capital requirements, the following stock purchases have been made with TPC:

On 30 September 2022, prepaid airtime vouchers with a face value of R1,99 billion (including VAT) for a cash payment of R1,20 billion (including VAT).

Bulk airtime vouchers from the Cell C Group on 1 December 2022 and quarterly after the effective date at a face value of R300 million, the last purchase being completed in October 2024.

R315 million monthly in the first year commenced on 31 October 2022, for a cash consideration of R315 million. Subsequently, monthly payments of R238 million in cash were made until 30 September 2024.

The prepaid airtime that has been acquired by TPC pursuant to the above, formed part of the average monthly prepaid airtime acquisitions by TPC in the Cell C Group's ordinary course of business. The unused airtime purchases are reflected as part of the contract liabilities balance. Refer to Note 17.

Conclusion

As at the financial reporting dates 31 May 2025, 31 May 2024, 31 December 2023 and 31 December 2022, Cell C had met all recapitalisation related payments, despite liquidity remaining a challenge.

2. **PROPERTY, PLANT AND EQUIPMENT**

2.1 **Balances at year end and movements for the year**

	Network assets	Computer equipment	Leasehold improvements	Furniture and fittings	Office equipment	Network and equipment: right-of-use asset	Building: right-of-use asset	Motor vehicles: right-of-use asset	Total
12 months to 31 May 2025									
At cost	694,356	1,233,903	68,751	–	190,133	5,543,066	977,352	29,417	8,736,978
Accumulated depreciation	(618,529)	(1,157,428)	(67,011)	–	(187,977)	(5,419,296)	(748,015)	(29,145)	(8,227,401)
Carrying amount	**75,827**	**76,475**	**1,740**	**–**	**2,156**	**123,770**	**229,337**	**272**	**509,577**
Movements for the period ended 31 May 2025									
Additions from acquisitions	39,566	38,585	54,688	–	–	89,631	42,149	4,739	269,358
Depreciation	(19,115)	(11,327)	(3,980)	–	(303)	(90,706)	(105,735)	(1,739)	(232,904)
Terminations	–	–	–	–	–	(21,946)	(860)	(27)	(22,833)
Transfer	5,226	(69,161)	–	–	–	–	–	–	(63,935)
Closing balance at 31 May 2025									
At cost	736,901	319,244	73,989	–	111,554	3,494,626	733,870	5,529	5,475,713
Accumulated depreciation	(635,397)	(284,672)	(21,541)	–	(109,702)	(3,393,877)	(568,979)	(2,283)	(5,016,451)
Carrying amount	**101,504**	**34,572**	**52,448**	**–**	**1,852**	**100,749**	**164,891**	**3,246**	**459,262**
5 months to 31 May 2024									
At cost	652,969	1,186,595	68,591	54,266	135,868	5,589,485	976,166	30,073	8,694,013
Accumulated depreciation	(615,940)	(1,144,905)	(64,618)	(54,212)	(133,630)	(5,432,732)	(716,063)	(29,605)	(8,191,705)
Carrying amount	**37,029**	**41,690**	**3,973**	**54**	**2,238**	**156,753**	**260,103**	**468**	**502,308**
Movements for the period ended 31 May 2024									
Additions from acquisitions	41,387	47,308	160	–	–	20,051	13,254	456	122,616
Depreciation	(2,589)	(12,523)	(2,393)	(20)	(117)	(39,812)	(43,541)	(579)	(101,574)
Retirements	–	–	–	–	–	(13,222)	(479)	(73)	(13,774)
Closing balance at 31 May 2024									
At cost	694,356	1,233,903	68,751	54,266	135,868	5,543,066	977,352	29,417	8,736,979
Accumulated depreciation	(618,529)	(1,157,428)	(67,011)	(54,232)	(133,747)	(5,419,296)	(748,015)	(29,145)	(8,227,403)
Carrying amount	**75,827**	**76,475**	**1,740**	**34**	**2,121**	**123,770**	**229,337**	**272**	**509,576**

	Network assets	Computer equipment	Leasehold improvements	Furniture and fittings	Office equipment	Network and equipment: right-of-use asset	Building: right-of-use asset	Motor vehicles: right-of-use asset	Total
12 months to 31 December 2023									
At cost	18,295,317	1,174,690	557,330	56,675	138,973	8,182,374	946,942	91,059	29,443,360
Accumulated depreciation	(17,968,055)	(1,100,869)	(545,286)	(56,570)	(136,578)	(7,707,140)	(597,214)	(90,344)	(28 202 056)
Carrying amount	**327,262**	**73,821**	**12,044**	**105**	**2,395**	**475,234**	**349,728**	**715**	**1,241,304**
Movements for the period ended 31 December 2023									
Additions from acquisitions	22,741	31,573	–	–	156	59,027	19,816	2,131	135,444
Depreciation	(288,933)	(65,709)	(8,071)	(51)	(313)	(343,701)	(109,427)	(2,017)	(818,222)
Terminations	–	–	–	–	–	(33,814)	(7)	(361)	(34,182)
Retirements	(24,041)	–	–	–	–	–	–	–	(24,041)
Transfer	–	2,005	–	–	–	–	–	–	2,005
Closing balance at 31 December 2023									
At cost	652,969	1,186,595	68,591	54,266	135,868	5,589,485	976,166	30,073	8,694,013
Accumulated depreciation	(615,940)	(1,144,905)	(64,618)	(54,212)	(133,630)	(5,432,732)	(716,063)	(29,605)	(8,191,705)
Carrying amount	**37,029**	**41,690**	**3,973**	**54**	**2,238**	**156,753**	**260,103**	**468**	**502,308**
12 months to 31 December 2022									
At cost	18,067,505	1,152,730	557,699	54,595	137,822	8,438,552	1,106,070	89,772	29,604,745
Accumulated depreciation	(17,287,669)	(1,055,260)	(532,856)	(54,359)	(135,811)	(7,373,818)	(517,547)	(89,113)	(27,046,433)
Carrying amount	**779,836**	**97,470**	**24,843**	**236**	**2011**	**1,064,734**	**588,523**	**659**	**2,558,312**
Movements for the period ended 31 December 2022									
Additions from acquisitions	172,422	189,177	2,206	–	3,255	304,871	–	2,283	674,214
Depreciation	(680,389)	(42,745)	(12,225)	(52)	(767)	(331,740)	(79,668)	(1,231)	(1,148,817)
Reclassifications	145,174	(145,174)	–	–	–	(39,177)	39,177	–	–
Terminations	–	–	–	–	–	(523,447)	(198,311)	(996)	(722,754)
Retirements	(89,781)	(24,907)	(2,780)	(79)	(2,104)	–	–	–	(119,651)
Closing balance at 31 December 2022									
At cost	18,295,317	1,174,690	557,330	56,675	138,973	8,182,374	946,942	91,059	29,443,360
Accumulated depreciation	(17,968,055)	(1,100,869)	(545,286)	(56,570)	(136,578)	(7,707,140)	(597,214)	(90,344)	(28,202,056)
Carrying amount	**327,262**	**73,821**	**12,044**	**105**	**2,395**	**475,234**	**349,728**	**715**	**1,241,304**

2.2 **The following assets with zero book values have been derecognised:**

	Network assets	Computer equipment	Leasehold improvements	Furniture and fittings	Office equipment	Network and equipment: right-of-use asset	Building: right-of-use asset	Motor vehicles: right-of-use asset	Total
12 months to 31 May 2025									
Number of assets	16	16,900	165	–	8,670	–	–	8	25,759
At cost	7,268	883,994	49,518	–	78,580	2,074,564	252,276	26,714	3,372,914
Accumulated depreciation	(7,268)	(883,994)	(49,518)	–	(78,580)	(2,042,393)	(252,276)	(26,714)	(3,340,743)
Impairment	–	–	–	–	–	–	–	–	–
Carrying amount	**–**	**–**	**–**	**–**	**–**	**32,171**	**–**	**–**	**32,171**
5 months to 31 May 2024									
Number of assets	–	–	–	–	–	–	–	–	–
At cost	–	–	–	–	–	–	–	–	–
Accumulated depreciation	–	–	–	–	–	–	–	–	–
Impairment	–	–	–	–	–	–	–	–	–
Carrying amount	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
12 months to 31 December 2023									
Number of assets	219,625	601	18,527	939	519	12,929	–	470	253,610
At cost	17,641,048	19,497	488,739	2,408	10,993	1,951,284	–	60,826	20,174,795
Accumulated depreciation	(17,641,048)	(19,497)	(488,739)	(2,408)	(10,993)	(1,951,284)	–	(60,826)	(20,174,795)
Impairment	–	–	–	–	–	–	–	–	–
Carrying amount	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
12 months to 31 December 2022									
Number of assets	–	–	–	–	–	–	–	–	–
At cost	–	–	–	–	–	–	–	–	–
Accumulated depreciation	–	–	–	–	–	–	–	–	–
Impairment	–	–	–	–	–	–	–	–	–
Carrying amount	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

2.3 **The closing cost balances including items with a nil asset value for the reporting periods amounted to:**

	Network assets	Computer equipment	Leasehold improvements	Furniture and fittings	Office equipment	Network and equipment: right-of-use asset	Building: right-of-use asset	Motor vehicles: right-of-use asset	Total
12 months to 31 May 2025									
Number of assets	83	595	118	–	9,123	12	–	–	9,931
At cost	605,729	258,167	8,793	–	100,367	34,860	–	–	1,007,916
Accumulated depreciation	(605,729)	(258,167)	(8,793)	–	(100,367)	(34,860)	–	–	(1,007,916)
Carrying amount	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
5 months to 31 May 2024									
Number of assets	68	17,438	203	12,606	5,182	12	–	6	35,515
At cost	612,851	1,135,641	30,490	53,511	124,682	34,860	–	1,076	1,993,111
Accumulated depreciation	(288,025)	(1,046,279)	(18,347)	(49,182)	(112,260)	(14,361)	–	(1,074)	1,529,528)
Impairment	(324,826)	(89,362)	(12,143)	(4,329)	(12,422)	(20,499)	–	(2)	(463,583)
Carrying amount	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
12 months to 31 December 2023									
Number of assets	66	17,342	–	12,599	5,128	12	–	8	35,155
At cost	612,621	1,073,806	–	53,443	124,051	34,860	–	1,182	1,899,963
Accumulated depreciation	(287,794)	(984,444)	–	(49,160)	(111,883)	(14,361)	–	(1,180)	(1,448,822)
Impairment	(324,827)	(89,362)	–	(4,283)	(12,168)	(20,499)	–	(2)	(451,141)
Carrying amount	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
12 months to 31 December 2022									
Number of assets	85,371	17,658	17,434	13,471	17,658	34	11,791	444	163,861
At cost	6,319,451	1,026,376	426,654	55,623	1,026,376	390	1,592,954	61,618	10,509,442
Accumulated depreciation	(6,319,451)	(1,026,376)	(426,654)	(55,623)	(1,026,376)	(390)	(1,592,954)	(61,618)	(10,509,442)
Carrying amount	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

3. INTANGIBLE ASSETS

3.1 **Balances at year end and movements for the year**

	Computer software	Store buy-back	Software under development	Purchased Subscriber Base	Programme and film rights	Indefeasible right of use	Total
12 months to 31 May 2025							
At cost	715,964	11,784	496,328	–	–	153,580	1,377,656
Accumulated amortisation	(229,349)	(4,914)	–	–	–	(142,120)	(376,383)
Carrying amount	**486,615**	**6,870**	**496,328**	**–**	**–**	**11,460**	**1,001,273**
Movements for the period ended 31 May 2025							
Additions	493,652	–	–	15,000	–	–	508,652
Amortisation	(234,080)	–	–	–	–	(1,176)	(235,346)
Transfers	567,133	(6,870)	(496,328)	–	–	–	63,935
Closing balance at 31 May 2025							
At cost	1,755,011	–	–	15,000	–	153,580	1,923,591
Accumulated amortisation	(441,781)	–	–	–	–	(143,296)	(585,077)
Carrying amount	**1,313,230**	**–**	**–**	**15,000**		**10,284**	**1,338,514**
5 months to 31 May 2024							
At cost	575,332	11,784	412,163	–	–	153,580	1,152,859
Accumulated amortisation	(184,517)	(4,587)	–	–	–	(141,630)	(330,734)
Carrying amount	**390,815**	**7,197**	**412,163**	**–**	**–**	**11,950**	**822,125**
Movements for the period ended 31 May 2024							
Additions	140,632	–	84,165	–	–	–	224,797
Amortisation	(44,832)	(327)	–	–	–	(490)	(45,649)
Closing balance at 31 May 2024							
At cost	715,964	11,784	496,328	–	–	153,580	1,377,656
Accumulated amortisation	(229,349)	(4,914)	–	–	–	(142,120)	(376,383)
Carrying amount	**486,615**	**6,870**	**496,328**	**–**	**–**	**11,460**	**1,001,273**

	Computer software	Store buy-back	Software under development	Purchased Subscriber Base	Programme and film rights	Indefeasible right of use	Total
12 months to 31 December 2023							
At cost	3,919,547	100,813	147,684	–	378,356	153,580	4,699,980
Accumulated amortisation	(3,602,467)	(92,830)	–	–	(378,356)	(140,454)	(4,214,107)
Carrying amount	**317,080**	**7,983**	**147,684**	**–**	**–**	**13,126**	**485,873**
Movements for the year ended 31 December 2023							
Additions	204,572	–	264,479	–	–	–	469,051
Transfers	(2,005)	–	–	–	–	–	(2,005)
Amortisation	(128,832)	(786)	–	–	–	(1,176)	(130,794)
Closing balance at 31 December 2023							
At cost	575,332	11,784	412,163	–	–	153,580	1,152,859
Accumulated amortisation	(184,517)	(4,587)	–	–	–	(141,630)	(330,734)
Carrying amount	**390,815**	**7,197**	**412,163**	**–**	**–**	**11,950**	**822,125**
12 months to 31 December 2022							
At cost	3,686,238	89,029	–	–	378,356	153,580	4,307,203
Accumulated amortisation	(3,449,390)	(89,029)	–	–	(378,356)	(139,278)	(4,056,053)
Carrying amount	**236,848**	**–**	**–**	**–**	**–**	**14,302**	**251,150**
Movements for the year ended 31 December 2022							
Additions	233,309	11,784	147,684	–	–		392,777
Amortisation	(153,077)	(3,801)	–	–	–	(1,176)	(158,054)
Closing balance at 31 December 2022							
At cost	3,919,547	100,813	147,684	–	378,356	153,580	4,699,980
Accumulated amortisation	(3,602,467)	(92,830)	–	–	(378,356)	(140,454)	(4,214,107)
Carrying amount	**317,080**	**7,983**	**147,684**	**–**	**–**	**13,126**	**485,873**

Software under development

The Cell C Group was committed to incurring Next Generation Business Support System ('NGBSS') costs during 2024 of Rnil million (2023: R40.80 million and 2022: R120 million).

3.2 **The following assets with zero book values have been derecognised:**

	Computer software	Store buy-back	Software under development	Programme and film rights	Indefeasible right of use	Total
12 months to 31 May 2025						
Number of assets	31	–	–	–	–	31
At cost	19,997	–	–	–	–	19,997
Accumulated depreciation	(19,997)	–	–	–	–	(19,997)
Carrying amount	–	–	–	–	–	–
5 months to 31 May 2024						
Number of assets	–	–	–	–	–	–
At cost	–	–	–	–	–	–
Accumulated depreciation	–	–	–	–	–	–
Carrying amount	–	–	–	–	–	–
12 months to 31 December 2023						
Number of assets	7	1	–	2	–	10
At cost	3,546,210	89,029	–	378,356	–	4,013,595
Accumulated depreciation	(3,546,210)	(89,029)	–	(378,356)	–	(4,013,595)
Carrying amount	–	–	–	–	–	–
12 months to 31 December 2022						
Number of assets	–	–	–	–	–	–
At cost	–	–	–	–	–	–
Accumulated depreciation	–	–	–	–	–	–
Carrying amount	–	–	–	–	–	–

3.3 **The closing net cost balances include items with a nil asset value for the following reporting periods amounting to:**

	Computer software	Store buy-back	Software under development	Programme and film rights	Indefeasible right of use	Total
12 months to 31 May 2025						
Number of assets	88	–	–	–	–	88
At cost	93,741	–	–	–	–	93,741
Accumulated depreciation	(93,741)	–	–	–	–	(93,741)
Carrying amount	**–**	**–**	**–**	**–**	**–**	**–**
5 months to 31 May 2024						
Number of assets	–	–	–	–	–	–
At cost	–	–	–	–	–	–
Accumulated depreciation	–	–	–	–	–	–
Carrying amount	**–**	**–**	**–**	**–**	**–**	**–**
12 months to 31 December 2023						
Number of assets	–	–	–	–	–	–
At cost	–	–	–	–	–	–
Accumulated depreciation	–	–	–	–	–	–
Carrying amount	**–**	**–**	**–**	**–**	**–**	**–**
12 months to 31 December 2022						
Number of assets	–	–	–	–	–	–
At cost	–	–	–	–	–	–
Accumulated depreciation	–	–	–	–	–	–
Carrying amount	**–**	**–**	**–**	**–**	**–**	**–**

4. **INVESTMENT IN EQUITY-ACCOUNTED INVESTEE**

Figure in R'000	**12 months to 31 May 2025**	**5 months to 31 May 2024**	**12 months to 31 December 2023**	**12 months to 31 December 2022**
Investment in equity-accounted investee				
The amounts included on the statements of financial position comprise the following:				
Equity accounted investments	**10,958**	**10,523**	**10,281**	**9,948**
Investment in joint venture				
Direct interest held in joint venture	20%	20%	20%	20%
Reconciliation between proportionate investment and current investment value:				
Investment at cost	2,000	2,000	2,000	2,000
Equity-accounted share of profit	8,957	8,523	8,281	7,948
Opening balance	8,523	8,281	7,948	7,309
Current reporting period recognised in profit or loss	434	242	333	639
Investment in joint venture	**10,958**	**10,523**	**10,281**	**9,948**

The Cell C Group has a direct interest in Mobile Number Portability Company Proprietary Limited, a company incorporated in South Africa. The joint venture administers the porting of mobile numbers across several mobile networks. The joint venture is not a publicly listed entity and is not material to the Cell C Group.

5. **CAPITALISED CONTRACT COSTS**

Figure in R'000	**12 months to 31 May 2025**	**5 months to 31 May 2024**	**12 months to 31 December 2023**	**12 months to 31 December 2022**
Balance at the beginning of the period				
At cost	596,526	583,249	523,087	1,853,571
Accumulated amortisation and impairment losses	(555,187)	(540,581)	(511,722)	(1,753,585)
Carrying amount	**41,339**	**42,668**	**11,365**	**99,986**
Movements during the period	**(17,776)**	**(1,329)**	**31,303**	**(88,621)**
Additions capitalised	21,701	13,278	60,163	108,578
Loss on derecognition of capitalised contract costs	–	–	–	(22,397)
Amortisation	(39,477)	(14,606)	(28,860)	(174,802)
Balance at the end of the period				
At cost	118,035	596,526	583,249	523,087
Accumulated amortisation and impairment losses	(94,472)	(555,187)	(540,581)	(511,722)
Carrying amount	**23,563**	**41,339**	**42,668**	**11,365**

Costs of obtaining contracts with customers are only capitalised when they are expected to be amortised over a period of more than 1 year.

6. INVENTORIES

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Merchandise	66,215	112,759	54,283	72,728
Provision for Inventory Obsolescence	(10,760)	(3,242)	(3,639)	(30,626)
	55,455	**109,517**	**50,644**	**42,102**

During the 2025 reporting period inventories of R201 were written off.

The total amount of inventories recognised as an expense in profit or loss during the 2023 period amounted to R1,02 billion (2022: R1,05 billion).

During the 2023 period there was a decrease in the allowance for obsolete inventory of R26,99 million (2022: increase of R4,74 million) with a corresponding effect in cost of sales recognised in profit or loss. The decrease in allowance for obsolete inventory from the 2022 period to the 2023 period is due to a significant decrease in the risk of inventory obsolescence across all stock age groups with older inventories selling more than anticipated.

7. TRADE AND OTHER RECEIVABLES

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Financial assets				
Trade receivables	1,300,760	2,413,289	2,960,844	2,094,544
Expected credit loss allowance	(343,884)	(342,850)	(349,141)	(493,757)
Carrying amount	956,876	2,070,439	2,611,703	1,600,787
Deposits	22,091	32,181	34,863	26,632
Total trade and other receivables	**978,967**	**2,102,620**	**2,646,566**	**1,627,419**

Movements in impairment of trade and other receivables are as follows:

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
At the beginning of the period	(342,850)	(349,141)	(493,757)	(607,923)
Expected credit loss/(recovery)	(1,034)	6,291	144,616	114,166
At the end of the period	**(343,884)**	**(342,850)**	**(349,141)**	**(493,757)**

The carrying amounts of trade receivables represent the maximum credit exposure.

The carrying amounts of trade and other receivables approximates the fair value of the assets due to the short-term nature of the assets.

Information about the Cell C Group's exposure to credit risk and impairment of trade receivables is included in Note 33.

8. DEFERRED TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Accruals	64,192	50,072	9,637	82,524
Expected credit losses	76,043	89,438	88,639	110,160
Capitalised contract costs	48,842	48,601	48,601	48,594
Contract liabilities	1,046,527	752,028	802,195	868,546
Net deferred tax asset not recognised*	(5,037,851)	(7,764,731)	(7,744,089)	(5,212,785)
Prepayments	(45)	(4,142)	–	–
Property, plant and equipment	289,290	295,222	364,569	1,256,180
Provisions	–	–	40,297	7,159
Tax losses*	5,537,751	6,533,512	6,390,151	2,839,554
Unrealised foreign gains or losses	–	–	–	68
Net deferred tax assets	**2,024,749**	**–**	**–**	**–**

* *During the 2025 reporting period, deferred tax assets were recognised on deductible temporary differences and on previously unrecognized assessed losses, as management was able to demonstrate probable future taxable profits. Deferred tax liabilities were also recognised on taxable temporary differences. After offsetting deferred tax assets and liabilities, a net deferred tax asset of R2 billion is presented in the statement of financial position. The recognition of this net deferred tax asset is primarily attributable to the recognition of previously unrecognised assessed losses.*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Medium-term forecasts are prepared and reviewed by the Board on a bi-annual basis which include estimates and assumptions regarding economic growth, interest rates, inflation and applicable factors. The Board exercises judgement in determining whether forecasts are likely to be achieved and, in turn, whether the deferred tax assets will be recoverable.

Previously management was unable to demonstrate with significant certainty that the Cell C Group will generate future taxable profits to utilise the unused tax loss and it was unable to determine whether the temporary differences would be utilised due to the uncertainty relating to the changes in the business. At the reporting date, the Cell C Group adopted a prudent approach and the deferred tax asset was not recognised.

In the 2025 reporting period, a deferred tax asset of R2,025 million (2024: R Nil million, 2023: R Nil million and 2022: R Nil million) was recognised as management was able to demonstrate with significant certainty that the Cell C Group will generate future taxable profits to utilise the unused tax loss and determined that the temporary differences would be utilised.

Deferred tax assets to be recovered after more than 12 months

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Deferred tax assets to be recovered after more than 12 months	**2,024,749**	**–**	**–**	**–**

Reconciliation of deferred tax movements

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Accruals	14,119	139	–	1,958
Amounts received in advance	–	–	–	382,304
Tax losses	(963,005)	143,361	3,550,597	(1,896,790)
Capitalised contract costs	238	–	7	6,273
Change in tax rate	–	–	–	(118,939)
Contract liability	261,748	(50,167)	(66,351)	–
Deferred tax not recognised	2,726,880	(20,643)	(2,531,305)	2,106,887
Loss allowance	(13,395)	799	(21,520)	(7,225)
Prepayments	4,096	(4,142)	–	13,664
Property, plant and equipment	(5,932)	(69,347)	(891,610)	(488,166)
Provision for site restoration	–	–	(39,749)	–
Unrealised foreign gains or losses	–	–	(69)	34
	2,024,749	**–**	**–**	**–**

9. **CURRENT TAX LIABILITIES**

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Tax payable beginning of the period	48,749	–	–	–
Provision for tax	119,950	48,180	–	–
Prior year (over)/under provision	(15,763)			
Penalties		569	–	–
	152,936	**48,749**	**–**	**–**

10. **INTEREST-BEARING BORROWINGS**

Borrowings that arose as a result of the recapitalisation transaction

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
The Prepaid Company ('TPC') Recapitalised loan 1				
The Cell C Group originally borrowed R1,03 billion from TPC. The loan is secured and bears no interest for the first 24 months after 30 September 2022. Thereafter the outstanding amount bears interest at a fixed rate of 10% per annum until month 42, and thereafter the outstanding total repayment amount bears interest at prime plus 3% until month 66.				
Interest is payable in cash monthly from month 25.				
The capital repayment is payable on month 42 and month 66. The closing balance of the loan is net of the deferred loss and the deferred loss is subsequently amortised and recognised into profit or loss over the period of the loan. The amortised cost amounted to R2,7 billion (2024: R2,48 billion, 2023: R2,33 billion and 2022: R1,99 billion). The deferred loss at the reporting date amounted to R472,62 million (2024: R628,85 million, 2023: R700,97 million and 2022: R949,61 million).	2,235,103	1,852,836	1,624,396	1,040,393
The Prepaid Company ('TPC') Reinvested debt loan 2				
The capital amount of R111 million is secured and bears no interest for the first 24 months from 30 September 2022 and thereafter it bears interest at a fixed rate of 10% per annum. The total amount is repayable at the end of month 42. The closing balance of the loan is net of the deferred loss and the deferred loss is subsequently amortised in profit or loss over the period of the loan. The amortised cost amounted to R294,06 million (2024: R274,94 million, 2023: R258,72 million and 2022: R222,85 million). The deferred loss at the reporting date amounted to R24,81 million (2024: R71,42 million, 2023: R79,62 million and 2022: R95,74 million).	272,774	203,520	179,107	127,116
The Prepaid Company ('TPC')				
An amount of R97 million has been borrowed at an interest rate of 0.06%. The loan is repayable based on a cash sweeping mechanism. The fair value of the loan on initial recognition was R56 million resulting in a gain of R41 million which was deferred. The closing balance of the loan is net of the deferred gain and the deferred gain is subsequently amortised and recognised in profit or loss over the period of the loan. The amortised cost amounted to R53,31 million (2024: R56,04 million, 2023: R56,04 million and 2022: R57,1 million). The deferred gain at the reporting date amounted to R9 million (2024: R28,13 million, 2023: R31,36 million and 2022: R42 million).	65,087	84,178	87,393	99,103
Nedbank Limited***				
This loan accrues interest on the face value at a fixed rate of 5% per annum for the first 24 months from 30 September 2022, which is capitalised. From month 25 to month 42, the outstanding debt will accrue interest at a fixed rate of 10% per annum payable monthly in arrears. R15,8 million will be repaid quarterly from month 25 to month 36 (a total of R63,2 million). The quarterly repayments will be applied firstly to the capitalised interest and thereafter to the outstanding face value of the loan. The fair value of the loan was R359,09 million and a loss of R191 million was recognised on initial recognition in profit or loss.	435,070	451,503	426,541	374,050

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Gramercy SA Telecoms Holdings LLC** The loan accrues interest on the face value at a fixed rate of 5% per annum for the first 24 months from the implementation of the restructure, which will be capitalised. From month 25 to month 42, the outstanding debt will accrue interest at a fixed rate of 10% per annum payable monthly in arrears. R14,2 million will be repaid quarterly from month 25 to month 36 (a total of R56,8 million). The quarterly repayments will be applied firstly to the capitalised interest and thereafter to the outstanding face value of the loan.	–	415,698	390,300	335,942
The Prepaid Company ('TPC')** The loan accrues interest on the face value at a fixed rate of 5% per annum for the first 24 months from the implementation of the restructure, which will be capitalised. From month 25 to month 42, the outstanding debt will accrue interest at a fixed rate of 10% per annum payable monthly in arrears. R14,2 million will be repaid quarterly from month 25 to month 36 (a total of R56,8 million). The quarterly repayments will be applied firstly to the capitalised interest and thereafter to the outstanding face value of the loan.	457,968	–	–	–
Restructure implementation agreement – CEC*** The Company was indebted to CEC in an aggregate amount of R1,26 billion in respect of the procurement of goods and services. The Company paid an amount of R157 million on 30 September 2022. The remaining payable was reclassified to a loan with a nominal value of R1,1 billion loan on 30 September 2022 and the loan expires on 30 September 2027, bearing interest at 12% per annum compounded monthly in arrears. The capital and the interest is payable monthly.	490,308	682,433	805,998	980,500

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Lesaka financing liability* The Cell C Group previously sold airtime to Lesaka. Subsequently, the Cell C Group entered into an agreement with Lesaka whereby R287 million worth of unsold airtime held by Lesaka would be repurchased from Lesaka. The repurchase of the airtime takes place over a period of 30 months, in equal monthly purchases, commencing in October 2023. Payments of R10 million are made monthly until settled in full. Interest will accrue after 13 months at a fixed rate of 9% per annum, payable monthly in arrears.	–	59,796	157,082	167,633
Total interest-bearing borrowings	**3,956,310**	**3,749,964**	**3,670,817**	**3,124,737**
Non-current liabilities portion of interest bearing borrowings	1,472,779	3,096,109	3,253,555	2,874,737
Current liabilities portion of interest bearing borrowings	2,483,531	653,855	417,262	250,000
	3,956,310	**3,749,964**	**3,670,817**	**3,124,737**

* *The loan was settled in the 2025 reporting period.*

** *In the 2025 reporting period, the largest shareholder, The Prepaid Company Proprietary Limited ('TPC') entered into a transaction with Gramercy SA Telecom Holdings LLC ('Gramercy') to acquire a debt claim against the Cell C Group from Gramercy for a purchase consideration of R450 million. Additionally, TPC acquired 6.09%, representing 88,939,299 shares of the Cell C Group's issued share capital from Gramercy for a purchase consideration of R6 million, the transaction was approved by both the Competition Commission and the Competition Tribunal post the period of reporting.*

*** *A portion of the CEC loan was settled through the use of airtime vouchers amounting to R157 million in the 2025 reporting period.*

**** *Starting from the 25th month following the implementation of the restructure, the Cell C Group is required, under a quarterly cash sweep mechanism, to make payments towards outstanding debt only if excess cash exceeded R700 million.*

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in current assets:

Cash

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Cash and cash equivalents	182,110	101,042	290,019	75,459

The Cell C Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the financial institutions combined with the fact that the institutions are reputable within the economic environment.

Therefore, no loss allowance (2024: Rnil, 2023: Rnil and 2022: Rnil) has been recognised in respect of cash and cash equivalents at the reporting date.

Credit Ratings of Selected Counterparties:

Counterparty	Rating (Moody's)	Cash on hand	Outlook
For the 12 months ended 31 May 2025			
Nedbank	Baa3	111,403	Stable
Standard Bank	Ba2	2,827	Stable
First National Bank	Baa3	67,880	Stable
For the 5 months ended 31 May 2024			
Nedbank	Aaa.za	99,555	Stable
Standard Bank	Aaa.za	1,487	Stable
For the 12 months ended 31 December 2023			
Nedbank	Aaa.za	255,358	Stable
Standard Bank	Aaa.za	34,661	Stable

A part of the Cell C Group's cash and cash equivalents is security for a facility with the financial institutions included in Note 10.

The carrying amount approximates its fair value due to its short-term nature.

12. ISSUED CAPITAL

Authorised and issued share capital

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Authorised share capital				
1 000 ordinary shares of R1 each	1	1	1	1
2 475 000 000 (2024, 2023 and 2022: 2 475 000 000) "A" ordinary shares	23,263,500	23,263,500	23,263,500	23,263,500
25 000 000 "B" convertible ordinary shares of R0.12 each	3,000,000	3,000,000	3,000,000	3,000,000
	26,263,501	**26,263,501**	**26,263,501**	**26,263,501**
Issued share capital				
641 (2024, 2023 and 2022: 641) ordinary shares*	–	–	–	–
1 436 560 948 (2024, 2023 and 2022: 1 436 560 948) A ordinary shares	11,500,609	11,500,609	11,500,609	11,500,609
25 000 000 (2024, 2023 and 2022: 25 000 000) B convertible ordinary shares	3	3	3	3
	11,500,612	**11,500,612**	**11,500,612**	**11,500,612**

* *Share capital of R641 is not disclosed due to the amount being less than R1,000.*

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Share premium				
Balance at the beginning of the period	14,168,218	14,168,218	14,168,218	14,168,218
Balance at the end of the period	**14,168,218**	**14,168,218**	**14,168,218**	**14,168,218**

Reconciliation of ordinary shares:

Number	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Ordinary shares				
Balance at the beginning of the period	641	641	641	641
Balance at the end of the period	**641**	**641**	**641**	**641**
A ordinary shares***				
Balance at the beginning of the period	1,436,560,948	1,436,560,948	1,436,560,948	475,000,000
Shares issued	–	–	–	961,560,948
Balance at the end of the period	**1,436,560,948**	**1,436,560,948**	**1,436,560,948**	**1,436,560,948**
B convertible ordinary shares******				
Balance at the beginning of the period	25,000,000	25,000,000	25,000,000	25,000,000
Balance at the end of the period	**25,000,000**	**25,000,000**	**25,000,000**	**25,000,000**

*** *Holders of A ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings.*

**** *B convertible ordinary shares cannot be transferred but are convertible to A ordinary shares on a one-for-one basis at the option of the holder on conversion date, which is the earlier of listing or five years after the 2017 recapitalisation transaction. Holders are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings. Dividends are cumulative and only payable on conversion date.*

13. EMPLOYEE BENEFIT OBLIGATIONS

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Provisions for employee benefits				
Bonus provision	215,972	142,086	144,436	–
Reconciliation of bonus provision				
At the beginning of the period	142,086	144,436	–	74,400
Recognised	137,527	65,165	144,436	–
Utilised	(63,641)	(67,515)	–	(74,400)
Balance at the end of the period	**215,972**	**142,086**	**144,436**	**–**

The bonus provision was raised in line with the Board approved Total Reward Framework which includes a Long-Term Incentive ('LTI') and Short-Term Incentive ('STI'). Senior management was given the option of taking their STI bonus either in cash or as 50% deferred for 3 years, therefore the provision will also include the deferred 50% as elected by employees. The balance of the provision is an LTI portion which is payable over a 3-year vesting period varying for each employee.

14. PROVISIONS

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Provision for site restoration	–	–	–	13,232
Reconciliation of provision for site restoration				
At the beginning of the period	–	–	13,232	85,286
Utilised	–	–	(13,232)	(72,054)
Balance at 31 December	**–**	**–**	**–**	**13,232**

This provision relates to an estimate of the cost of dismantling and removing network assets and related equipment and restoring the site on which the asset was located to its original condition. The Cell C Group provides for the anticipated costs associated with the restoration of leasehold property to its original condition at inception of the lease. The Cell C Group only recognises these site restoration costs for sites where it expects decommissioning to take place.

The estimate has been based on current market quotation costs, at the reporting date, and the time-value of money is not material.

15. **TRADE AND OTHER PAYABLES**

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Financial liabilities*				
Trade payables	3,180,764	4,411,289	5,330,488	3,592,248
Accrued expenses**	892,278	1,240,010	1,292,356	1,627,595
	4,073,042	5,651,299	6,622,844	5,219,843
Non-financial liabilities				
VAT payable	374,945	479,831	322,680	1,001,815
Income received in advance	99,195	131,700	151,509	–
	474,140	611,531	474,189	1,001,815
Total trade and other payables	**4,547,182**	**6,262,830**	**7,097,033**	**6,221,658**

* *The decline in 2024 is mainly attributable to netting transactions with CEC amounting to R1,4 billion as per the netting agreement.*

** *2022 predominantly included once-off accruals due to the recapitalisation transaction.*

The carrying amount of trade and other payables approximates the fair value due to its short-term nature.

16. **LEASE LIABILITIES**

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Non-current				
Lease liabilities – motor vehicles	1,753	630	963	1,710
Lease liabilities – network and related assets	1,379,811	1,266,700	1,254,647	1,212,340
Lease liabilities – buildings	256,479	279,383	291,271	258,284
Total non-current lease liabilities	**1,638,043**	**1,546,713**	**1,546,881**	**1,472,334**
Current				
Lease liabilities – motor vehicles	1,731	1,106	982	1,242
Lease liabilities – network and related assets	217,404	152,873	202,638	580,504
Lease liabilities – buildings	59,837	91,554	85,433	45,434
Total current lease liabilities	**278,972**	**245,533**	**289,053**	**627,180**
Total lease liabilities	**1,917,016**	**1,792,246**	**1,835,934**	**2,099,514**

The Cell C Group leases buildings, motor vehicles and network and related assets.

The motor vehicle leases have a remaining lease term of 1 year. The average discount rate is 10.21% (2024: 17.47%, 2023: 17.32% and 2022: 11.39%). The average monthly repayments amount to R184 109 (2024: R168 579, 2023: R271 153 and 2022: R197 000).

Leases of network and related assets are in respect of Telkom links and other network assets. The leases have remaining lease terms of up to 12 years and an average discount rate of 20.83% (2024: 22.84%, 2023: 22.84% and 2022: 19.95%). The average monthly repayments amount to R36,79 million (2024: R30,37 million, 2023: R52,79 million and 2022: R99 million).

The Cell C Group Lease building comprises of leases of offices located in Waterfall in Johannesburg and owned stores. The leases have remaining lease terms of up to 2 years and an average discount rate is 18.34% (2024: 20.19%, 2023: 22.69% and 2022: 19.95%). The average monthly repayments amount to R13,98 million (2024: R9,92 million, 2023: R7,83 million and 2022: R11,2 million).

The expense in respect of the short-term leases portfolio to which the Cell C Group is committed at the reporting date is not expected to differ significantly to that of the short-term lease expense recognised in the current reporting period.

Amounts recognised in profit or loss:

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Short-term lease expense (included in other expenses)	102,015	(59,433)	(263,480)	(481,813)
Depreciation	(197,968)	(83,932)	(454,723)	(370,816)
Interest on lease liabilities (included in finance costs)	(330,627)	(138,285)	(393,174)	(479,850)
Gain on lease modification	–	–	–	837,729
Gain from lease terminations	15,700	–	102,601	–

Amounts recognised in the statements of cash flows

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Interest on lease liabilities (included in cash flows from financing activities)	(308,667)	(95,564)	(330,686)	(479,850)
Capital repayments of lease liabilities (included in cash flows from financing activities)	(262,145)	(44,238)	(284,833)	(656,760)
Short-term lease expense (included in cash flows from operating activities)	(102,015)	(59,433)	(263,480)	(459,138)

All lease payments are paid at a fixed rate or escalated at a fixed percentage of CPI, which was 4.75% (2024: 5.2%, 2023: 4.7% to 7.2% and 2022: 6.9%) for the reporting period.

The Waterfall lease contains extension options exercisable by the Cell C Group up to two months before the end of the non-cancellable contract period. Where practicable, the Cell C Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Cell C Group and not by the lessors. The Cell C Group assesses at the lease commencement date whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. At the reporting date there was no reasonable certainty to extend the Waterfall lease or other leases or to terminate any of the material leases.

Impact of recapitalisation transaction concluded in the financial year ended 31 December 2022

As a result of the recapitalisation transaction the lease liabilities were reduced by R1,27 billion and the right-of-use asset was reduced by R429,29 million which resulted in a profit of R837,72 million.

Lease commitments

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Contracted for but not yet incurred	3,110,252	3,465,205	3,656,050	4,423,732
Less than 1 year	399,727	580,713	599,521	732,583
Between 1–2 years	606,196	344,221	380,451	621,542
Between 2–5 years	755,553	1,231,299	1,309,765	1,363,834
Greater than 5 years	1,348,776	1,308,972	1,366,313	1,705,773

17. **CONTRACT LIABILITIES**

Contract liabilities comprise:

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Balance at the beginning of the year	2,401,814	1,907,687	2,515,896	1,313,237
Recognition of revenue from customers	(6,332,246)	(3,071,610)	(5,496,258)	(7,059,986)
Airtime vouchers sold but not yet used*	6,524,982	3,565,737	4,888,049	8,262,645
Balance at the end of the year	**2,594,550**	**2,401,814**	**1,907,687**	**2,515,896**

The contract liabilities predominantly relate to the advance consideration for prepaid vouchers ('pin stock'). The contract liability is recognised when the prepaid vouchers have been delivered to the distributor and revenue is recognised once the vouchers have been used.

* *During 2023, voucher sales with the resellers decreased due to decrease in discounts post recapitalisation.*

18. REVENUE

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by the nature of the revenue streams generated by the business and the timing of revenue recognition as follows:

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Prepaid*	6,332,246	3,071,610	6,668,850	7,059,986
Postpaid	2,293,527	959,123	1,879,142	2,529,379
Mobile services	**8,625,773**	**4,030,733**	**8,547,992**	**9,589,365**
Wholesale	1,466,494	513,420	1,134,885	650,412
Roaming	1,693,509	682,423	1,336,480	1,807,080
Other revenue**	271,928	108,260	274,367	1,156,619
Total service before discounts	**12,057,704**	**5,334,836**	**11,293,724**	**13,203,476**
Volume discounts*	(1,038,307)	(744,373)	(718,702)	(2,331,480)
Total service revenue after discounts	**11,019,397**	**4,590,463**	**10,575,022**	**10,871,996**
Equipment	118,770	29,367	127,940	438,324
Total revenue from contracts with customers	**11,138,167**	**4,619,830**	**10,702,962**	**11,310,320**

* *The decrease in from 2022 to 2023 revenue and volume discounts is mainly attributable to the recapitalisation transaction which was a key driver of higher recharges and discounts in the prior period.*

** *Other revenue in 2022 includes revenue from bulk SMS and international roaming services.*

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Timing of the revenue recognition				
Transferred at a point in time	732,279	261,790	744,421	1,071,864
Transferred over time	10,405,888	4,358,040	9,958,542	10,238,456
	11,138,167	**4,619,830**	**10,702,963**	**11,310,320**

19. OTHER INCOME

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Sundry income*	422,990	112,642	1,230,073	747,302
CEC cost recoveries***	835,913	522,078	1,840,427	366,157
Management fees from subsidiaries	–	–	–	–
Franchise fees	26,609	10,449	26,638	31,439
Foreign currency gains – realised	20,829	2,697	10,838	42,915
Foreign currency gains – unrealised	12,736	564	51,219	49,256
Recapitalisation gains**	–	–	–	9,367,649
Gain on derecognition of old loans	–	–	–	8,902,553
Loss on fair valuation of new loans	–	–	–	(372,633)
Gain on lease modifications	–	–	–	837,729
Total other income	**1,319,077**	**648,430**	**3,159,195**	**10,604,718**

* *Sundry income includes subscriber insurance royalties and recoveries of operating costs from franchises. Included in sundry income is an amount related to write-offs amounting to R338 million (2024: Rnil, 2023: R1 053 million and 2022: R652 million). This relates predominantly to accounts payable write-offs.*

** *Refer to Note 1.17.*

*** *Included in CEC recoveries are operating costs charged to CEC.*

20. DIRECT EXPENSES

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Wholesale cost	492,950	150,047	316,764	202,791
Ongoing commissions	780,718	333,793	730,304	758,644
Cost of mobile equipment sales	223,235	63,981	199,396	1,126,880
Termination costs	842,820	361,011	912,304	617,316
Roaming costs	2,636,875	1,155,113	3,049,791	2,409,335
Other mobile services costs	120,465	50,022	123,206	145,228
Prepaid subscriber acquisition costs ('SAC')	1,408,933	481,954	1,973,485	2,465,633
CEC direct costs*	1,192,625	771,585	1,145,544	833,796
Other	22,268	18,218	31,780	14,778
	7,720,889	**3,385,724**	**8,482,574**	**8,574,401**

* *These CEC direct costs relate to expenses incurred in making various network services available to postpaid customers. These costs are subsequently recovered from CEC. Refer to Note 19.*

21. EMPLOYEE BENEFITS EXPENSE

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Salaries and wages*	625,710	235,932	546,829	507,217
Performance and retention bonuses	146,112	73,028	146,032	18,393
Directors' and prescribed officers' emoluments	46,361	23,634	33,513	65,238
Total employee benefits expense	**818,183**	**332,594**	**726,374**	**590,848**

* *Included in the salaries and wages are contributions to the defined contribution plan, amounting to R36,12 million (2024: R20,17 million, 2023: R43,56 million and 2022: R35,48 million).*

Directors' and prescribed officers' emoluments in aggregate:

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Executive directors and prescribed officers	35,687	18,860	23,835	52,018
Non-executive directors	10,674	4,774	9,678	13,220
	46,361	**23,634**	**33,513**	**65,238**

	Directors' fees	Salary and other	Bonuses and retention payments	Total
2025				
Executive and prescribed officers				
J.J.C. Mendes	–	14,770	14,638	29,408
E.T. Kope	–	5,000	1,279	6,279
	–	**19,770**	**15,917**	**35,687**
Non-executive				
L.M. Nestadt	1,250	–	–	1,250
S.J. Vilakazi	1,200	–	–	1,200
S.V. Zilwa	1,140	–	–	1,140
J.S. Mthimunye	2,000	–	–	2,000
D.H. Shimkins	1,200	–	–	1,200
G.N. Motsa	1,300	–	–	1,300
M. Makanjee	1,170	–	–	1,170
N. Lane (resigned March 2025)	900	514	–	1,414
	10,160	**514**	**–**	**10,674**

	Directors' fees	Salary and other	Bonuses and retention payments	Total
2024				
Executive and prescribed officers				
J.J.C. Mendes	–	14,524	–	14,524
E.T. Kope	–	4,336	–	4,336
	–	**18,860**	**–**	**18,860**
Non-executive				
S.V. Zilwa	475	–	–	475
S.J. Vilakazi	500	–	–	500
D.H. Shimkins	500	–	–	500
J.S. Mthimunye	833	–	–	833
G.N. Motsa	542	–	–	542
M. Makanjee	488	–	–	488
N. Lane	500	415	–	915
	4,359	**415**	–	**4,774**
2023				
Executive and prescribed officers				
D.J. Craigie Stevenson (resigned March 2023)	–	9,199	–	9,199
J.J.C. Mendes (appointed July 2023)	–	7,000	–	7,000
Z.A. Mahomed	–	–	–	–
A.J. Ittmann (resigned July 2023)	–	4,675	–	4,675
Z. Williams	–	–	–	–
D.P. Pule (resigned August 2023)	–	2,961	–	2,961
	–	**23,835**	–	**23,835**
Non-executive				
S.V. Zilwa	1,195	–	–	1,195
S.J. Vilakazi	1,255	–	–	1,255
D.H. Shimkins	1,200	–	–	1,200
L.M. Nestadt	1,256	–	–	1,256
J.S. Mthimunye	2,000	–	–	2,000
G.N. Motsa	1,025	–	–	1,025
M. Makanjee	547	–	–	547
N. Lane	1,200	–	–	1,200
	9,678	**–**	**–**	**9,678**
2022				
Executive and prescribed officers				
D.J. Craigie Stevenson	–	8,513	16,092	24,605
Z.A. Mahomed	–	3,054	6,400	9,454
A.J. Ittmann	–	5,205	3,660	8,865
Z. Williams	–	3,775	3,280	7,055
D.P. Pule	–	1,439	600	2,039
	–	21,987	30,032	52,018
Non-executive				
J.S. Mthimunye	2,733	–	–	2,733
L.M. Nestadt	1,272	–	–	1,272
G. Harlow	1,000	–	–	1,000
S.J. Vilakazi	1,200	–	–	1,200
D.H. Shimkins	1,470	–	–	1,470
L. Mthimunye	1,931	–	–	1,931
S.V. Zilwa	2,143	–	–	2,143
M. Nelson-Smith	1,270	–	–	1,270
O. Ighodaro	–	–	–	–
A.M.R. Smith	–	–	–	–
J.S. Newman	–	–	–	–
N. Lane	200	–	–	200
	13,220	–	–	**13,220**

22. DEPRECIATION AND AMORTISATION

Depreciation and amortisation comprises:

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Property, plant and equipment (Note 2)	232,905	101,574	818,222	1,148,817
Depreciation	**232,905**	**101,574**	**818,222**	**1,148,817**
Intangible assets (Note 3)	235,256	45,649	130,934	158,054
Contract assets (Note 5)	39,477	14,606	28,861	174,802
Amortisation	**274,733**	**60,255**	**159,795**	**332,856**
Total depreciation and amortisation	**507,638**	**161,829**	**978,017**	**1,481,673**

23. OTHER EXPENSES

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Other expenses comprise:				
Auditor's remuneration	17,361	13,113	16,316	17,900
Fines and penalties	175	647	30,410	–
Foreign exchange loss – unrealised	15,810	–	–	–
Irrecoverable assets**	–	–	6,745	2,202,212
IT expenses	540,085	220,535	455,162	421,541
Licence fees	80,599	44,576	105,360	144,897
Other administrative expenses	268,503	113,868	453,027	440,427
Repairs and maintenance	32,017	15,693	53,522	114,931
Selling, distribution and marketing costs	384,498	189,397	323,714	453,247
Short-term lease expense – Network rental properties	–	59,433	263,480	481,813
Short-term lease expense – Property rentals	102,015	359	1,755	9,998
Transmission costs	57,324	25,787	66,780	76,323
Water and electricity	5 015	6,704	64,086	172,546
Share-based payments*		–	–	167,000

* *As part of the recapitalisation transaction concluded in the financial year ended 31 December 2022 the share issue (refer to Note 1.17) was treated as a share-based payment amounting to R167 million.*

** *The amount relates to assets balances that arose during the 2021 reporting period that were assessed as irrecoverable.*

24. FINANCE INCOME

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Interest income on bank balances	**11,032**	**5,692**	**9,157**	**10,607**

25. FINANCING COSTS

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Interest expense on borrowings	873,205	360,052	884,902	747,288
Interest expense on lease liabilities	330,627	138,285	393,174	479,850
Interest expense on working capital	107,908	116,483	232,706	160,582
Foreign exchange loss	–	–	–	870,655
Total finance costs	**1,311,740**	**614,820**	**1,510,782**	**2,258,375**

26. SHARE OF PROFIT OR LOSS FROM EQUITY ACCOUNTED INVESTMENTS

Share of profit or loss from equity accounted investments comprise:

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Income from equity accounted investments	**434**	**242**	**333**	**639**

27. INCOME TAX (CREDIT)/EXPENSE

Income tax recognised in profit or loss:

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Current tax				
Current year	119,950	48,180	–	–
Prior year adjustment	(15,763)	–	–	–
Total current tax	**104,187**	**48,180**	**–**	**–**
Deferred tax				
Current period – originating	(2,350,953)	(20,643)	655,195	2,377,502
Prior year under/(over) provision	(238)	–	–	–
Deferred tax not recognised	326,442	20,643	(655,195)	(2,570,567)
Rate change	–	–	–	193,065
Total deferred tax	(2,024,749)	–	–	–
Total income tax (credit)/expense	**(1,920,562)**	**48,180**	**–**	**–**

The income tax for the period can be reconciled to accounting (loss)/profit as follows:

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
(Loss)/profit before tax from operations	296,490	(182,323)	190,271	3,939,378
Income tax calculated at the statutory rate	27.00%	27.00%	27.00%	28.00%
Tax effect of				
– Non-taxable income	(0.04%)	(3.58%)	0.00%	0.00%
– Deferred tax not recognised	(52.34%)	(9.65%)	(340.50%)	(65.74%)
– Deferred tax – prior year under/(over) provision	(0.08%)	0.00%	0.00%	0.00%
– Amortisation of intangible assets	0.00%	0.00%	19.85%	0.00%
– Non-deductible recapitalisation expenses	66.12%	(40.20%)	434.92%	0.00%
– Current tax – prior year under/(over) provision	(5.32%)	0.00%	0.00%	0.00%
– Deferred tax recognised	(683.05%)	0.00%	0.00%	0.00%
– Accounting adjustments and write-offs	0.00%	0.00%	(141.27%)	0.00%
– Permanent differences	0.00%	0.00%	0.00%	9.03%
– Recapitalisation transactions	0.00%	0.00%	0.00%	2.49%
– Change in statutory tax rate	0.00%	0.00%	0.00%	4.90%
– Fair value adjustments	0.00%	0.00%	0.00%	21.32%
– Other	(0.20%)	0.00%	0.00%	0.00%
Effective tax rate	**(647.91%)**	**(26.43%)**	**0.00%**	**0.00%**

28. CONTINGENT LIABILITIES

Contingent assets/liabilities are not recognised in the statement of financial position until future events indicate that it is probable that an inflow/outflow of resources will take place and a reliable estimate can be made, at which time a provision is recognised.

The Cell C Group has the following contingent liabilities at the end of the reporting period:

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Legal matters	**72,000**	–	–	–

In 2025, a claim of R72 million against Cell C Limited was instituted by third party, relating to the alleged repudiation of a lease agreement. The matter is to be determined by the High Court, Cell C Limited has entered an appearance to defend the matter.

29. RELATED PARTIES

Identification

Shareholder with significant influence

The Prepaid Company Proprietary Limited

Associates

Number Portability Company Proprietary Limited

Affiliated entities

3G Mobile Proprietary Limited

Airvantage Proprietary Limited

Blu Nova Proprietary Limited

Blue Label Connect Proprietary Limited

Blue Label Data Solutions Proprietary Limited

Blue Label Distribution Proprietary Limited

Blue Label One Proprietary Limited

Blue Label Telecoms Limited

Comm Equipment Company Proprietary Limited

Dunoworx Proprietary Limited

Number Portability Company Proprietary Limited

Panacea Mobile Proprietary Limited

Prism Payment Technologies Proprietary Limited

Robtronics Proprietary Limited

Simigenix Proprietary Limited

The Post Paid Company Proprietary Limited

Transaction Junction Proprietary Limited

ViaMedia Proprietary Limited

Wi Connect Proprietary Limited

Related-party transactions are conducted on an arm's-length basis and any outstanding balances are no more or less favourable than any other supplier or customer of a similar size. CEC occupies rental space at the Waterfall premises for no consideration, all other transactions are carried out at arm's-length.

Related party transactions and balances

Purchases from related parties

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Comm Equipment Company Proprietary Limited	4,031,072	1,878,483	4,600,576	2,865,829
CEC direct costs	1,192,625	771,585	1,145,544	833,796
CEC operating costs	2,838,447	1,106,898	3,455,032	2,032,033
Transaction Junction Proprietary Limited	4,462	2,236	5,331	5,620
Dunoworx Proprietary Limited	2,577	1,519	2,260	–
The Prepaid Company Proprietary Limited	78,001	190,827	413,717	139,592
Number Portability Company Proprietary Limited	3,537	1,459	3,320	1,765
Robtronics Proprietary Limited	–	–	–	1,765
Blu Nova Proprietary Limited	23,137	9,315	21,488	24,259
Blue Label One Proprietary Limited	8,238	–	2,435	5,077
	4,151,024	**2,083,839**	**5,049,127**	**3,043,907**

Revenue from sales to related parties

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
The Prepaid Company Proprietary Limited	2,876,127	1,893,270	2,759,655	4,863,439
Blue Label Connect Proprietary Limited	5,930	9,594	50,453	84,205
Comm Equipment Company Proprietary Limited	1,768,897	478,646	1,213,766	1,973,266
Blue Label Distribution Proprietary Limited	–	137	369	675
Transaction Junction Proprietary	39	–	20	–
Blue Label Data Solutions Proprietary Limited	187	–	–	–
Robotronics	–	–	–	1,765
	4,651,180	**2,381,647**	**4,024,263**	**6,923,350**

Other income from related parties

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Comm Equipment Company Proprietary Limited	835,913	522,079	1,840,427	366,157
	835,913	**522,079**	**1,840,427**	**366,157**

Commissions and administration fees paid to related parties

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Blue Label Connect Proprietary Limited	9,898	9,346	44,217	72,887
The Prepaid Company Proprietary Limited	2,905	1,236	3,197	–
The Post Paid Company Proprietary Limited	42	21	52	–
Blue Label Distribution Proprietary Limited	42	18	47	–
Wi Connect Proprietary Limited	31	22	62	–
	12,918	**10,643**	**47,575**	**72,887**

Trade and other payables due to related parties

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
The Prepaid Company Proprietary Limited	733,794	–	108,830	–
The Post Paid Company Proprietary Limited	–	10	–	–
Transaction Junction Proprietary Limited	1,156	986	2,592	1,612
Dunoworx Proprietary Limited	7	2,011	21	–
Prism Payment Technologies Proprietary Limited	–	10,800	–	–
Robtronics Proprietary Limited	–	(1)	–	1
Blue Label One Proprietary Limited	1,188	–	390	2,726
Blue Label Distribution Proprietary Limited	–	4	–	–
Number Portability Company Proprietary Limited	620	310	678	370
Blu Nova Proprietary Limited	5,542	9,315	10,212	6,513
Comm Equipment Company Proprietary Limited	32	586,479	837,254	–
	742,339	**609,914**	**959,977**	**11,222**

Amounts due from related parties included in interest-bearing loans and borrowings

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Comm Equipment Company Proprietary Limited ('CEC')	490,308	682,433	805,998	980,500
The Prepaid Company Proprietary Limited	2,575,265	2,140,534	1,890,896	1,541,559
	3,065,573	**2,822,967**	**2,696,894**	**2,522,059**

Interest expense from related parties

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Comm Equipment Company Proprietary Limited ('CEC')	95,927	51,879	133,576	193,890
The Prepaid Company Proprietary Limited	640,978	172,527	401,830	50,609
	736,905	**224,406**	**535,406**	**244,499**

Amounts due from related parties included in trade and other receivables

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Blue Label Distribution Proprietary Limited	–	31	–	38
Blue Label Connect Proprietary Limited	46,659	51,222	58,021	39,059
The Prepaid Company Proprietary Limited	974,105	336,200	193,274	–
Transaction Junction Proprietary Limited	–	–	2	–
Comm Equipment Company Proprietary Limited ('CEC')	80,106	16,948	818,288	–
	1,100,870	**404,401**	**1,069,585**	**39,097**

30. **SEGMENTAL INFORMATION**

The CEO's office consisting of the Chief Executive Officer ("**CEO**"), the Chief Financial Officer ("**CFO**") and the Chief Executive team ("**EXCO**") are the chief operating decision maker ("**CODM**") within the meaning of IFRS 8. Operating segments are determined on the reports received by the CODM that are used to make strategic decisions.

The CODM considers the business from an operating perspective. The Cell C Group operates in one geographic segment, the Republic of South Africa. The operating segment comprises of the 2 main operations defined by service type:

Service revenue operations: the Cell C Group derives all revenue from the sale of telecommunications services to customers.

The Service revenue operation is then further disaggregated by product type as follows:

- Prepaid revenue: This revenue stream comprises voice, SMS, data, and other service revenue earned from consumer customers that prepay for their services.
- Postpaid revenue: This revenue stream comprises voice, SMS, data, and other service revenue earned from consumer customers that pay for their services after having received them.
- Wholesale revenue: This telecommunication service comprises revenue generated from Mobile Virtual Network Operators ("**MVNO**"), Mobile Virtual Network Enablement ("**MVNE**") and other Business Service Providers ("**BSP**") corporate customers.
- Roaming revenues: The provision of services to other MNOs to use the company's spectrum or network, including but not limited to the termination of services on The Company's network.
- Other revenues is a combination of supplementary and complimentary telecommunications services provided to both enterprise and non-enterprise customers, including elements like Fiber to the home and to the business. Strategic future growth is expected in the revenue segment.

Equipment Operation: the Cell C Group derives revenue from the sale of telecommunications related equipment to both consumer and corporate customers. Currently Service revenue is below threshold, but we are disclosing separately as historically it was a material value and with the potential consolidation of the Comm Equipment Company, this operation is expected to be material in future.

The administrative operations are not deemed to be a segment by management and are considered to form part of the main Service and Equipment revenue operating segment because these are supporting the operation of all segments.

Management assesses the performance of the operating segments on EBITDA.

The segment information provided to the CODM for the reportable segments for the reporting periods ended 31 May 2025, 31 May 2024, 31 December 2023 and 31 December 2022 is as follows:

Figures in R'000	**Prepaid**	**Postpaid**	**Wholesale**	**Roaming**	**Other**	**Equipment**	**Group**
12 Months to 31 May 2025							
Revenue	5,293,939	2,293,527	1,466,494	1,693,509	271,928	118,770	**11,138,167**
Other income	626,954	271,619	173,675	200,560	32,204	14,066	**1,319,077**
Direct expenses	(3,669,717)	(1,589,855)	(1,016,562)	(1,173,927)	(188,498)	(82,330)	**(7,720,889)**
Employee benefits expense	(388,880)	(168,477)	(107,725)	(124,401)	(19,975)	(8,725)	**(818,183)**
Depreciation and amortisation	(241,279)	(104,531)	(66,838)	(77,184)	(12,394)	(5,413)	**(507,638)**
Loss on derecognition of capitalised contract costs	-	-	-	-	-	-	**-**
Impairment loss reversal/(impairment loss) on trade receivables	(491)	(213)	(136)	(157)	(25)	(11)	**(1,034)**
Other expenses	(861,588)	(373,271)	(238,672)	(275,618)	(44,256)	(19,330)	**(1,812,736)**
Profit before net finance costs, equity-accounted profit and tax	**758,937**	**328,799**	**210,236**	**242,781**	**38,984**	**17,027**	**1,596,764**
Finance income	5,243	2,272	1,453	1,677	269	118	**11,032**
Finance costs	(623,466)	(270,108)	(172,709)	(199,444)	(32,025)	(13,988)	**(1,311,740)**
Share of profit from equity accounted investments	206	89	57	66	11	5	**434**
Profit/(loss) before tax	**140,921**	**61,052**	**39,037**	**45,080**	**7,239**	**3,162**	**296,490**
Income tax credit/(expense)	912,838	395,474	252,869	292,013	46,889	20,480	**1,920,562**
Profit/(loss) for the period	**1,053,758**	**456,527**	**291,906**	**337,093**	**54,127**	**23,641**	**2,217,052**
5 Months to 31 May 2024							
Revenue	2,327,237	959,123	513,420	682,423	108,260	29,367	**4,619,830**
Other income	326,646	134,621	72,063	95,784	15,195	4,122	**648,430**
Direct expenses	(1,705,557)	(702,910)	(376,269)	(500,126)	(79,340)	(21,522)	**(3,385,724)**
Employee benefits expense	(167,544)	(69,050)	(36,962)	(49,129)	(7,794)	(2,114)	**(332,594)**
Depreciation and amortisation	(81,521)	(33,597)	(17,985)	(23,905)	(3,792)	(1,029)	**(161,829)**
Loss on derecognition of capitalised contract costs	-	-	-	-	-	-	**-**
Impairment loss reversal/(impairment loss) on trade receivables	3,169	1,306	699	929	147	40	**6 291**
Other expenses	(487,549)	(200,933)	(107,560)	(142,966)	(22,680)	(6,152)	**(967,841)**
Profit before net finance costs, equity-accounted profit and tax	**214,881**	**88,559**	**47,406**	**63,010**	**9,996**	**2,712**	**426,563**
Finance income	2,867	1,182	633	841	133	36	**5,692**
Finance costs	(309,715)	(127,643)	(68,327)	(90,819)	(14,408)	(3,908)	**(614,820)**
Share of profit from equity accounted investments	122	50	27	36	6	2	**242**
Profit/(loss) before tax	**(91,845)**	**(37,852)**	**(20,262)**	**(26,932)**	**(4,273)**	**(1,159)**	**(182,323)**
Income tax credit/(expense)	(24,271)	(10,003)	(5,354)	(7,117)	(1,129)	(306)	**(48,180)**
Profit/(loss) for the period	**(116,116)**	**(47,855)**	**(25,617)**	**(34,049)**	**(5,402)**	**(1,465)**	**(230,503)**

Figures in R'000	Prepaid	Postpaid	Wholesale	Roaming	Other	Equipment	Group
12 Months to 31 December 2023							
Revenue	5,950,148	1,879,142	1,134,885	1,336,480	274,367	127,940	**10,702,962**
Other income	1,756,306	554,667	334,984	394,489	80,985	37,764	**3,159,195**
Direct expenses	(4,715,757)	(1,489,304)	(899,447)	(1,059,220)	(217,448)	(101,398)	**(8,482,573)**
Employee benefits expense	(403,816)	(127,531)	(77,021)	(90,702)	(18,620)	(8,683)	**(726,374)**
Depreciation and amortisation	(543,714)	(171,713)	(103,704)	(122,125)	(25,071)	(11,691)	**(978,017)**
Loss on derecognition of capitalised contract costs	–	–	–	–	–	–	**–**
Impairment loss reversal/(impairment loss) on trade receivables	80,397	25,391	15,334	18,058	3,707	1,729	**144,616**
Other expenses	(1,183,166)	(373,661)	(225,668)	(265,754)	(54,557)	(25,440)	**(2,128,246)**
Profit before net finance costs, equity-accounted profit and tax	**940,398**	**296,991**	**179,364**	**211,226**	**43,363**	**20,220**	**1,691,563**
Finance income	5,091	1,608	971	1,143	235	109	**9,157**
Finance costs	(839,896)	(265,251)	(160,195)	(188,651)	(38,728)	(18,059)	**(1,510,782)**
Share of profit from equity accounted investments	185	58	35	42	9	4	**333**
Profit/(loss) before tax	**105,778**	**33,406**	**20,175**	**23,759**	**4,878**	**2,274**	**190,271**
Income tax credit/(expense)	–	–	–	–	–	–	**–**
Profit/(loss) for the period	**105,778**	**33,406**	**20,175**	**23,759**	**4,878**	**2,274**	**190,271**
12 Months to 31 December 2022							
Revenue	4,728,506	2,529,379	650,412	1,807,080	1,156,619	438,324	**11,310,320**
Other income	4,433,515	2,371,582	609,836	1,694,344	1,084,463	410,979	**10,604,718**
Direct expenses	(3,584,700)	(1,917,533)	(493,080)	(1,369,955)	(876,838)	(332,295)	**(8,574,401)**
Employee benefits expense	(247,016)	(132,134)	(33,977)	(94,401)	(60,421)	(22,898)	**(590,848)**
Depreciation and amortisation	(618,372)	(330,780)	(85,058)	(236,321)	(151,257)	(57,322)	**(1,479,110)**
Loss on derecognition of capitalised contract costs	–	–	–	–	–	–	**–**
Impairment loss reversal/(impairment loss) on trade receivables	47,729	25,531	6,565	18,241	11,675	4,424	**114,166**
Other expenses	(2,163,906)	(1,157,520)	(297,648)	(826,974)	(529,304)	(200,590)	**(5,175,942)**
Profit before net finance costs, equity-accounted profit and tax	**2,586,393**	**1 383,517**	**355,762**	**988,435**	**632,646**	**239,754**	**6,186,507**
Finance income	4,434	2,372	610	1,695	1,085	411	**10,607**
Finance costs	(944,159)	(505,051)	(129,870)	(360,827)	(230,947)	(87,522)	**(2,258,375)**
Share of profit from equity accounted investments	267	143	37	102	65	25	**639**
Profit/(loss) before tax	**1,646,936**	**880,981**	**226,538**	**629,405**	**402,850**	**152,668**	**3,939,378**
Income tax credit/(expense)	–	–	–	–	–	–	**–**
Profit/(loss) for the period	**1,646,936**	**880,981**	**226,538**	**629,405**	**402,850**	**152,668**	**3,939,378**

30.1 **Reconciliation of profit /(loss) for the year to EBITDA:**

Figures in R'000	Prepaid	Postpaid	Wholesale	Roaming	Other	Equipment	Group
12 Months to 31 May 2025							
EBITDA							
Profit/ (loss) for the year	1,053,758	456,527	291,906	337,093	54,127	23,641	**2,217,052**
Income tax expense/ (credit)	(912,838)	(395,474)	(252,869)	(292,013)	(46,889)	(20,480)	**(1,920,562)**
Depreciation and amortisation	241,279	104,531	66,838	77,184	12,394	5,413	**507,638**
Net finance (income)/ costs	618,223	267,837	171,256	197,767	31,756	13,870	**1,300,708**
Share of profit from equity accounted investments	(206)	(89)	(57)	(66)	(11)	(5)	**(434)**
Total EBITDA for the reportable segment	**1,000,216**	**433,330**	**277,074**	**319,965**	**51,377**	**22,440**	**2,104,402**
5 Months to 31 May 2024							
EBITDA							
Profit/ (loss) for the year	(116,116)	(47,855)	(25,617)	(34,049)	(5,402)	(1,465)	**(230,503)**
Income tax expense/ (credit)	24,271	10,003	5,354	7,117	1,129	306	**48,180**
Depreciation and amortisation	81,521	33,597	17,985	23,905	3,792	1,029	**161,829**
Net finance (income)/ costs	306,848	126,461	67,695	89,978	14,274	3,872	**609,128**
Share of profit from equity accounted investments	(122)	(50)	(27)	(36)	(6)	(2)	**(242)**
Total EBITDA for the reportable segment	**296,402**	**122,156**	**65,390**	**86,915**	**13,788**	**3,740**	**588,392**
12 Months to 31 December 2023							
EBITDA							
Profit/ (loss) for the year	105,778	33,406	20,175	23,759	4,878	2,274	**190,271**
Income tax expense/ (credit)	–	–	–	–	–	–	**–**
Depreciation and amortisation	543,714	171,713	103,704	122,125	25,071	11,691	**978,017**
Net finance (income)/ costs	834,805	263,643	159,224	187,508	38,494	17,950	**1,501,625**
Share of profit from equity accounted investments	(185)	(58)	(35)	(42)	(9)	(4)	**(333)**
Total EBITDA for the reportable segment	**1,484,112**	**468,704**	**283,068**	**333,351**	**68,434**	**31,911**	**2,669,580**
12 Months to 31 December 2022							
EBITDA							
Profit/ (loss) for the year	1,646,936	880,981	226,538	629,405	402,850	152,668	**3,939,378**
Income tax expense/ (credit)	–	–	–	–	–	–	**–**
Depreciation and amortisation	618,372	330,780	85,058	236,321	151,257	57,322	**1,479,110**
Net finance (income)/ costs	939,724	502,679	129,260	359,132	229,862	87,111	**2,247,768**
Share of profit from equity accounted investments	(267)	(143)	(37)	(102)	(65)	(25)	**(639)**
Total EBITDA for the reportable segment	**3,204,765**	**1,714,297**	**440,819**	**1,224,756**	**783,903**	**297,076**	**7,665,617**

30.2 **A segmentation of total assets and liabilities:**

Figures in R'000	**Prepaid**	**Postpaid**	**Wholesale**	**Roaming**	**Other**	**Equipment**	**Group**
12 months to 31 May 2025							
Total assets	2,411,457	1,044,731	668,007	771,415	123,867	54,101	**5,073,578**
Total liabilities	6,358,680	2,754,811	1,761,442	2,034,115	326,619	142,658	**13,378,325**
5 months to 31 May 2024							
Total assets	1,952,478	804,674	430,743	572,531	90,827	24,638	**3,875,890**
Total liabilities	7,252,828	2,989,105	1,600,072	2,126,770	337,392	91,522	**14,397,689**
12 months to 31 December 2023							
Total assets	2,426,438	766,304	462,800	545,009	111,885	52,173	**4,364,611**
Total liabilities	8,147,727	2,573,169	1,554,034	1,830,084	375,699	175,192	**14,655,907**
12 Months to 31 December 2022							
Total assets	1,460,515	781,261	200,896	558,161	357,250	135,387	**3,493,470**
Total liabilities	5,842,544	3,125,302	803,649	2,232,829	1,429,119	541,593	**13,975,037**

31. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the ordinary equity holders of the Cell C Group by the weighted number of ordinary shares outstanding during the period.

Diluted earnings per share

Diluted earnings per share adjusts the weighted average number of shares to assume conversion of all dilutive potential ordinary shares.

There were no discontinued operations during the periods presented.

31.1 Reconciliation of profit attributable:

Figures in R'000	**12 months to 31 May 2025**	**5 months to 31 May 2024**	**12 months to 31 December 2023**	**12 months to 31 December 2022**
Per statement of Profit/loss	2,217,052	(230,503)	190,271	3,939,378
Profit attributable to equity holders (used in EPS)	**2,217,052**	**(230,503)**	**190,271**	**3,939,378**

31.2 Weighted average number of shares:

Figures in R'000	**12 months to 31 May 2025**	**5 months to 31 May 2024**	**12 months to 31 December 2023**	**12 months to 31 December 2022**
Weighted average number of ordinary share (basic denominator)	**1,461,561,589**	**1,461,561,589**	**1,461,561,589**	**742,366,688**
Weighted average number of ordinary shares for diluted EPS	**1,461,561,589**	**1,461,561,589**	**1,461,561,589**	**742,366,688**

31.3 Earnings per share:

Figures in R'000	**12 months to 31 May 2025**	**5 months to 31 May 2024**	**12 months to 31 December 2023**	**12 months to 31 December 2022**
Basic EPS (cents)	1,52	(0,16)	0,13	5,31
Diluted EPS (cents)	1,52	(0,16)	0,13	5,31

31.4 Headline earnings per share

Figures in R'000	**12 months to 31 May 2025**	**5 months to 31 May 2024**	**12 months to 31 December 2023**	**12 months to 31 December 2022**
Profit attributable to equity holders (used in EPS)	2,217,052	(230,503)	190,271	3,939,378
Adjusted for:				
Net loss/(profit) on intangible assets	–	312	13,555	–
Headline earnings	**2,217,052**	**(230,191)**	**203,826**	**3,939,378**
Headline EPS (cents)	1,52	(0,16)	0,14	5,31

32. GOING CONCERN

The Cell C Group is made up of several subsidiaries, which include Cell C Limited, Cell C Property Company Pty Ltd, Cell C Bidco Pty Ltd, Cell C Tower Company Pty Ltd and Cell C Infraco Pty Ltd, all wholly owned by Cell C Limited.

The Cell C Group is structured in such a way that Cell C SP and the Cell C Limited are intrinsically linked and operationally 'one'. The Cell C Group's costs are accounted for within Cell C Limited. Cell C SP accounts for the revenue of the Cell C Group, excluding any relationships of a wholesale nature such as those mentioned above.

Cell C Limited and Cell C Service Provider ('Cell C SP') are the operational entities of the Group and contain the Group's assets and customer relationships. The remaining entities are in support of the strategy of the Group.

Cell C Network Operator ('Cell C NO') is the primary operating entity of the Cell C Group which owns the Cell C Group's operating assets, infrastructure (property, plant and equipment), employs all personnel of the Cell C Group and has key relationships with other network operators such as MTN, Telkom and Vodacom and wholesale relationships with Mobile Virtual Network Operators ('MVNOs') such as FNB and Capitec.

Cell C SP provides services to external customers of the Cell C Group, including prepaid sales to channels and dealers and postpaid subscriptions. Cell C Limited buys airtime, data and voice from Cell C NO and packages this in various different forms or products for external consumption. Cell C Limited has legal relationships with external suppliers for equipment, which are packaged with data for end-user consumption. The billing platform, BEAM, which contains Cell C customer and billing metrics and data is owned and operated by Cell C NO. Cell C Limited does not employ personnel with all work performed by personnel employed by Cell C NO, for which Cell C Limited is charged a management fee.

The recapitalisation transaction in 2022 improved the Cell C Group's cash flows and improved the Cell C Group's leverage on the statement of financial position. However, the Cell C Group remains in financial distress.

The Board draws attention to the following:

- The Cell C Group reported a profit of R2,2 billion (2024 loss: R230,5 million, 2023 profit: R190 million and 2022 profit: R3,9 billion). The Cell C Group had an excess of current liabilities over current assets of R9 billion (2024: R7,4 billion, 2023: R6,9 billion and 2022: R7,9 billion). Total liabilities exceeded total assets by R8,3 billion (2024: R10,5 billion, 2023: R10,3 billion and 2022: R10,5 billion).
- Recapitalisation is long-term programme aimed at improving the negative equity of the Cell C Group over a period, by restricting key debt and securing foundational working capital.

Mitigating actions

Due to liquidity and solvency concerns affecting operations, the Cell C Group implemented several mitigating measures as follows:

Restructuring of Liabilities (recapitalisation):

In 2022, the Cell C Group reached agreements with stakeholders to recapitalise its balance sheet, an action that will affect financial years beyond 2022. Concessions with creditors and lessors (refer Note 16) were secured, allowing continued asset use and deferred payments, which reduced payment obligations and eased cash outflows. Periodic airtime purchase arrangements also improved cashflow until September 2024 (refer Note 1.17).

Infrastructure-Asset Light Model:

The Cell C Group maintains an asset-light mobile network by using its own spectrum and relying on other operators' infrastructure. Cell C leverages this flexible, capital-light model to roam on partner networks and plans further investment to improve customer offerings and experience. This approach, supported by roaming agreements, expands access to network sites, enhancing customer services and leveraging partner networks for efficiency, while reducing capital expenditure and maintenance costs on constrained cash flows.

Strategic and operational positioning:

The Cell C Group has renewed its focus on delivering greater value to customers by investing strategically and leveraging key partnerships. Several initiatives have been implemented as part of this strategy, many of which are already delivering positive results. In the next 12 months the following initiatives have been implemented in order to boost performance and improve the solvency and liquidity position:

- Becoming the leading enabler of MVNO services, with significant revenue growth year on year.
- Investing in new innovative and differentiated offerings in prepaid, postpaid, enterprise revenue streams to drive customer growth and increase market share.

- Regaining of the prepaid market share to increase network usage and revenue through the acquisition of new subscribers. To support this strategy, the Cell C Group has recently purchased a prepaid subscriber base (K'nect).
- Increase in network usage will lead to a quicker erosion of the unearned revenue liability (and improve the Cell C Group's liquidity), thus improving revenue and NAV per the balance sheet.
- More engagement with regulators due to the changing landscape to be able to provide sufficient input of proposed legislation.
- Introduced a national franchise model and revamping of 30 retail stores in 2025 financial year, relaunching the brand, reinforcing the Cell C Group's commitment to improving the customer experience and to drive strategic realignment and turnaround momentum.
- A significant number of critical contracts were renegotiated in the 2025 financial year, leveraging partnerships and ecosystems to scale beyond core revenue to reduce operational costs.

In the current year Management announced, together with its largest shareholder Blu Label Unlimited ("**BLU**"), its intention to restructure the shareholding structure and list the Cell C Limited on the Johannesburg Stock Exchange ("JSE"). The intended restructure will result in a cash injection through an initial purchase offer ("IPO") and settlement of major shareholder liabilities which should improve the company's liquidity and solvency position into the near future.

Based on the factors listed above, management have performed further assessments in order to provide a reasonable explanation as to why there is expectation that the company has and will have adequate resources to continue in operational existence for the foreseeable future.

Conclusion

The Board has a responsibility to prepare the financial statements on a going concern basis unless they intend to liquidate, cease operations or have no realistic alternative but to do so. The Board has no intention of doing so and is confident that there are tangible alternatives to mitigate the current liquidity and solvency challenges, therefore the financial statements of the Cell C Group are prepared on a going-concern basis.

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

33.1 Valuation techniques and significant unobservable inputs of financial instruments

The following table presents the carrying amounts and the 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 reasonable approximation of fair value.

		Carrying Amount	Fair value		
	Note	Financial liabilities at amortised cost	Level 1	Level 2	Level 3
31 May 2025					
Interest-bearing borrowings	10				
The Prepaid Company ('TPC') Recapitalisation loan 1		2,235,103	–	–	3,003,000
The Prepaid Company ('TPC') Reinvested debt loan 2		272,773	–	–	309,000
The Prepaid Company ('TPC') loan 3		65,088	–	–	51,000
Nedbank Limited		435,070	–	–	403,000
The Prepaid Company ('TPC')		457,968	–	–	513,000
Restructure implementation agreement – CEC		490,308	–	–	531,000

	Note	Carrying Amount Financial liabilities at amortised cost	Fair value Level 1	Level 2	Level 3
31 May 2024					
Interest-bearing borrowings	10				
The Prepaid Company ('TPC') Recapitalisation loan 1		1,852,836	–	–	2,815,000
The Prepaid Company ('TPC') Reinvested debt loan 2		203,520	–	–	288,000
The Prepaid Company ('TPC') loan 3		84,178	–	–	46,000
Nedbank Limited		451,503	–	–	485,000
Gramercy SA Telecoms Holdings LLC		415,698	–	–	435,000
Restructure implementation agreement – CEC		682,433	–	–	742,000
Lesaka financing liability		59,796	–	–	59,000
31 December 2023					
The Prepaid Company ('TPC') Recapitalisation loan 1	10	1,624,396	–	–	2,414,000
The Prepaid Company ('TPC') Reinvested debt loan 2		179,107	–	–	254,000
The Prepaid Company ('TPC') loan 3		87,393	–	–	41,000
Nedbank Limited		426,541	–	–	432,000
Gramercy SA Telecoms Holdings LLC		390,300	–	–	388,000
Restructure implementation agreement – CEC		805,998	–	–	785,000
Lesaka financing liability		157,082	–	–	241,000
31 December 2022					
The Prepaid Company ('TPC') Recapitalisation loan 1	10	1,040,394	–	–	2,187,000
The Prepaid Company ('TPC') Reinvested debt loan 2		127,116	–	–	231,000
The Prepaid Company ('TPC') loan 3		99,103	–	–	59,000
Nedbank Limited		374,050	–	–	387,000
Gramercy SA Telecoms Holdings LLC		335,942	–	–	348,000
Restructure implementation agreement – CEC		980,500	–	–	975,000
Lesaka financing liability		167,633	–	–	274,000

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Interest-bearing borrowings	Discounted cash flow: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Risk-adjusted discount rates at the end of the current and prior reporting period are outlined below.	The estimated fair value would increase (decrease) if the risk adjusted discount rate were lower/(higher).

Significant unobservable inputs for each separately identifiable loan:

	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Interest-bearing borrowing		**Risk-adjusted discount rate**		
The Prepaid Company ('TPC') Recapitalised loan 1	8.91%	11.00%	15.43%	13.39%
The Prepaid Company ('TPC') Reinvested debt loan 2	8.81%	10.00%	15.43%	13.62%
The Prepaid Company ('TPC')/ZTE loan 3	8.80%	11.48%	15.43%	13.58%
Nedbank Limited	8.81%	11.00%	15.84%	13.55%
The Prepaid Company ('TPC')	8.88%	10.00%	15.43%	13.55%
Restructure implementation agreement – CEC	8.90%	10.00%	15.43%	13.51%
Lesaka financing liability	0%	11.49%	15.43%	13.64%

Categories of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Financial assets		**Amortised cost**		
Trade and other receivables	956,876	2,070,439	2,646,566	1,627,419
Cash and cash equivalents	182,110	101,042	290,019	75,459
	1,138,986	**2,171,481**	**2,936,585**	**1,702,878**

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Financial liabilities		**Amortised cost**		
Interest-bearing borrowings	3,956,310	3,749,964	3,670,817	3,124,737
Lease liabilities	1,917,016	1,792,246	1,835,934	2,099,514
Trade and other payables	4,073,042	5,651,299	6,622,844	5,219,843
	9,946,368	**11,193,509**	**12,129,595**	**10,444,094**

The carrying amounts approximate the fair values of the financial instruments except interest-bearing borrowings.

Capital management

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors approves a budget for each reporting period. Each budget includes a capital expenditure amount against which the Board then measures the actual capital expenditure.

The Cell C Group's strategy, which has remained unchanged from 2018, has been to maintain the debt-to-adjusted capital ratio of 70% equity and 30% debt. This ratio is a long-term strategy which is aligned to companies within the industry.

The Cell C Group's distressed and highly leveraged position has driven management to take the below actions to restore the gearing ratio to the desired level of 70:30 between equity and debt, respectively.

The Cell C Group has an active capital management policy based on:

- Actively working in consultation with the shareholders to optimise the capital structure;
- Ensuring long-term funding needs of the Cell C Group are met through the business planning and budgeting process; and
- Refinancing matching obligations in a timely and efficient manner.

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Cash and cash equivalents*	164,195	76,368	290,019	75,459
Share capital and share premium	25,668,830	25,668,830	25,668,830	25,668,830
Accumulated loss	(33,973,577)	(36,190,629)	(35,960,183)	(36,150,454)
Total	**(8,140,552)**	**(10,445,431)**	**(10,001,334)**	**(10,406,165)**
Interest-bearing borrowings	3,956,310	3,749,964	3,670,817	3,124,737
Lease liabilities	1,917,016	1,792,246	1,835,934	2,099,514
Total	**5,873,326**	**5,542,210**	**5,506,751**	**5,224,251**
Overall financing				
Capital to overall financing ratio (Gearing ratio)	359%	213%	223%	201%

* *Cash and cash equivalents excludes restricted cash. Refer to Note 11.*

The Cell C Group's gearing ratio's have increased over the reporting periods, which is attributable to the net impact of the increase in cash and cash equivalents, accumulated losses, interest bearing loans and lease liabilities. The Cell C Group ratio significantly exceeds the targeted 70:30 ratio, highlighting the need for ongoing efforts to reduce debt of increase equity in order to reach the desired capital structure.

33.2 Financial risk management

The Cell C Group's risk management is predominantly controlled by a central treasury department under policies approved by the Board. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The Liquidity Committee assesses and manages the liquidity position of the Cell C Group and reports and makes recommendations to the Board on the liquidity.

The Cell C Group has exposure to the following risks from its financial instruments:

- Market risk (including currency risk)
- Credit risk
- Liquidity risk

The note presents information about the Cell C Group's exposure to each of the above risks, the Cell C Group's objectives, policies and procedures for measuring and managing risk and the Cell C Group's management of capital. Further quantitative disclosures are included in the note relating to the financial instrument concerned.

33.3 Market risks

The Cell C Group is exposed to market risks through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

Foreign currency risk

The Cell C Group is exposed to foreign currency risk through purchases and borrowings denominated in foreign currencies. Exposures to currency exchange rates arise from the Cell C Group's foreign payables, which are primarily denominated in US dollars ('USD'). To the extent possible, receipts in foreign currency are used to settle foreign liabilities. Forward exchange contracts are entered into on a case-by-case basis to mitigate the foreign currency risk. The Cell C Group does not use foreign exchange contracts for speculative purposes and does not apply hedge accounting. The Cell C Group varies its exposure depending on its view of the currency values, within acceptable risk parameters.

The Cell C Group's exposure to foreign currency risk at the reporting date was as follows:

	USD'000	Closing rate	R'000
Trade payables			
2025			
EUR	265	20.32	5,387
USD	2,150	17.91	38,506
GBP	41	24.13	998
CNY	30,198	2.49	75,139
	32,654		**120,030**
2024			
EUR	484	20.13	9,734
USD	19,942	18.84	375,704
GBP	6	23.66	138
CNY	47,562	2.57	122,234
	67,993		**507,809**
2023			
EUR	603	20.18	12,169
USD	16,153	18.30	295,600
GBP	3	23.27	70
CNY	56,364	2.57	144,855
	73,123		**452,694**
2022			
EUR	289	18.12	5,240
USD	14,486	16.97	245,827
GBP	66	20.47	1,351
CNY	48,339	2.45	118,431
	63,180		**370,849**

Sensitivity analysis

The following table includes the Cell C Group's sensitivity at the reporting dates to the indicated movements in foreign exchange on financial instruments. The Cell C Group has assumed a +/- 10% change of the ZAR/USD exchange rate for the reporting period (2024, 2023 and 2022: +/- 10%). These percentages have been determined based on the average market volatility in exchange rates in the previous twelve months. The sensitivity analysis is based on the Cell C Group's foreign currency interest-bearing borrowings and trade payables held at each reporting date.

Impact on profit/(loss) before tax

	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Exchange rate – increase 10% (2024, 2023 and 2022: 10%)	(12,003)	(50,781)	(45,269)	(24,583)
Exchange rate – decrease 10% (2024, 2023 and 2022: 10%)	12,003	50,781	45,269	24,583

Impact on equity

	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Exchange rate – increase 10% (2024, 2023 and 2022:10%)	(8,762)	(37,070)	(33,047)	(17,700)
Exchange rate – decrease 10% (2024, 2023 and 2022: 10%)	8,762	37,070	33,047	17,700

Interest rate risk

The Cell C Group's policy is to minimise interest rate risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date the interest rate profile of the Cell C Group's interest-bearing financial instruments were:

	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Floating rate				
Interest-bearing borrowings	(2,235,103)	(1,852,836)	(1,624,396)	(1,040,393)
Cash and cash equivalents	182,110	101,042	290,019	75,459
Trade and other payables	(662,288)	(1,543,463)	(1,859,994)	–
Fixed rate				
Interest-bearing borrowings	(1,721,207)	(1,897,128)	(2,046,421)	(2,084,344)
Trade and other payables	–	–	–	(244,848)

Sensitivity analysis

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 50 basis points for the 2025 reporting period (2024, 2023 and 2022: +/- 50 basis points). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

Impact on profit/(loss) before tax

	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Interest rate increase – 50 (2024, 2023 and 2022: 50) basis points	(18,145)	(16,476)	(15,972)	(4,825)
Interest rate decrease – 50 (2024, 2023 and 2022: 50) basis points	18,145	(16,476)	15 972	4,825

Impact on equity

	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Interest rate increase – 50 (2024, 2023 and 2022: 50) basis points	(12,883)	(12,028)	(11,659)	(3,474)
Interest rate decrease – 50 (2024, 2023 and 2022: 50) basis points	12,883	(12,028)	11,659	3,474

33.4 **Credit risk**

Credit risk is the risk of financial loss to the Cell C Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Cell C Group's receivables from customers.

The Cell C Group's principal financial assets are cash and cash equivalents and trade and other receivables. The Cell C Group's credit risk is primarily attributable to its trade receivables. The amount presented in the statement of financial position is net of loss allowances and represents total maximum credit risk exposure at the reporting date. The Cell C Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by limiting the aggregate risk to any individual counterparty. The credit risk is generally highly diversified due to the large number of customers, both private individuals and corporate companies comprising the subscriber base and their dispersion across.

Trade receivables

The Cell C Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate (i.e. South Africa).

Risk management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Cell C Group's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed on an ongoing purpose.

The Cell C Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period for individual and corporate customers.

Expected credit loss assessment

IFRS 9 provides practical expedients for operational simplifications of trade receivables and contract assets that do not contain a significant financing component. The criteria are as follows:

- Trade receivables of one year or less or those which do not contain a significant financing component (in accordance with IFRS 15); and
- Long-term trade and other receivables which do not contain a significant financing component.

The simplified approach has been determined to be suitable for the implementation of the expected credit loss ('ECL') calculation for the Cell C Group. All behavioural studies have been based on the historical contractual life of an invoice. A provision matrix (as illustrated below) has been utilised for the purposes of the calculation and account for the following factors:

- Probability of Default ('PD'): Computed per aging bucket based on historical aging analysis;
- Loss Given Default ('LGD'): Computed per portfolio and applied to all aging buckets;
- Exposure at Default ('EAD'): Computed per aging bucket for each portfolio; and
- Discounting factor ('DF'): Applied to all aging buckets for each portfolio.

The Cell C Group used a provision matrix to measure the ECLs of trade receivables from customers, which comprise a very large number of small balances.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled mobile services provided and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets for the current bracket not past due.

The expected loss rates are based on the payment profiles of sales over a period of 36-month before 31 May 2024 or 31 May 2025, respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Cell C Group has identified the GDP and the unemployment rate of South Africa to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from customers as at the reporting date.

Trade receivables

	Weighted average loss rate	Gross carrying amount	Expected loss allowance
31 May 2025			
Current	3.18%	272,940	(8,671)
More than 30 days past due	14.26%	163,433	(23,313)
More than 60 days past due	50.54%	8,034	(4,061)
More than 90 days past due	35.95%	856,354	(307,841)
		1,300,761	**(343,886)**
31 May 2024			
Current	0.36%	954,006	(3,406)
More than 30 days past due	5.04%	26,899	(1,356)
More than 60 days past due	6.78%	9,054	(614)
More than 90 days past due	23.92%	1,423,330	(337,474)
		2,413,289	**(342,850)**
31 December 2023			
Current	1.16%	221,100	(2,574)
More than 30 days past due	21.40%	7,552	(1,616)
More than 60 days past due	40.30%	2,030	(818)
More than 90 days past due	12.60%	2,730,162	(344,133)
		2,960,844	**(349,141)**
31 December 2022			
Current	2.00%	639,853	(13,397)
More than 30 days past due	10.00%	325,070	(32,331)
More than 60 days past due	5.00%	270,118	(12,221)
More than 90 days past due	51.00%	859,503	(435,808)
		2,094,544	**(493,757)**

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Cell C Group, and a failure to make contractual payments for a period of greater than 120 days past due.

33.5 Liquidity risk

Liquidity risk is the risk that the Cell C Group will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities with the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions and the purchase of airtime by TPC (As per the minimum purchase agreement refers to Note 1.17). Due to the dynamic nature of the underlying businesses, Cell C Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Cell C Group's liquidity risk arises from the difficulty in meeting obligations of financial liabilities and other future commitments. The Cell C Group has managed its liquidity position through the recapitalisation process undertaken in the 2022 financial year, the effects of which provide liquidity support to the Cell C Group's operations and obligations – refer to Note 1.17.

The maturity analysis of financial liabilities at the reporting date is set out in the table below.

These amounts are gross and undiscounted, and include contractual interest payments:

	Between 0 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
2025						
Interest-bearing borrowings	(2,972,145)	(509,669)	(2,110,114)	–	(5,591,928)	(3,956,310)
Trade and other payables	(4,073,042)	–	–	–	(4,073,042)	(4,073,042)
Lease liabilities	(399,727)	(606,196)	(755,553)	(1,348,776)	(3,110,252)	(1,917,016)
	(7,444,914)	**(1,115,865)**	**(2,865,667)**	**(1,348,776)**	**(12,775,222)**	**(9,946,368)**
2024						
Interest-bearing borrowings	(939,175)	(2,637,007)	(2,613,948)	–	(6,190,130)	(3,749,964)
Trade and other payables	(5,651,299)	–	–	–	(5,651,299)	(5,651,299)
Lease liabilities	(580,713)	(344,221)	(1,231,299)	(1,308,972)	(3,465,205)	(1,792,246)
	(7,171,187)	**(2,981,228)**	**(3,845,247)**	**(1,308,972)**	**(15,306,634)**	**(11,193,509)**
2023						
Interest-bearing borrowings	(607,245)	(1,672,812)	(4,196,526)	–	(6,476,583)	(3,670,817)
Trade and other payables	(6,622,844)	–	–	–	(6,622,844)	(6,622,844)
Lease liabilities	(599,521)	(380,451)	(1,309,765)	(1,366,313)	(3,656,050)	(1,835,934)
	(7,829,610)	**(2,053,263)**	**(5,506,291)**	**(1,366,313)**	**(16,755,477)**	**(12,129,595)**
2022						
Interest-bearing borrowings	(220,000)	(705,395)	(4,286,179)	–	(5,211,574)	(3,124,737)
Trade and other payables	(5,219,843)	–	–	–	(5,219,843)	(5,219,843)
Lease liabilities	(627,180)	(617,080)	(1,143,600)	(1,326,381)	(3,714,241)	(2,099,514)
	(6,067,023)	**(1,322,475)**	**(5,429,779)**	**(1,326,381)**	**(14,145,658)**	**(10,444,094)**

34. CASH FLOWS FROM OPERATING ACTIVITIES

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
Profit for the year	**1,596,764**	**426,563**	**1,691,563**	**6,186,507**
Adjustments for:				
Depreciation and amortisation expense	507,638	161,829	978,017	1,479,160
Expected credit loss/(reversal) on trade and other receivables	1,035	(6,291)	(144,616)	(99,316)
Net foreign exchange gains/(losses) – unrealised	3,074	217	(10,794)	(92,171)
Non-cash intercompany transactions	–	–	(57)	–
Gain on derecognition of property, plant and equipment	(457)	(312)	(13,555)	121,650
Discount received	(39,854)	–	–	–
Gain on termination of leases	(15,700)	(7,671)	(102,601)	–
Retirement of property, plant, and equipment	–	–	24,048	–
Provision for inventory losses	7,719	(397)	(26,980)	–
Recapitalisation transaction	–	–	–	(9,703,512)
Loss on derecognition of capitalised contract costs	–	–	–	22,396
Share-based payment	–	–	–	167,633
Fair value gain on the Lesaka loan	–	–	–	(53,153)
Write-offs	–	–	–	(641,000)

Change in operating assets and liabilities

Figures in R'000	12 months to 31 May 2025	5 months to 31 May 2024	12 months to 31 December 2023	12 months to 31 December 2022
(Increase)/decrease in inventories	46,343	(58,476)	18,445	11,865
(Increase)/decrease in trade and other receivables	1,092,899	526,507	(878,066)	113,420
Increase/(decrease) in trade and other payables	(1,579,689)	(945,886)	875,651	3,015,119
Increase/(decrease) in contract liabilities	192,737	388,666	(608,209)	1,416,671
Increase/(decrease) in provisions	73,886	(2,350)	131,204	(146,454)
Net cash flows from operations	**1,886,395**	**482,399**	**1,934,050**	**1,798,816**

35. CASH FLOWS FROM FINANCING ACTIVITIES ANALYSIS

Reconciliation of movements of liabilities to cash flows arising from financing activities

Figures in R'000	Interest-bearing loans	Lease liabilities	Total
Net debt as at 1 January 2022	**9,119,778**	**4,002,892**	**13,122,670**
Cash flows	(1,198,744)	(656,760)	(1,855,504)
Proceeds received	1,143,744	–	1,143,744
Deferred loss	(79,918)	–	(79,918)
Transfers from bond raising fees on derecognised loss to payables	(96,149)	–	(96,149)
Transfers from trade payables	1,056,034	–	1,056,034
Transfers from contract liabilities	220,786	–	220,786
Increase in lease liabilities	–	307,154	307,154
Fair value gain on Lesaka loan	(53,153)	–	(53,153)
Effect of changes in foreign exchange rates	870,655	–	870,655
Settlement through airtime vouchers*	(31,582)	–	(31,582)
Effect of changes in fair values	425,768	–	425,768
Fair value adjustment	(64,500)	–	(64,500)
Interest expense accrual	747,288	479,850	1,227,138
Interest paid	(32,717)	(479,850)	(512,567)
Derecognition in respect of recapitalisation transaction	(8,902,553)	(1,267,000)	(10,169,553)
Lease terminations	–	(286,480)	(286,480)
Net debt as at 31 December 2022	**3,124,737**	**2,099,806**	**5,224,543**
Cash flows	(201,667)	(284,833)	(486,500)
Transfers to trade payables	–	(117,981)	(117,981)
Transfers from trade payables	–	188,314	188,314
Transfers to contract liabilities	(30,744)	–	(30,744)
Increase in lease liabilities	–	80,660	80,660
Interest expense accrual	884,902	393,174	1,278,076
Interest paid	(106,411)	(330,686)	(437,097)
Lease terminations	–	(192,520)	(192,520)
Net debt as at 31 December 2023	**3,670,817**	**1,835,934**	**5,506,751**
Cash flows	(110,000)	(44,238)	(154,238)
Transfers to contract liabilities	(105,460)	–	(105,460)
Transfers to trade payables	–	(62,187)	(62,187)
Increase in lease liabilities	–	32,729	32,729
Interest expense accrual	360,051	138,285	498,336
Interest paid	(65,444)	(95,564)	(161,008)
Termination of leases	–	(12,713)	(12,713)
Net debt as at 31 May 2024	**3,749,964**	**1,792,246**	**5,542,210**
Cash flows	(158,195)	(262,145)	(420,340)
Transfers from trade payables	–	234,449	234,449
Increase in lease liabilities	–	165,259	165,259
Interest expense accrual	873,205	330,627	1,203,832
Interest paid	(286,519)	(308,667)	(595,186)
Termination of leases	–	(34,754)	(34,754)
Repayment through issue of vouches	(195,636)	–	(195,636)
Net debt as at 31 May 2025	**3,982,819**	**1,917,015**	**5,899,834**

36. **INCOME TAX PAID**

Income tax paid

Figures in R'000	**12 months to 31 May 2025**	**5 months to 31 May 2024**	**12 months to 31 December 2023**	**12 months to 31 December 2022**
Amounts receivable/(payable) at the beginning of the reporting period	(48,749)	–	–	–
Amounts (receivable)/payable at the end of the reporting period	147,295	48,749	–	–
Current taxation expense	(104,187)	(48,749)	–	–
	(5,641)	**–**	**–**	**–**

37. **NEW AND REVISED IFRS IN ISSUE BUT NOT YET EFFECTIVE**

The standards, interpretations and amendments listed below will only be effective in future reporting periods. It is expected that the Cell C Group will adopt the pronouncements on their respective effective dates, however, the Cell C Group has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are applicable to the Cell C Group. Management has assessed the impact of the standards and interpretations below.

Standard	**Description of amendments**	**Effective date for annual periods beginning on or after**
IAS 21 (The effects of changes in foreign exchange rates)	Lack of exchangeability, the amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and when it is not. This is not expected to have a significant impact on the Cell C Group.	Year ending 31 May 2026
IFRS 9 (Financial Instruments)	Amendments to the classification and measurement of financial instruments. Clarifying the classification of financial assets and ESG and similar features. Clarifying the date on which a financial asset and financial liability is derecognised when a liability is settled through electronic payment systems. This is not expected to have a significant impact on the Cell C Group.	Year ending 31 May 2027
IFRS 7 (Financial Instruments: Disclosures)	Amendments to the classification and measurement of financial instruments. IFRS 7 introduces additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through OCI and financial instruments with contingent features, for example features tied to ESG-linked targets. This is not expected to have a significant impact on the Cell C Group.	Year ending 31 May 2027
Annual Improvements to IFRS Accounting Standards Volume 11 – Amendments to IFRS 1 (First-time Adoption of International Financial Reporting Standards), IFRS 7, IFRS 9, IFRS 10 (Consolidated Financial Statements) and IAS 7 (Statement of Cash flows)	The amendments were made to address potential inconsistencies and potential confusions in the standards relating to: – IAS 1 dealing with hedge accounting by a first-time adopter – IFRS 7 dealing with gain or loss on derecognition and disclosures in the implementation guidance – IFRS 9 dealing with lessee derecognition of lease liabilities and transaction price – IFRS 10 dealing with Determination of a *'de facto agent'*; and – IFRS 7 dealing with the term 'cost method'. The above is expected to have a significant impact on the Cell C Group, and the impact is being assessed.	Year ending 31 May 2027
IFRS 18 (Presentation and Disclosure in the Financial Statements)	Improved comparability in the statement of profit or loss (income statement) through the introduction of three defined categories, operating, investing and financing but essentially does not change net profit. Introduces enhanced transparency of management defined performance measures which will be part of the audited financial statements. Further provides guidance on more useful grouping of information in the financial statements through enhanced guidance on how to organise information. This is expected to have a significant impact on the Cell C Group, and the impact is being assessed.	Year ending 31 May 2028
IFRS 19 (Subsidiaries Without Public Accountability Disclosures)	Permits eligible subsidiaries to use the same recognition, measurement and presentation as IFRS Accounting Standards, but allows for specific reduced disclosure area. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent company applies IFRS Accounting Standards in their consolidated financial statements. This is not expected to have a significant impact on the Cell C Group.	Year ending 31 May 2028

38. **CHANGE IN YEAR END**

During the 2024 reporting period, the Cell C Group changed its financial year-end from 31 December to 31 May. The Board approved this change to align the Cell C Group's reporting period with that of its largest shareholder, The Prepaid Company Proprietary Limited ('TPC'), in order to streamline external reporting processes.

As a result of this transition, the 2024 comparative historical financial information covers a shortened 5-month period, from 1 January 2024 to 31 May 2024. The historical information of the 2025 reporting period are the 12-month information (1 June to 31 May 2025), and as such, the figures are not directly comparable.

39. **SUBSEQUENT EVENTS**

The Directors are not aware of any matters or circumstances arising since the end of the 2025 reporting period to the date of this report that could have been material financial effect on the financial position or performance of the Cell C Group.

INDEPENDENT AUDITOR'S ASSURANCE REPORT

ON THE HISTORICAL FINANCIAL INFORMATION FOR THE FINANCIAL PERIODS ENDED 31 MAY 2025, 31 MAY 2024, 31 DECEMBER 2023 AND 31 DECEMBER 2022

To the Directors of Blu Label Unlimited Group Limited and Cell C Limited

At your request, we present our Independent Auditor's Assurance Report on the consolidated historical financial information of Cell C Limited and its subsidiaries ("**Cell C**") for the financial periods ended 31 May 2025, 31 May 2024, 31 December 2023 and 31 December 2022 (the "**Historical Financial Information**") for inclusion in **Annexure 1** on pages 42 to 107 of the circular to be dated on or about 22 September 2025 ("**Circular**") by the directors.

This report is required for the purposes of complying with Section 8.48 of the Listings Requirements of the JSE Limited (the "**JSE**") (the "**JSE Listings Requirements**") and is given for the purpose of complying with those requirements and for no other purpose. We are the Independent Auditors of Blu Label Unlimited Group Limited (the "**Company**") and Cell C Limited.

To the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the JSE Listings Requirements and consenting to its inclusion in the Circular.

Independent auditor's assurance report on the historical financial information

Opinion

We have audited the Historical Financial Information of Cell C, which comprises of the consolidated statements of financial position as at 31 May 2025, 31 May 2024, 31 December 2023 and 31 December 2022, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the periods then ended, and notes thereto, including a summary of material accounting policies, as presented in **Annexure 1** on pages 42 to 107 of the Circular.

In our opinion, the Historical Financial Information, as presented in **Annexure 1** on pages 42 to 107 of the Circular, presents fairly, in all material respects, for the purpose of the Circular the consolidated financial position of Cell C as at 31 May 2025, 31 May 2024, 31 December 2023 and 31 December 2022 and its consolidated financial performance and consolidated cash flows for the periods then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by Financial Reporting Standards Council and the JSE Listings Requirements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Independent Auditor's Responsibilities for the Historical Financial Information* section of our report. We are independent of Cell C in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to Note 32 to the Historical Financial Information, which indicates that Cell C's total liabilities exceeded its total assets by R8,3 billion (at 31 May 2025). As stated in Note 32, these events or conditions, along with other matters as set forth in Note 32, indicate that a material uncertainty exists that may cast significant doubt on Cell C's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter – comparability of the Historical Financial Information

We draw attention to Note 38 to the Historical Financial Information, which describes that the comparative Historical Financial Information presented for the period ended 31 May 2024 relates to a five-month reporting period, whereas the current Historical Financial Information presents a twelve-month period ended 31 May 2025. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information contained in this Circular. The other information comprises the information included in the document titled "Blu Label Unlimited Group Limited Circular to Shareholders", which includes the Directors' commentary as required by the Companies Act of South Africa and/or JSE Listings Requirements. The other information does not include the Historical Financial Information and our Independent Auditor's Assurance Report thereon.

Our opinion on the Historical Financial Information does not cover the other information contained in this Circular and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Historical Financial Information, our responsibility is to read the other information contained in this Circular, in doing so, consider whether the other information is materially inconsistent with the Historical Financial Information, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude 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.

Responsibilities of the directors for the historical financial information

The directors are responsible for the compilation, contents and preparation of the Circular in accordance with the JSE Listings Requirements. The directors are also responsible for the preparation and fair presentation of the Historical Financial Information in accordance with the IFRS® Accounting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by Financial Reporting Standards Council and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

In preparing the Historical Financial Information, the directors are responsible for assessing Cell C'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 the directors either intend to liquidate Cell C or to cease operations, or have no realistic alternative but to do so.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies International Standard on Quality Management 1 ("**ISQM 1**") *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including documented policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent auditor's responsibilities for the historical financial information

Our objectives are to obtain reasonable assurance about whether the Historical Financial Information as a whole is free from material misstatement, whether due to fraud or error, and to issue an Independent Auditor's Assurance 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 this Historical Financial Information.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Historical Financial Information, 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.

- 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 Cell C'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 Cell C's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Independent Auditor's Assurance Report to the related disclosures in the Historical Financial Information 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 Independent Auditor's Assurance Report. However, future events or conditions may cause Cell C to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Historical Financial Information, including the disclosures, and whether the Historical Financial Information represents 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 group to express an opinion on the Historical Financial Information. We are responsible for the direction, supervision and performance of the Group 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.

SNG Grant Thornton Inc.
Director: Altaf Fajandar
Chartered Accountant (SA)
Registered Auditor

Johannesburg
19 September 2025

SNG Grant Thornton Inc.
Director: Pravesh Hiralall
Chartered Accountant (SA)
Registered Auditor
Reporting Accountant Specialist

Johannesburg
19 September 2025

PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The definitions and interpretations commencing on page 10 of the Circular apply *mutatis mutandis* to this Annexure 3

The *pro forma* financial information of the Group as at 31 May 2025 is set out below. The *pro forma* consolidated statement of financial position as at 31 May 2025, *pro forma* consolidated statement of comprehensive income for the year ended 31 May 2025, the *pro forma* financial effects and the notes thereto ("collectively referred to as the "*pro forma* financial information") have been prepared for illustrative purposes only to show the *pro forma* financial information after the implementation of the Pre-listing Restructuring and the Sell Down. Due to the nature of the *pro forma* financial information, it may not fairly present the Group's financial position, changes in equity, results of operations or cash flows after the implementation of the Pre-listing Restructuring and Sell-Down.

The *pro forma* financial information is presented in a matter that is consistent with the accounting policies of BLU, IFRS® Accounting Standards and the basis on which the historical financial information has been prepared. The *pro forma* financial information has been prepared in accordance with the JSE Listings Requirements and in compliance with the SAICA Guide on *pro forma* financial information. The *pro forma* consolidated statement of financial position and the *pro forma* consolidated statement of comprehensive income as set out below should be read in conjunction with the Independent Auditor's assurance report which is included in Annexure 4 to this Circular.

The Directors are responsible for the preparation of the *pro forma* financial information.

It has been assumed that the Pre-listing Restructuring and the Sell-Down were effective 1 June 2024 for purposes of the *pro forma* consolidated statement of comprehensive income and on 31 May 2025 for purposes of the *pro forma* statement of financial position.

Group *pro forma* statement of comprehensive income for the financial year ended 31 May 2025

		Pre-restructuring Transactions									Sell-Down[11]								
		Acquiring control of Cell C[2]																	
R'000s	Audited 31 May 2025[1]	Fair value gains	Effective settlement of pre-existing relationships	Cell C for the year ended 31 May 2025	Cell C consolidation entries	Other Adjustments	Bridge Loan received[3]	*Pro forma* after The Pre-Listing Restructuring Steps	Transfer of Cell C shares to Cell C Executive Management[9]	*Pro forma* income statement before Sell-Down	CEC for the year ended 31 May 2025	CEC consolidation entries	Cell C for the year ended 31 May 2025	Cell C consolidation entries	Other adjustments	Sell-Down (Cell C and CEC)	Settlement of debt[12]	Transaction costs[13]	*Pro forma* income statement post Sell-Down
Revenue	13,730,344	–	–	11,138,167	(2,050,235)	–	–	22,818,276	–	22,818,276	(2,556,154)	(283,185)	(11,138,167)	2,050,235	–	(11,927,271)	–	–	10,891,005
Finance revenue	319,833	–	–	–	–	–	–	319,833	–	319,833	(292,520)	–	–	–	–	(292,520)	–	–	27,313
Total revenue	**14,050,177**	–	–	**11,138,167**	**(2,050,235)**	–	**–**	**23,138,109**	**–**	**23,138,109**	**(2,848,674)**	**(283,185)**	**(11,138,167)**	**2,050,235**	**–**	**(12,219,791)**	**–**	**–**	**10,918,318**
Other income	76,675	–	–	1,319,077	(835,913)	–	–	559,839	–	559,839	(4,390)	540	(1,319,077)	835,913	1,670,401	1,183,387	–	–	1,743,226
Direct operating costs	(10,675,174)	–	–	(7,720,889)	3,323,158	–	–	(15,072,905)	–	(15,072,905)	1,995,854	(5,914)	7,720,889	(3,323,158)	–	6,387,671	–	–	(8,685,234)
Employee compensation and benefit expense	(1,052,704)	–	–	(818,183)	–	–	–	(1,870,887)	–	(1,870,887)	58,820	(6,347)	818,183	–	–	870,656	–	–	(1,000,231)
Depreciation and amortisation	(192,774)	–	–	(507,638)	(98,750)	–	–	(799,162)	–	(799,162)	2,075	28,931	507,638	98,750	–	637,394	–	–	(161,768)
Fair value movements	174,316	650,650	534,756	–	–	(372,466)	–	987,256	–	987,256	5,374	(3,362)	–	–	–	2,012	196,154	–	1,185,422
Bad debts and expected credit loss	(235,524)	–	–	(1,034)	(307,739)	–	–	(544,297)	–	(544,297)	481,568	19,615	1,034	–	–	502,217	–	–	(42,080)
Loss on modification/derecognition of financial instruments	(52,872)	–	–	–	–	–	–	(52,872)	–	(52,872)	34,103	–	–	–	–	34,103	18,769	–	–
Other expenses	(680,804)	–	–	(1,812,736)	78,001	–	–	(2,415,539)	(205,763)	(2,621,302)	153,724	(76,650)	1,812,736	(78,001)	205,763	2,017,572	–	(11,550)	(615,280)
Operating profit	**1,411,316**	**650,650**	**534,756**	**1,596,764**	**108,522**	**(372,466)**	**–**	**3,929,542**	**(205,763)**	**3,723,779**	**(121,546)**	**(326,372)**	**(1,596,764)**	**(416,261)**	**1,876,164**	**(584,779)**	**214,923**	**(11,550)**	**3,342,373**
Finance costs	(1,090,314)	–	–	(1,311,740)	861,877	–	(124,154)	(1,664,331)	–	(1,664,331)	474,135	–	1,311,740	(861,877)	–	923,998	669,657	–	(70,676)
Finance income	803,857	–	–	11,032	(756,789)	(613)	–	57,487	–	57,487	(132,693)	125,100	(11,032)	(15,288)	–	(33,913)	–	–	23,574
Reversal of impairment of investment in associate	1,555,042	–	–	–	–	(1,558,621)	–	(3,579)	–	(3,579)	–	–	–	–	–	–	–	–	(3,579)
Share of (losses)/profits from associates and joint ventures	(55,376)	–	–	434	–	98,653	–	43,711	–	43,711	–	–	(434)	–	1,226,094	1,225,660	–	–	1,269,371
Profit before taxation	**2,624,525**	**650,650**	**534,756**	**296,490**	**213,610**	**(1,833,047)**	**(124,154)**	**2,362,830**	**(205,763)**	**2,157,067**	**219,896**	**(201,272)**	**(296,490)**	**(1,293,426)**	**3,102,258**	**1,530,966**	**884,579**	**(11,550)**	**4,561,062**
Taxation	(143,805)	–	(156,709)	1,920,562	(24,202)	–	33,522	1,629,368	–	1,629,368	(60,478)	54,343	(1,920,562)	349,225	(34,956)	(1,612,428)	(180,807)		(163,867)
Profit for the year	**2,480,720**	**650,650**	**378,047**	**2,217,052**	**189,408**	**(1,833,047)**	**(90,632)**	**3,992,198**	**(205,763)**	**3,786,435**	**159,418**	**(146,929)**	**(2,217,052)**	**(944,201)**	**3,067,302**	**(81,462)**	**703,772**	**(11,550)**	**4,397,195**
Profit for the year attributable to:																			–
Equity holders of the parent	2,484,243	650,650	378,047	2,011,501	115,854	(1,833,047)	(90,632)	3,716,616	(186,686)	3 529 930	144,638	(133,307)	(2,011,501)	(869,489)	3,048,225	178,566	703,772	(11,550)	4,400,718
Non-controlling interest	(3,523)	–	–	205,551	73,554	–	–	275,582	(19,077)	256,505[10]	14,780	(13,622)	(205,551)	(74,712)	19,077	(260,028)			(3,523)
Earnings per share for profit attributable to equity holders of the parent (cents)																			
– Basic	276.52							413.69		392.91									489.84
– Diluted	275.24							411.79		391.10									487.58
Headline earnings reconciliation																			
Profit for the year attributable to equity holders of parent	2,484,243	650,650	378,047	,2,011,501	115,854	(1,833,047)	(90,632)	3,716,616	(186,686)	3,529,930	144,638	(133,307)	(2,011,501)	(869,489)	3,048,225		703,772	(11,550)	4,400,718
Adjustments																			
Net loss on disposal of property, plant and equipment	827	–	–	–	–	–	–	827	–	827	–	–	–	–	–		–	–	827
Impairment of property, plant and equipment	16,169	–	–	–	–	–	–	16,169	–	16,169	–	–	–	–	–		–	–	16,169
Net loss/(profit) on disposal of property, plant and equipment in associate/joint venture	17,755	–	–	–	–	(17,774)	–	(19)	–	(19)	–	–	–	–	–		–	–	(19)
Net loss on sale of joint venture	6,954	–	–	–	–		–	6,954	–	6,954	–	–	–	–	–		–	–	6,954
Reversal of impairment of investment in associate	(1,555,042)	–	–	–	–	1,555,042	–	–	–	–	–	–	–	–	–		–	–	–
Impairment of property, plant and equipment in associate	804,387	–	–	–	–	(804,387)	–	–	–	–	–	–	–	–	–		–	–	–
Impairment of intangible assets in associate	1,638,571	–	–	–	–	(1,638,571)	–	–	–	–	–	–	–	–	–		–	–	–
Impairment of leased assets in associate	682,542	–	–	–	–	(682,542)	–	–	–	–	–	–	–	–	–		–	–	–
Gain on deemed disposal of investment in associate	–	(685,673)	–	–	–	–	–	(685,673)	–	(685,673)	–	–	–	–	–		–	–	(685,673)
Profit on sale of subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(1,635,445)		–	–	(1,635,445)
Headline earnings	**4,096,406**	**(35,023)**	**378,047**	**2,011,501**	**115,854**	**(3,421,280)**	**(90,632)**	**3,054,874**	**(186,686)**	**2,868,188**	**144,638**	**(133,307)**	**(2,011,501)**	**(869,489)**	**1,412,780**		**703,772**	**(11,550)**	**2,103,531**
Headline earnings per share (cents)																			
– Basic	455.96							340.03		319.25									234.14
– Diluted	453.86							338.47		317.78									233.06
Weighted average number of shares ('000s)																			
– Basic	898,408							898,408		898,408									898,408
– Diluted	902,562							902,562		902,562									902,562

Notes to the *pro forma* statement of comprehensive income

1. Extracted, without adjustment, from the audited financial statements of BLU for the year ended 31 May 2025.

Pre-restructuring Transactions

Certain events post 31 May 2025 occurred that need to be included in the *pro forma* statement of comprehensive income as these events have an impact on the Pre-Listing Restructuring and the Sell-Down. The exclusion of these steps would result in the presentation of the *pro forma* statement of comprehensive income being misleading. Notes 2 – 4 below are collectively referred to as the "Pre-restructuring Transactions".

Acquiring control of Cell C

2. The below should be read in conjunction with note 2 of the *pro forma* statement of financial position.

   The Column titled 'Fair value gains' of the *pro forma* statement of comprehensive income reflects the net gain of R651 million, comprising a loss on the remeasurement of the derivative assets of R35 million and a gain of R686 million on the remeasurement of the investment in Cell C to its fair value based on a fair value of Cell C of R3,4 billion.

   The Column titled 'Effective settlement of pre-existing relationships' of the *pro forma* statement of comprehensive income reflects the net pre-tax gain to BLU of R535 million on the effective settlement of pre-existing relationships between BLU and Cell C, comprising a loss of R46 million on the effective settlement of net receivables from Cell C, and a gain of R580 million on the effective settlement of the Cell C airtime held by BLU. A deferred tax expense of R157 million is recognised on the gain on the airtime.

   The Column titled 'Cell C for the year ended 31 May 2025' is extracted, without adjustment, from Cell C's audited financial statements,except for the profit attributable to non-controlling interest. Although the non-controlling interest in Cell C is 19.87% upon acquiring control of Cell C (refer to note 2 of the *pro forma* statement of financial position), it decreases to approximately 9.27% immediately prior to the Sell-Down as a result of the Pre-Listing Restructuring Transactions which result in TPC acquiring more shares in Cell C, as well as the transfer of the Cell C shares to Cell C Executive Management. The profit attributable to the non-controlling interest of R206 million is based on a minority interest of 9.27%.

   The Column titled 'Cell C consolidation entries' reflects the elimination of inter-company transactions between BLU and Cell C. The adjustment of R74 million to the profit attributable to the non-controlling interest comprises an increase of R75 million in the profit attributable to the non-controlling interest of 9.27% in Cell C (without CEC) because of consolidation entries and a loss of R1 million (after the effects of consolidating Cell C) attributable to the non-controlling interest of 9.27% in CEC. Although CEC was a 100%-owned subsidiary of BLU as of 31 May 2025, given that it is sold to Cell C as part of the Pre-Listing Restructuring (refer to note 7 of the *pro forma* statement of financial position), and given that TPC's interest in Cell C will only be 90.73% immediately prior to the Sell-Down, BLU's effective interest in CEC will also only be 90.73%, thus giving rise to a non-controlling interest in CEC of 9.27%.

   The Column titled 'Other Adjustments' reflects the exclusion of the following items from the *pro forma* statement of comprehensive income that were recognised in BLU's audited statement of comprehensive income for the year ended 31 May 2025 to the extent that they would not have been recognised had the transactions occurred on 1 June 2024:

   - Fair value gain of R372 million recognised on the derivative assets (refer to note 2 to the *pro forma* statement of financial position)
   - Previous impairment loss reversal of R1,6 billion related to BLU's investment in Cell C
   - Share of losses from associate of R99 million, comprising BLU's equity accounted profits of Cell C of R1,5 billion for the financial year ended 31 May 2025, less the recognition of BLU's share of Cell C's historical accumulated losses of R1,6 billion not previously recognised

Bridge Loan received

3. As part of the Pre-restructuring Transactions, a Bridge Loan of R1 billion will be used to acquire airtime from Cell C (refer note 4). Interest expense of R124 million has been recognised at an estimated rate of 12.29% in the *pro forma* statement of comprehensive income as if the loan was received on 1 June 2024 and was outstanding for the full period. Given that the Bridge Loan will be settled out of the proceeds from the Sell-Down, and that the *pro forma* statement of comprehensive income assumes that the settlement also occurs on 1 June 2024, this interest expense is included in the finance costs reversed in the column titled 'Settlement of debt' (refer to note 12).

Cash purchase of airtime

4. The use of cash reserves by TPC to buy airtime of R199 million (including VAT) from Cell C is assumed to reduce finance income earned by TPC, and increase finance income earned by Cell C, for the year ended 31 May 2025 by R15 million, respectively, resulting in a zero impact on the *pro forma* statement of comprehensive income. Interest has been calculated using an average interest rate of 7.7% per annum based on actual interest earned for the financial year ended 31 May 2025.

Pre-Listing Restructuring Steps

Debt-to-Equity Conversion (Step 1)

5. There is no impact on the *pro forma* statement of comprehensive income. Only when BLU loses control of Cell C upon the Sell-Down is there a gain related to the debt-to-equity conversion. Refer to note 6 and note 11 of the *pro forma* statement of financial position.

CEC Exchange (Step 2)

6. There is no impact on the *pro forma* statement of comprehensive income. Only when BLU loses control of CEC upon the Sell-Down is there a gain related to the sale of CEC. Refer to note 7 and note 11 of the *pro forma* statement of financial position.

TPC Airtime Disposal (Step 3)

7. Refer to note 8 and 11 of the *pro forma* statement of financial position for the gain that will be recognised upon the Sell-Down. The tax expense of R35 million incurred by TPC on the margin of R129 million earned upon the transfer of the additional airtime purchased after acquiring control of Cell C, is recognised when Cell C is deconsolidated upon the Sell-Down.

SPV4 and SPV5 Sale Shares (Step 4 and Step 5)

8. Refer to note 9 of the *pro forma* statement of financial position. The resulting gain of R81 million is recognised directly in equity and therefore there is no impact on the *pro forma* statement of comprehensive income.

Transfer of Cell C shares to Cell C Executive Management

9. Since Cell C is a subsidiary of BLU when TPC transfers the 4.5% interest in Cell C to Cell C Executive Management, the transfer represents a share-based payment transaction for BLU which needs to be recognised as an expense with a corresponding credit to equity (share-based payment reserve) over the vesting period. 60% of the shares vest over an approximate average period of 3,3 years; and the balance of 40% over 5,3 years. The total amount to be recognised is equal to the fair value of the 4.5% interest in Cell C at the date the award is granted, which is estimated to be R810 million based on an assumed fair value of Cell C (with CEC) of R18 billion after Step 3 of the Pre-Listing Restructuring Transactions. The estimated share-based payment expense for the *pro forma* statement of comprehensive income for the year ended 31 May 2025 is R206 million. Upon the Sell-Down (refer to note 11), this expense will be reversed given that BLU will recognise the full cost of R810 million as part of its gain on the Sell-Down.

NCI adjustment due to change in shareholding

10. Included in the profit attributable to non-controlling interest of R257 million is an amount of R260 million, which represents the 9,27% minority interest in the consolidated net profit of Cell C (with CEC) immediately before the Sell-Down.

Sell-Down

11. Upon the Sell-Down, BLU loses control of Cell C and CEC. Since the *pro forma* statement of comprehensive income assumes that the Sell-Down occurs on 1 June 2024, the consolidated results of CEC for the financial year ended 31 May 2025 need to be reversed. The Column titled 'CEC for the year ended 31 May 2025' reflects the reversal of CEC based on CEC's audited statement of comprehensive income, without adjustment. For purposes of the *pro forma* statement of comprehensive income it has been assumed that management fees received by BLU from CEC of R364 million for the financial year ended 31 May 2025 would not have been received had CEC not been a subsidiary.

    The Column titled 'Cell C for the year ended 31 May 2025' reflects the reversal of Cell C based on Cell C's audited statement of comprehensive income, without adjustment.

    Upon the Sell-Down, a gain of R1,7 billion is recognised within Other income in the Column titled 'Other adjustments'. The gain is not taxable per se, however the income tax expense of R35 million (refer to note 7) incurred by TPC on the TPC Airtime Disposal in respect of the additional airtime purchased after acquiring control of Cell C, is recognised as a result of deconsolidating Cell C. Refer to note 11 of the *pro forma* statement of financial position for more information.

    Subsequent to the Sell-Down which is assumed to occur on 1 June 2024 for purposes of the *pro forma* statement of comprehensive income, the interest retained in Cell C (including CEC) which is estimated to be 40.7% needs to be equity accounted for the year ended 31 May 2025. In this regard, R1,2 billion is reflected in the column titled 'Other adjustments'. Refer to the Alternative Outcomes in the notes to the *pro forma* statement of financial position for more information.

    Once BLU loses control of Cell C, the transfer of shares by TPC to Cell C Executive Management (refer to note 9) is no longer characterised as a share-based payment transaction from a BLU perspective because it is a transfer of shares of an associate. Since the economic cost to TPC of transferring the shares estimated at R810 million is recognised by BLU as part of its gain on the Sell-Down (refer to note 11 of the *pro forma* statement of financial position), the share-based payment expense of R206 million that was recognised in the *pro forma* statement of comprehensive income (refer to note 9) needs to be reversed. This is also reflected in the column titled 'Other adjustments'. Furthermore, since BLU recognises the full economic loss related to the transfer of the 4.5% interest in Cell C to Cell C Executive Management, BLU has exercised significant judgement in its decision to exclude the share-based payment expense that Cell C will recognise in its earnings in respect of this transfer, when equity accounting Cell C after the Sell-Down so as to avoid recognising more than 100% of the economic cost.

Settlement of debt

12. It is estimated that R6 billion of the proceeds from the Sell-Down will be utilised to settle certain interest-bearing borrowings and other debt obligations. Since the *pro forma* statement of comprehensive income is prepared on the basis that the debt was settled on 1 June 2024, adjustments have been made to exclude the effective cost of this debt which would not have been incurred. Of the R6 billion debt to be settled, R4,5 billion attracted interest at an average rate of 11.02% per annum, which was determined based on actual borrowing costs incurred during the financial year ended 31 May 2025, yielding a reduction in interest expense of R496 million (which includes R124 million in respect of the Bridge Loan (refer to note 3)). In addition, structuring and facility fees of R174 million would not have been incurred during the year ended 31 May 2025, resulting in a total reduction of finance costs of R670 million. In relation to the other debt of R1,5 billion to be settled, fair value movements and losses on modification of financial instruments recognised during the year ended 31 May 2025 amounting to R215 million have been reversed on the basis that the debt was settled on 1 June 2024.

    The *pro forma* financial information reflects that R3 billion of the proceeds of R9 billion from the Sell-Down will be retained for a potential dividend to shareholders and for working capital requirements. No income (interest income or other economic benefits) on the excess proceeds has been recognised in the *pro forma* statement of comprehensive income. Had this excess cash been invested in a call account, interest income of R228 million would have been earned, which has been calculated using an average interest rate of 7.7% per annum based on actual interest earned for the financial year ended 31 May 2025.

Transaction Costs

13. Transaction Costs, relating to advisory fees that will be borne by BLU of R11,6 million (excl. VAT) have been expensed.

Group *pro forma* statement of financial position as at 31 May 2025

		Pre-restructuring Transactions								Pre-Listing Restructure			Sell Down[12]								
		Acquiring control of Cell C[2]											Deconsolidation of CEC		Deconsolidation of Cell C (without CEC)						
R'000s	Audited 31 May 2025[1]	Purchase price	Cell C as at 31 May 2025	Cell C consolidation entries	Effective settlement of pre-existing relationships	*Pro forma* post acquiring control of Cell C	Bridge Loan received[3]	Cash purchase of Cell C airtime[4]	*Pro forma* before The Pre-Listing Restructuring Steps[5]	TPC Airtime Disposal[8]	SPV4 & SPV5 sale shares[9]	*Pro forma* balance sheet before Sell-Down	CEC as at 31 May 2025	CEC consolidation entries	Cell C without CEC[15]	CEC/Cell C inter-company balances	Proceeds	Total effects of Sell-Down	Settlement of debt[12]	Transaction costs[13]	*Pro forma* balance sheet post Sell-Down
ASSETS																					
Non-current assets	**6,570,672**	**(1,701,197)**	**3,857,046**	**14,903,887**	**(2,312,901)**	**21,317,507**	**–**	**–**	**21,317,507**	**–**	**–**	**21,317,507**	**(1,771,920)**	**548,411**	**(18,760,933)**	**232,480**	**7,331,151**	**(12,420,811)**	**–**	**–**	**8,896,696**
Property, plant and equipment	159,767	–	459,262	–	–	619,029	–	–	619,029	–	–	619,029	(576)	–	(459,262)	–	–	(459,838)	–	–	159,191
Right-of-use assets	38,919	–	–	–	–	38,919	–	–	38,919	–	–	38,919	–	–	–	–	–	–	–	–	38,919
Intangible assets	1,509,855	–	1,338,514	10,650,000	(841,715)	12,656,654	–	–	12,656,654	–	–	12,656,654	(846,422)	692,237	(11,988,514)	–	–	(12,142,699)	–	–	513,955
Goodwill	717,475	–	–	6,278,636	–	6,996,111	–	–	6,996,111	–	–	6,996,111	–	(335,468)	(6,278,636)	–	–	(6,614,104)	–	–	382,007
Investments in associates and joint ventures	1,809,287	(1,701,197)	10,958	–	–	119,048	–	–	119,048	–	–	119,048	–	–	(10,958)	–	7,331,151	7,320,193	–	–	7,439,241
Loans to associates and joint ventures	1,302,614	–	–	–	(1,302,614)	–	–	–	–	–	–	–	(255,550)	23,070	–	232,480	–	–	–	–	–
Loans receivable	46,536	–	–	–	–	46,536	–	–	46,536	–	–	46,536	–	–	–	–	–	–	–	–	46,536
Advances to customers	653,146	–	–	–	(168,572)	484,574	–	–	484,574	–	–	484,574	(653,146)	168,572	–	–	–	(484,574)	–	–	–
Financial assets at fair value through profit or loss	128,521	–	–	–	–	128,521	–	–	128,521	–	–	128,521	(16,226)	–	–	–	–	(16,226)	–	–	112,295
Capitalised contract costs	–	–	23,563	–	–	23,563	–	–	23,563	–	–	23,563	–	–	(23,563)	–	–	(23,563)	–	–	–
Deferred taxation assets	204,552	–	2,024,749	(2,024,749)	–	204,552	–	–	204,552	–	–	204,552	–	–	–	–	–	–	–	–	204,552
Current assets	**13,199,224**	**(380,437)**	**1,216,532**	**–**	**(7,087,423)**	**6,947,896**	**1,010,066**	**157,660**	**8,115,622**	**970,936**	**–**	**9,086,558**	**(2,659,400)**	**1,546,076**	**(3,243,401)**	**227,520**	**9,000,000**	**4,870,795**	**(6,052,853)**	**(11,550)**	**7,892,949**
Loans to associates and joint ventures	1,947,148	–	–	–	(1,943,295)	3,853	–	–	3,853	–	–	3,853	(250,097)	22,577	–	227,520	–	–	–	–	3,853
Inventories	4,665,220	–	55,455	–	(3,921,661)	799,014	–	–	799,014	–	–	799,014	(196,875)	–	(55,455)	–	–	(252,330)	–	–	546,684
Loans receivable	57,240	–	–	–	–	57,240	–	–	57,240	–	–	57,240	(101,577)	92,627	–	–	–	(8,950)	–	–	48,290
Trade and other receivables	4,300,696	–	978,967	–	(943,101)	4,336,562	–	157,660	4,494,222	970,936	–	5,465,158	(1,063,410)	1,151,506	(1,797,107)	–	–	(1,709,011)	–	1,733	3,757,879
Advances to customers	990,621	–	–	–	(279,366)	711,255	–	–	711,255	–	–	711,255	(990,621)	279,366	–	–	–	(711,255)	–	–	–
Financial assets at fair value through profit or loss	411,074	(372,466)	–	–	–	38,608	–	–	38,608	–	–	38,608	(18,642)	–	–	–	–	(18,642)	–	–	19,966
Current tax assets	5,121	–	–	–	–	5,121	–	–	5,121	–	–	5,121	(41)	–	–	–	–	(41)	–	–	5,080
Cash and cash equivalents	822,104	(7,971)	182,110	–	–	996,243	1,010,066	–	2,006,309	–	–	2,006,309	(38,137)	–	(1,390,839)	–	9,000,000	7,571,024	(6,052,853)	(13,283)	3,511,197
Total assets	**19,769,896**	**(2,081,634)**	**5,073,578**	**14,903,887**	**(9,400,324)**	**28,265,403**	**1,010,066**	**157,660**	**29,433,129**	**970,936**	**–**	**30,404,065**	**(4,431,320)**	**2,094,487**	**(22,004,334)**	**460,000**	**16,331,151**	**(7,550,016)**	**(6,052,853)**	**(11,550)**	**16,789,645**
EQUITY AND LIABILITIES																					
Capital and reserves	**7,635,107**	**1,328,180**	**(8,304,747)**	**11,714,561**	**378,047**	**9,341,334**	**–**	**–**	**9,341,334**	**–**	**–**	**9,341,334**	**(1,393,995)**	**1,393,995**	**–**	**–**	**(596,635)**	**1,038,810**	**–**	**(11,550)**	**10,368,594**
Issued share capital and premium	7,580,207	–	25,668,830	–	–	7,580,207	–	–	7,580,207	–	–	7,580,207	(514,015)	514,015	–	–	–	–	–	–	7,580,207
Other reserves	(2,835,093)	–	–	–	–	(2,835,093)	–	–	(2,835,093)	–	80,895	(2,754,198)	–	–	–	–	–	–	–	–	(2,754,198)
Retained earnings	2,815,288	650,650	(33,973,577)	11,714,561	378,047	3,843,985	–	–	3,843,985	–	–	3,843,985	(879,980)	879,980	–	–	–	1,635,445	–	(11,550)	5,467,880
Total ordinary shareholders' equity	**7,560,402**	**650,650**	**(8,304,747)**	**11,714,561**	**378,047**	**8,589,099**	**–**	**–**	**8,589,099**	**–**	**80,895**	**8,669,994**	**(1,393,995)**	**1,393,995**	**–**	**–**	**–**	**1,635,445**	**–**	**(11,550)**	**10,293,889**
Non-controlling interest	74,705	677,530	–	–	–	752,235			752,235	–	(80,895)	671,340	–	–	–	–	(596,635)	(596,635)	–	–	74,705
Non-current liabilities	**3,246,384**	**–**	**3,110,823**	**1,043,044**	**(2,326,357)**	**5,073,894**	**–**	**–**	**5,073,894**	**(191,665)**	–	**4,882,229**	**(1,324,088)**	**186,904**	**(1,863,108)**	**–**	**–**	**(3,000,292)**	**(1,758,244)**	**–**	**123,693**
Deferred taxation liabilities	223,348	–	–	260,020	(70,554)	412,814	–	–	412,814	(191,665)	–	221,149	(148,727)	186,904	(225,064)	–	–	(186 887)	–	–	34,262
Non-current lease liability	36,551	–	1,638,044	–	–	1,674,595	–	–	1,674,595	–	–	1,674,595	–	–	(1,638,044)	–	–	(1,638,044)	–	–	36,551
Financial liabilities at fair value through profit or loss	242,637	–	–	–	–	242,637	–	–	242,637	–	–	242,637	–	–	–	–	–	–	(242,637)	–	–
Borrowings	2,743,848	–	1,472,779	783,024	(2,255,803)	2,743,848	–	–	2,743,848	–	–	2,743,848	(1,175,361)	–	–	–	–	(1,175,361)	(1,515,607)	–	52,880
Current liabilities	**8,888,405**	**–**	**10,267,502**	**2,146,282**	**(7,452,014)**	**13,850,175**	**1,010,066**	**157,660**	**15,017,901**	**1,162,600**	**–**	**16,180,501**	**(1,713,237)**	**1,244,133**	**(5,214,520)**	**95,090**	**–**	**(5,588,534)**	**(4,294,609)**	**–**	**6,297,358**
Trade and other payables	5,974,889	–	4,763,154	279,366	(1,070,702)	9,946,707	–	157,660	10,104,367	970,936	–	11,075,303	(1,179,126)	1,151,506	(4,224,568)	95,090	–	(4,157,098)	(1,249,934)	–	5,668,270
Deferred revenue	173,436	–	2,594,550	2,187,894	(4,653,828)	302,052	–	–	302,052	–	–	302,052	–	–	(128,615)	–	–	(128,615)	–	–	173,437
Lease liability	10,393	–	278,972	–	–	289,365	–	–	289,365	–	–	289,365	–	–	(278,972)	–	–	(278,972)	–	–	10,393
Current tax liabilities	21,228	–	147,295	–	–	168,523	–	–	168,523	191,665	–	360,188	–	–	(147,295)	–	–	(147,295)	–	–	212,893
Borrowings	2,673,100	–	2,483,531	(320,978)	(1,727,484)	3,108,169	1,010,066	–	4,118,235	–	–	4,118,235	(534,111)	–	(435,070)	–	–	(969,181)	(3,044,675)	–	104,379
Borrowings from associates and joint ventures	34,528	–	–	–	–	34,528	–	–	34,528	–	–	34,528	–	92,627	–	–	–	92,627	–	–	127,155
Bank overdraft	831	–	–	–	–	831	–	–	831	–	–	831	–	–	–	–	–	–	–	–	831
Total equity and liabilities	**19,769,896**	**1,328,180**	**5,073,578**	**14,903,887**	**(9,400,324)**	**28,265,403**	**1,010,066**	**157,660**	**29,433,129**	**970,936**	**–**	**30,404,065**	**(4,431,320)**	**2,825,032**	**(7,077,628)**	**95,090**	**(596,635)**	**(7,550,016)**	**(6,052,853)**	**(11,550)**	**16,789,645**
Number of shares in issue ('000s)	913,656					913,656			913,656			913,656									913,656
Net asset value per share (cents)	827.49					940.08			940.08			948.93									1,126.67
Net tangible asset value per share (cents)	583.71																				1,028.61

Notes to the *pro forma* statement of financial position:

1. Extracted, without adjustment, from the audited financial statements of BLU for the year ended 31 May 2025.

Pre-restructuring Transactions

Certain events post 31 May 2025 occurred that need to be included in the *pro forma* statement of financial position as these events have an impact on the Pre-Listing Restructuring and the Sell-Down. The exclusion of these steps would result in the presentation of the *pro forma* statement of financial position being misleading. Notes 2 – 4 below are collectively referred to as the "Pre-restructuring Transactions".

Acquiring control of Cell C

2. BLU obtained approval from the Competition Commission on 3 September 2025 to acquire control of Cell C.

   Prior to 31 May 2025, BLU had a commitment to acquire 59,000,000 Cell C shares (4.04% interest) from SPV1's bond trustees for $109 500 (equivalent to R2 million at a ZAR:USD exchange rate of 18:1) in terms of the TPC SPV1 Sale of Shares Agreement and a commitment to acquire 88,939,299 Cell C shares (6.09% interest) from Gramercy for R6 million in terms of the Gramercy Sale Agreement. Both purchases were subject to the approval of the Competition Commission and other conditions precedent. Since the conditions were not met as of 31 May 2025, the commitments to acquire the shares were accounted for as derivative assets in BLU's audited financial statements for the year ended 31 May 2025.

   Competition Commission approval was received on 3 September 2025 and the other conditions precedent were met on 4 September 2025 resulting in BLU's commitment to acquire the Cell C shares becoming unconditional. In this regard BLU's voting rights will increase from 49.53% to 59.66%, thereby giving BLU the ability to control Cell C. This resulted in Cell C changing from an associate to a subsidiary. Further details and the effects on the *pro forma* financial information are provided below. It is worth noting upfront that upon the Sell-Down (refer to note 11) BLU will lose control of Cell C, which once again will become an associate.

   Although BLU only held 49.53% of the shares (and voting rights) in Cell C as of 31 May 2025, its economic interest in Cell C at that date was 70% by virtue of its economic interest in Cell C shares held by SPV4 (10.47% interest) and SPV5 (10% interest). BLU had provided loans to SPV4 and SPV5 and since the only assets held by the SPVs to back the loans are Cell C shares, the loans are in-substance investments in those shares (albeit without the related voting rights) and were accounted for as additional economic interests in Cell C, thereby resulting in the percentage used for equity accounting Cell C being 70%. The unconditional right to acquire the shares from SPV1 and Gramercy increases BLU's economic interest in Cell C to 80.13%.

   Business combination accounting is required upon obtaining control of Cell C. This requires reflecting an effective disposal of the 70% economic interest in Cell C at fair value and then reflecting the effective acquisition of an 80.13% economic interest. The value-in-use of Cell C disclosed in BLU's audited financial statements for the year ended 31 May 2025 is R4,7 billion. After adjustments to reflect Cell C's liabilities at fair value, a fair value of R3,4 billion was determined which has been applied in the *pro forma* financial information as the fair value of Cell C before the Pre-restructuring Transactions. At this value of Cell C, the effective disposal of BLU's 70% economic interest yields a gain of R686 million based on the carrying value of the equity-accounted investment in Cell C of R1,7 billion as of 31 May 2025 in BLU's audited financial statements. The estimated fair value of the derivative assets is R337 million immediately prior to acquiring control of Cell C which results in a loss of R35 million when compared to their carrying value of R372 million as of 31 May 2025 in BLU's audited financial statements. The net gain upon acquiring control is R651 million, reflected in the column titled 'Purchase Price', before considering the effects of settling pre-existing relationships.

	R'000s
Purchase price for 80.13% interest	
Fair value of the 70% economic interest	2,386,870
Cash payable to SPV1 and Gramercy	7,971
Fair value of the derivative assets (commitments to acquire the shares from SPV1 and Gramercy)	337,444
Total	**2,732,285**
Initial fair value of non-controlling interest (19.87%)	677,530
Total calculated fair value of Cell C	**3,409,815**

The column titled 'Cell C as at 31 May 2025' reflects the audited balance sheet of Cell C as of that date, which is the date of acquiring control of Cell C for purposes of the *pro forma* statement of financial position.

Business combination accounting requires a Purchase Price Allocation ('PPA') to be performed which encompasses the identification of and determination of the values of identifiable assets and liabilities acquired. With some exceptions, values are required to be fair values. Any excess of the total purchase consideration over the net identifiable assets is attributed to goodwill. A detailed PPA is yet to be completed. Indications are that there are intangible assets of approximately R10,7 billion, based on a high-level valuation performed, which are not currently recognised on Cell C's balance sheet. These relate mainly to Cell C's spectrum licence and its brand. It is estimated that R2 billion of the additional intangible assets would need to be amortised over their useful lives. These are still to be determined but are expected to be approximately 20 years. Adjustments were also made to certain liabilities, including deferred revenue, to reflect them at current fair values. A liability related to an income-sharing arrangement between Cell C and CEC has been identified and provisionally valued at R1,1 billion. A detailed PPA is likely to yield other adjustments, which will have a consequential impact on the provisionally calculated goodwill of R6,3 billion. The column titled 'Cell C consolidation entries' reflects the provisional adjustments made.

Business combination accounting requires reflecting the effective settlement, at fair value, of pre-existing relationships between BLU and Cell C. These comprise inter-company receivables and payables, Cell C airtime held by BLU representing a right for BLU to receive telecommunication services from Cell C and an obligation for Cell C to provide such services to BLU, and the income-sharing arrangement between Cell C and CEC. All pre-existing relationships are considered to be effectively settled from an accounting perspective because upon acquiring control of Cell C, Cell C becomes part of BLU and inter-company balances and transactions cannot be recognised in consolidated financial statements. The effective settlement of the pre-existing relationships is shown in the Column titled 'Effective settlement of pre-existing relationships' of the *pro forma* statement of financial position, and results in a net increase of R9,4 billion in Cell C's net assets as a result of the effective settlement at fair value of net payables to BLU of R3 billion, deferred revenue of R5,3 billion, and income-sharing arrangement with CEC of R1,1 billion.

From a BLU perspective, net receivables from Cell C with a carrying value of R3 billion are effectively settled yielding a loss of R46 million, Cell C airtime held by BLU with a carrying value of R4,7 billion is effectively settled yielding a gain of R580 million pre-tax (R424 million post-tax), and the income-sharing arrangement between CEC and Cell C is effectively settled resulting in the derecognition of net assets of R1,1 billion (refer to the table below). The fair values of the TPC receivables from Cell C are considered to equal their carrying values as of 31 May 2025 per the BLU audited financial statements of R2,7 billion in aggregate. The fair value of the Cell C airtime held by BLU as of 31 May 2025 represents the transfer price, excluding VAT, at which TPC is able to return such airtime to Cell C. This is estimated to be equal to the face value of the airtime (excluding VAT) less c.8.77%. The fair value of the assets related to the income-sharing arrangement with Cell C is estimated provisionally to be equal to their carrying value as of 31 May 2025.

Details of the pre-existing relationships from a BLU perspective are provided below:

Pre-existing Relationship	**R'000s**	**R'000s**	**R'000s**
Receivable from Cell C:	**Carrying value as of 31 May 2025 per BLU audited financial statements**	**Fair value at 31 May 2025**	**Gain/(loss) to BLU on effective settlement**
TPC Exit (New Money) Claim	2,066,724	2,066,724	–
– Non-current portion	1,047,064		
– Current portion	1,019,660		
TPC Reinvest Loan			
– All current	256,119	256,119	–
Gramercy Reinvest Loan			
– All current	417,418	417,418	–
ZTE Loan Claim			
– Fully impaired	–	–	–
CEC Loan	505,647	460,000	(45,647)
– Non-current portion	255,550		
– Current portion	250,097		

Pre-existing Relationship	R'000s	R'000s	R'000s
Receivable from Cell C:	**Carrying value as of 31 May 2025 per BLU audited financial statements**	**Fair value at 31 May 2025**	**Gain/(loss) to BLU on effective settlement**
Other			
– All current	8,002	8,002	–
Total receivables	**3,253,910**	**3,208,263**	**(45,647)**
Payable to Cell C:			
CEC trade and other payables			
– All current	95,090	95,090	–
Other			
– All current	49,704	49,704	–
Total payables	**144,794**	**144,794**	**–**
Cell C airtime held by BLU	**4,711,966**	**5,292,369**	**580,403**
– Inventories	3,921,661		
– Prepayments (Trade and other receivables)	790,305		
Tax effect			**(156,709)**
Income-sharing arrangement between CEC and Cell C	**1,062,390**	**1,062,390**	**–**
– Intangible asset: Subscription income-sharing arrangement	728,938		
– Intangible asset: Subscriber acquisition costs	112,777		
– Receivables	447,938		
– Related deferred tax liability	(227,263)		
Net post-tax gain			**378,047**
Net increase in Cell C's net assets after settlement of pre-existing relationships		**9,418,228**	

Bridge Loan received

3. As part of the Pre-restructuring Transactions, a bridge loan of R1 billion will be used by TPC to acquire additional airtime from Cell C (refer to note 4).

Cash purchase of Cell C airtime

4. For the purposes of the *pro forma* financial information the Cell C airtime to be transferred by TPC to Cell C in Step 3 (note 8) is estimated to have a face value of R8,2 billion, including VAT, resulting in an estimated Cell C Airtime transfer price of R7,4 billion, including VAT.

   The face value of Cell C airtime held by TPC as of 31 May 2025, as well as of prepayments already made to Cell C for airtime was R6,7 billion, including VAT. Therefore, to be able to return the required amount of airtime in Step 3 (note 8), TPC would need to purchase additional Cell C airtime with a face value of R1,5 billion, including VAT. Based on the prices at which TPC can acquire Cell C airtime, it has been estimated that the additional airtime will cost TPC R1,2 billion, including VAT which will be funded by the proceeds of the bridge loan of R1 billion and the balance by using existing cash resources.

   The purchase of additional airtime by TPC represents an inter-company transaction, which is eliminated given that Cell C is consolidated. The only impact on the *pro forma* statement of financial position is the VAT receivable from a TPC perspective and the VAT payable by Cell C of R158 million, respectively.

5. Represents the *pro forma* statement of financial position after the Pre-restructuring Transactions.

Pre-listing Restructuring Steps

Debt-to-Equity Conversion (Step 1)

6. The following TPC claims against Cell C will be converted into Cell C shares at the following conversion values per the Implementation Agreement:

	R'000s
TPC Exit (New Money) Claim	2,839,453
TPC Reinvest Loan	305,528
Gramercy Reinvest Loan	449,242
ZTE Loan Claim	82,629
Total Conversion Value	**3,676,852**

   Since Cell C is a subsidiary of BLU when the debt-to-equity conversion occurs and the debt-to-equity conversions result in the settlement of intercompany balances and have no tax consequences for TPC or Cell C, there is no impact on the *pro forma* statement of financial position or on the statement of comprehensive income. Furthermore, since Cell C issues shares to TPC to the value of the claims, there is no impact on the measurement of the non-controlling interest in Cell C as reflected in the *pro forma* statement of financial position, notwithstanding that the effective percentage interest of the outside shareholders in Cell C reduces.

   The gain of R937 million between the aggregate carrying value of the TPC claims as of 31 May 2025 in BLU's audited financial statements of R2,7 billion (refer to note 2) before the effective settlement thereof as a result of the requirement to consolidate Cell C and the conversion value of R3,7 billion is recognised by BLU as part of its gain on the Sell-Down (refer to note 11).

CEC Exchange (Step 2)

7. Since Cell C is a subsidiary of BLU when the CEC exchange occurs and therefore the sale of CEC by TPC to Cell C constitutes the sale of one subsidiary (CEC) to another subsidiary (Cell C), BLU continues to control CEC. Therefore, the assets and liabilities of CEC as of 31 May 2025 included in the BLU audited financial statements continue to be recognised in the *pro forma* statement of financial position at this point. The CEC exchange has no tax consequences for BLU or Cell C. There is also no impact on the measurement of the non-controlling interest in Cell C as reflected in the *pro forma* statement of financial position given that Cell C issues shares to TPC to the value of CEC, notwithstanding that the effective percentage interest of the outside shareholders in Cell C reduces.

   BLU loses control of CEC upon the Sell-Down. The gain related to the sale of CEC is recognised by BLU as part of its gain on the Sell-Down (refer to note 11).

TPC Airtime Disposal (Step 3)

8. In terms of the Implementation Agreement, TPC is required to transfer Cell C airtime to Cell C with a face value to be denominated in a written notice, which shall not be less than R8,06 billion, including VAT and shall not exceed R8,26 billion, including VAT. Cell C will settle the purchase price, determined to be equal to the face value less c.8.77%, through the issue of Cell C shares. For the purposes of the *pro forma* financial information the Cell C Airtime transfer price is estimated to be R7,4 billion, including VAT. The estimated carrying value of the Cell C airtime (including the additional airtime purchased referred to in note 4) to be transferred to Cell C is R5,8 billion (excluding VAT) resulting in a realised margin of R710 million. However, since Cell C is a subsidiary of BLU when the TPC Airtime Disposal occurs and the airtime disposal to Cell C is an intercompany transaction, no gain can be recognised in the *pro forma* financial information. Therefore, the transfer of airtime to Cell C in exchange for shares in Cell C has no impact on the *pro forma* statement of financial position, except for the income tax, and VAT effects for both TPC and Cell C.

   It is estimated that TPC will incur current tax of R192 million (of which R157 million was recognised as a deferred tax liability upon the effective settlement of pre-existing relationships when control of Cell C was acquired) and will be liable for output VAT of R971 million on the transfer of the airtime, while Cell C will get an income tax benefit of R626 million (of which R591 million was recognised as a deferred tax benefit of Cell C as part of the consolidation entries upon acquiring control of Cell C) and will be able to claim input VAT of R971 million.

   At the time of the airtime disposal, TPC will recognise a tax expense of R35 million, and Cell C will recognise a tax benefit of R35 million, which offset each other in the *pro forma* statement of comprehensive income. Once Cell C is deconsolidated upon the Sell-Down, TPC's tax expense remains (refer to note 11).

   Furthermore, R580 million of the margin of R710 million arising on the airtime transfer was recognised by BLU as a fair value gain upon the effective settlement of pre-existing relationships when control of Cell C was acquired (refer to note 2). The remaining balance (R130 million) of the margin is recognised by BLU as part of its gain upon the Sell-Down (refer to note 11).

There is no impact on the measurement of the non-controlling interest in Cell C as reflected in the *pro forma* statement of financial position given that Cell C issues shares to TPC to the value of the Cell C Airtime transfer price, notwithstanding that the effective percentage interest of the outside shareholders in Cell C reduces.

SPV4 and SPV5 Sale Shares (Steps 4 and 5)

9. As of 31 May 2025, SPV4 and SPV5 held Cell C shares comprising an interest in Cell C of 10.47% and 10%, (in the context of the number of Cell C shares in issue prior to the commencement of the Pre-Listing Restructure), respectively. As explained in note 2, these economic interests in Cell C were already included in the accounting for BLU's economic interest of 70% in Cell C in BLU's audited financial statements for the year ended 31 May 2025 and were reflected in the determination of the non-controlling interest of 19.87% in Cell C upon acquiring control. Therefore, the waiver of the loans in exchange for these shares in Cell C has no accounting impact. The only change is that BLU obtains the voting rights attached to those shares, thereby aligning its shareholding (and voting rights) with its economic interest in Cell C.

   Subsequent to 31 May 2025, SPV4 acquired an additional 1,71% interest (in the context of the number of Cell C shares in issue prior to the commencement of the Pre-Listing Restructure) in Cell C, which TPC acquires from SPV4 for nominal consideration. Based on an assumed fair value of Cell C (with CEC) of R18 billion after Step 3 of the Pre-Listing Restructuring Transactions, the fair value of the Cell C shares acquired by TPC is estimated to be R81 million. Therefore, the measurement of the non-controlling interest in Cell C is reduced by R81 million to reflect the change in non-controlling interest at its fair value, and the corresponding gain attributable to the shareholders of BLU is recognised directly in equity (within other reserves) because this gain arises on a transaction with other shareholders in Cell C. This gain remains recognised in equity even after the Sell-Down and is not ever recognised in BLU's statement of comprehensive income.

Transfer of Cell C shares to Cell C Executive Management

10. Since Cell C is a subsidiary of BLU when TPC transfers the 4.5% interest in Cell C to Cell C Executive Management, the transfer represents a share-based payment transaction which needs to be recognised as an expense with a corresponding credit to equity (share-based payment reserve) over the vesting period. The total amount to be recognised is equal to the fair value of the 4.5% interest in Cell C at the date the award is granted, which is estimated to be R810 million based on an assumed fair value of Cell C (with CEC) of R18 billion after Step 3 of the Pre-Listing Restructuring Transactions. Given that the assumption for the *pro forma* statement of financial position is that the awards to Cell C Executive Management are only made on 31 May 2025, no share-based payment is recognised therein.

    The economic cost to TPC estimated at R810 million is recognised by BLU as part of its gain on the Sell-Down (refer to note 11). Since BLU recognises the full economic loss upon the Sell-Down related to the transfer of the 4.5% interest in Cell C to Cell C Executive Management, BLU has exercised significant judgement in its decision to exclude the share-based payment expense that Cell C will recognise in its earnings in respect of this transfer, when equity accounting Cell C after the Sell-Down so as to avoid recognising more than 100% of the economic cost.

Sell-Down

11. Upon the Sell-Down, BLU loses control of CEC and Cell C and retains significant influence over Cell C (with CEC).

    The Columns titled 'Deconsolidation of CEC' reflect the derecognition of the individual assets and liabilities of CEC per CEC's audited statement of financial position as of 31 May 2025 (adjusted to reflect Cell C airtime held by CEC (carrying value of R793 million) as of 31 May 2025 as a receivable from TPC since this airtime will be purchased by TPC from CEC prior to the CEC exchange in order for TPC to hold the requisite amount of airtime to be transferred to Cell C in Step 3 (note 8)) and the reversal of CEC consolidation entries.

    The Columns titled 'Deconsolidation of Cell C (without CEC)' reflect the derecognition of the individual assets and liabilities of Cell C included in the *pro forma* statement of financial position immediately prior to the Sell-Down, based on the amounts accounted for upon acquiring control of Cell C and the effective settlement of pre-existing relationships (refer to note 2), and any impacts on Cell C of the Pre-Listing Restructuring Transactions, the recognition of BLU's intercompany balances with Cell C that were not settled by the debt-to-equity conversion, and the derecognition of intercompany balances between CEC and Cell C.

    The Column titled 'Proceeds' represents the estimated cash to be raised on the Sell-Down of R9 billion, the estimated fair value of the estimated interest retained (40.73%) in Cell C (with CEC) of R7,3 billion (based on an assumed fair value of Cell C (with CEC) of R18 billion upon the Sell-Down), and the derecognition of the non-controlling interest in Cell C of R597 million.

The Column titled 'Total effects of the Sell-Down' reflects the combined effect of deconsolidating CEC and Cell C and recognising the total proceeds, which yields a gain of R1,7 billion, which is not taxable. The gain is attributable to the following:

	R'000s	R'000s
Debt-to-equity conversion (refer to note 6)		936,591
CEC Exchange (refer to note 7)		1,419,455
– Selling price	2,150,000	
Less		
Adjusted net assets of CEC	730,545	
– Net assets per CEC audited financial statements as of 31 May 2025	1,393,995	
– Consolidation adjustments excluding derecognition of Cell C income-sharing assets	398,940	
– Derecognition of Cell C income-sharing assets	(1,062,390)	
TPC Airtime Disposal (refer to note 8)		129,467
Total pre-tax margin	709,870	
Less amount recognised upon effective settlement of pre-existing relationships when control of Cell C was acquired (refer to note 2)	580,403	
Transfer of Cell C shares to Cell C Executive Management (refer to note 10)		(810,000)
Increase in the fair value of Cell C from R3,4 billion (calculated as of 31 May 2025) to R4,7 billion, calculated to be the assumed fair value of Cell C before the Pre-Listing Restructuring Transactions, attributable to BLU's effective interest of 80.13% when it acquired control of Cell C. (The value of R4,7 billion of Cell C is derived from the assumed fair value of Cell C (with CEC) of R18 billion after the Pre-Listing Restructuring Transactions.)		1,057,278
Derecognition of Cell C income-sharing assets		(1,062,390)
Total gain on Sell-Down		1,670,401
Tax effect – related to the gain of R129 467 on the TPC Airtime Disposal (see above)		(34,956)

Settlement of debt

12. It is estimated that R6 billion of the proceeds from the Sell-Down will be utilised to settle certain interest-bearing borrowings and other debt obligations.

Transaction costs

13. Transaction Costs, relating to advisory fees that will be borne by BLU estimated at R11,6 million (excl. VAT) will be settled using the proceeds from the Sell-Down.

Alternative outcomes

The following table shows alternative outcomes at an assumed Cell C (with CEC) valuation of R18 billion after Step 3 of the Pre-Listing Restructuring Transactions:

		Post Sell-Down shareholding in Cell C (with CEC)	Investment in Cell C (with CEC)	Equity accounted profits of Cell C (with CEC)	Pre-tax gain on Sell-Down	EPS	HEPS	NAVPS	NTAVPS
	Rbn		R'000s	R'000s	R'000s	cents	cents	cents	cents
Offer size	9	40.7%	7,331,151*	1,226,094**	1,670,401***	489,84	234,14	1,126,67	1,028,61
	10	35.2%	6,331,151	1,058,850	1,670,401	471,22	215,52	1,126,67	1,028,61
	11	29.6%	5,331,151	891,605	1,670,401	452,60	196,91	1,126,67	1,028,61

* *Included in the column titled 'Proceeds' on the pro forma statement of financial position in the line item titled 'Investments in associates and joint ventures'.*

** *Included in the column titled 'Other adjustments' in the pro forma statement of comprehensive income in the line item titled 'Share of (losses)/profits from associates and joint ventures'.*

*** *Included in the column titled 'Other adjustments' in the pro forma statement of comprehensive income in the line item titled 'Other income'.*

ANNEXURE 4

INDEPENDENT AUDITOR'S ASSURANCE REPORT

ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN THE CIRCULAR

The Directors of Blu Label Unlimited Group Limited

Report on the Assurance Engagement on the Compilation of *Pro Forma* Financial Information included in the Circular

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Blu Label Unlimited Group Limited and its subsidiaries (collectively, the "**Group**"), by the directors.

The *pro forma* financial information, as set out in **Annexure 3** on pages 111 to 125 of the circular ("**Circular**"), consists of the *pro forma* statement of financial position as at 31 May 2025 and the *pro forma* statement of comprehensive income for the year then ended. The applicable criteria on the basis of which the directors have compiled the *pro forma* financial information is specified in the JSE Limited ("**JSE**") Listings Requirements and described in **Annexure 3** on pages 111 to 125 of the Circular.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate actions or events, described in paragraph 1 on page 17 of the Circular on the Group's financial position as at 31 May 2025, and the Group's financial performance for the year then ended, as if the corporate actions or events had taken place at 31 May 2025 and for the year then ended. As part of this process, information about the Group's financial position and financial performance has been extracted by the directors from the Group's financial statements for the year ended 31 May 2025, on which an auditor's report was issued on 27 August 2025.

Directors' responsibility for the pro forma financial information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in **Annexure 3** on pages 111 to 125 of the Circular.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors("**IRBA Code**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies International Standard on Quality Management 1("**ISQM 1**") *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including documented policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent auditor's responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements and described in **Annexure 3** on pages 111 to 125 of the Circular based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements ("**ISAE**") 3420, *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Circular*, which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action(s) or event(s) on unadjusted financial information of the Group as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the corporate action or event at 31 May 2025 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified in the JSE Listings Requirements and described in **Annexure 3** on pages 111 to 125 of the Circular.

SNG Grant Thornton Inc.
Director: Pravesh Hiralall
Chartered Accountant (SA)
Registered Auditor
Reporting Accountant Specialist

Johannesburg
19 September 2025

SECTIONS 115 AND 164 OF THE COMPANIES ACT

115 Required approval for transactions contemplated in Part

(1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless -

(a) the disposal, amalgamation or merger, or scheme of arrangement -

(i) has been approved in terms of this section; or

(ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and

(b) to the extent that Parts B and C of this Chapter, and the Takeover Regulations, apply to a company that proposes to -

(i) dispose of all or the greater part of its assets or undertaking;

(ii) amalgamate or merge with another company; or

(iii) implement a scheme of arrangement,

the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).

(2) A proposed transaction contemplated in subsection (1) must be approved -

(a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and

(b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if -

(i) the holding company is a company or an external company;

(ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and

(iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and

(c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).

(3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if -

(a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or

(b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

(4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights -

(a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or

(b) required to be voted in support of a resolution, or actually voted in support of the resolution.

(4A) In subsection (4), "**act in concert**" has the meaning set out in section 117(1)(b).

(5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either -

(a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or

(b) treat the resolution as a nullity.

(6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant -

(a) is acting in good faith;

(b) appears prepared and able to sustain the proceedings; and

(c) has alleged facts which, if proved, would support an order in terms of subsection (7).

(7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if -

(a) the resolution is manifestly unfair to any class of holders of the company's securities; or

(b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.

(8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person -

(a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and

(b) was present at the meeting and voted against that special resolution.

(9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect -

(a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;

(b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;

(c) the transfer of shares from one person to another;

(d) the dissolution, without winding-up, of a company, as contemplated in the transaction;

(e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or

(f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

164 Dissenting shareholders appraisal rights

(1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.

(2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to-

(a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or

(b) enter into a transaction contemplated in section 112, 113, or 114,

that notice must include a statement informing shareholders of their rights under this section.

(3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.

(4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who -

(a) gave the company a written notice of objection in terms of subsection (3); and

(b) has neither -

(i) withdrawn that notice; or

(ii) voted in support of the resolution.

(5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if -

(a) the shareholder -

(i) sent the company a notice of objection, subject to subsection (6); and

(ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;

(b) the company has adopted the resolution contemplated in subsection (2); and

(c) the shareholder -

(i) voted against that resolution; and

(ii) has complied with all of the procedural requirements of this section.

(6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders' rights under this section.

(7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within -

(a) 20 business days after receiving a notice under subsection (4); or

(b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.

(8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state -

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder seeks payment; and

(c) a demand for payment of the fair value of those shares.

(9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless -

(a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);

(b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or

(c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.

(10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.

(11) Within five business days after the later of -

(a) the day on which the action approved by the resolution is effective;

(b) the last day for the receipt of demands in terms of subsection (7)(a); or

(c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.

(12) Every offer made under subsection (11) -

(a) in respect of shares of the same class or series must be on the same terms; and

(b) lapses if it has not been accepted within 30 business days after it was made.

(13) If a shareholder accepts an offer made under subsection (12) -

(a) the shareholder must either in the case of -

(i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or

(ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and

(b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and -

(i) tendered the share certificates; or

(ii) directed the transfer to the company of uncertificated shares.

(14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has -

(a) failed to make an offer under subsection (11); or

(b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.

(15) On an application to the court under subsection (14) -

(a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;

(b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and

(c) the court -

(i) may determine whether any other person is a dissenting shareholder who should be joined as a party;

(ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);

(iii) in its discretion may -

(aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or

(bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;

(iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and

(v) must make an order requiring -

(aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and

(bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

(15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case -

(a) that shareholder must comply with the requirements of subsection 13(a); and

(b) the company must comply with the requirements of subsection 13(b).

(16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.

(17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pays its debts as they fall due and payable for the ensuing 12 months -

(a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and

(b) the court may make an order that -

(i) is just and equitable, having regard to the financial circumstances of the company; and

(ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

(18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.

(19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to -

(a) the provisions of that section; or

(b) the application by the company of the solvency and liquidity test set out in section 4.

(20) Except to the extent -

(a) expressly provided in this section; or

(b) that the Panel rules otherwise in a particular case,

a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.

BLU LABEL UNLIMITED GROUP LIMITED
(previously known as "Blue Label Telecoms Limited")
(Incorporated in the Republic of South Africa)
(Registration number: 2006/022679/06)
Share code: BLU
ISIN: ZAE000109088
("**BLU**")

NOTICE OF GENERAL MEETING

The definitions and interpretations commencing on page 10 of the Circular to which this Notice of General Meeting ("**Notice**") is attached, and of which it forms part, ("**Circular**") apply throughout this Notice.

NOTICE IS HEREBY GIVEN to Shareholders that a general meeting of Shareholders ("**General Meeting**") will be held at 10:00 on Monday, 20 October 2025 entirely by electronic communication, as contemplated in the MOI and in section 63(2)(a) of the Companies Act.

Shareholders are reminded that as the General Meeting will be conducted entirely by electronic communication, Shareholders will only be able to access the General Meeting via an electronic facility. More information in this regard is provided in the section entitled "*Action required by Shareholders*" commencing on page 4 of the Circular and under the heading "*Electronic participation*" near the end of this Notice.

If you are in any doubt as to the actions you should take in respect of the General Meeting and/or the Resolutions, please consult your CSDP, Broker, banker, accountant, attorney or other professional advisor immediately.

PURPOSE

The purpose of the General Meeting is to consider and, if deemed fit, adopt, with or without amendment, the Resolutions set out hereunder.

NOTES

- Only Shareholders who are registered in the Register on **Friday, 10 October 2025** will be entitled to speak and vote at, and participate in, the General Meeting. Therefore, the Last Day to Trade to be eligible to speak and vote at, and participate in, the General Meeting is **Tuesday, 7 October 2025**.
- Shareholders who are entitled to speak and vote at, and participate in, the General Meeting are reminded that they are entitled to appoint a proxy to speak and vote at, and participate in, the General Meeting in place of such Shareholder, provided that in doing so such Shareholder completes the attached Form of Proxy (*grey*), in accordance with the instructions contained therein. In order for the proxy to speak and vote at, and participate in, the General Meeting, the proxy will additionally need to take the steps required in order to access the electronic facility, as provided in the section entitled "*Action required by Shareholders*" commencing on page 4 of the Circular and under the heading "*Electronic participation*" near the end of this Notice.
- In terms of section 63(1) of the Companies Act, before any person may attend or participate in the General Meeting, that person must present reasonably satisfactory identification, and the person presiding at the General Meeting must be reasonably satisfied that the right of the person to speak and vote at, and participate in, the General Meeting, either as a Shareholder, or as a proxy for a Shareholder, has been reasonably verified. Acceptable forms of identification include a valid green bar-coded or smart card identification document issued by the South African Department of Home Affairs, a valid South African driver's licence or a valid passport.
- Before a Shareholder or its proxy will be entitled to speak and vote at, and participate in, the General Meeting, such Shareholder or its proxy must provide the necessary proof of its identification (to the satisfaction of TMS).
- If the Shareholder is not an individual, the necessary proof of identification of its representative (such as the representative's valid green bar-coded or smart card identification document issued by the South African Department of Home Affairs, valid South African driver's licence or valid passport) must be accompanied by a copy of a resolution by the Shareholder which sets out that the representative is authorised to represent the Shareholder at the General Meeting.

RECORD DATES

In terms of sections 59(1)(a) and (b) of the Companies Act (and, to the extent relevant, the JSE Listings Requirements), the Board has set the following record dates for the purposes of determining which Shareholders are entitled to:

- receive this Notice (being the date on which a Shareholder must be registered in the Register in order to receive this Notice), which date is Friday, 12 September 2025; and
- speak and vote at, and participate in, the General Meeting (being the date on which a Shareholder must be registered in the Register in order to speak and vote at, and participate in, the General Meeting, i.e. the Voting Record Date), which date is Friday, 10 October 2025.

RESOLUTIONS

Special Resolution 1 – Approval of the Pre-Listing Restructuring in terms of sections 112 and 115 of the Companies Act

*"**Resolved as a special resolution that** the conclusion and implementation by TPC, a wholly-owned subsidiary of BLU, of the Pre-Listing Restructuring, on the terms described in the Circular, be and is hereby approved in terms of sections 112 and 115(2)(b) of the Companies Act; provided that TPC may, should it so elect, and on the terms described in the Circular, elect to proceed with any one or more of the Keep Steps on the basis set out in paragraph 5.5 of the Circular."*

Threshold:

The percentage of voting rights required for this Special Resolution 1 to be adopted is at least 75% of the votes exercised on Special Resolution 1 by Shareholders present or represented by proxy at the General Meeting; provided that sufficient Shareholders are present in person or represented by proxy to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on Special Resolution 1, excluding the voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, as envisaged in section 115(4) of the Companies Act.

It is recorded that, as far as BLU is aware, as at the date of this Notice, there are no voting rights controlled by an "acquiring party", a person related to an "acquiring party", or a person acting in concert with an "acquiring party" or a person related to an "acquiring party".

Reason and effect:

The reason for Special Resolution 1 is that, in terms of sections 112 and 115(2)(b) of the Companies Act, if aggregated, the Pre-Listing Restructuring constitutes a disposal by TPC, a wholly-owned subsidiary of BLU, of the greater part of BLU's assets or undertaking, having regard to the consolidated financial statements of BLU, and therefore requires the approval of Shareholders by way of a special resolution in terms of sections 112 and 115(2)(b) of the Companies Act.

The effect of Special Resolution 1, if passed, will be to grant the necessary Shareholder approval of the Pre-Listing Restructuring in terms of the Companies Act.

Special Resolution 2 – Approval of the Sell-Down and Executive Transfer in terms of sections 112 and 115 of the Companies Act

*"**Resolved as a special resolution that**, provided that Special Resolution 1 and Ordinary Resolution 1 have been duly adopted:*

- *the Sell-Down by TPC, a wholly-owned subsidiary of BLU, of the Sell-Down Shares to Qualifying Investors in conjunction with the anticipated Listing of Cell C Listco on the JSE; and*
- *the Executive Transfer by TPC, a wholly-owned subsidiary of BLU, of the Executive Shares to Scheme Participants for purposes of the Executive Scheme,*

on the terms described in the Circular, be and is hereby approved in terms of sections 112 and 115(2)(b) of the Companies Act."

Threshold:

The percentage of voting rights required for this Special Resolution 2 to be adopted is at least 75% of the votes exercised on Special Resolution 2 by Shareholders present or represented by proxy at the General Meeting; provided that sufficient Shareholders are present in person or represented by proxy to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on Special Resolution 2, excluding the voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, as envisaged in section 115(4) of the Companies Act.

It is recorded that, as far as BLU is aware, as at the date of this Notice, there are no voting rights controlled by an "acquiring party", a person related to an "acquiring party", or a person acting in concert with an "acquiring party" or a person related to an "acquiring party".

Reason and effect:

The reason for Special Resolution 2 is that, in terms of sections 112 and 115(2)(b) of the Companies Act, if aggregated, the Sell-Down and the Executive Transfer constitutes a disposal by TPC, a wholly-owned subsidiary of BLU, of the greater part of BLU's assets or undertaking, having regard to the consolidated financial statements of BLU, and therefore requires the approval of Shareholders by way of a special resolution in terms of sections 112 and 115(2)(b) of the Companies Act.

The effect of Special Resolution 2, if passed, will be to grant the necessary Shareholder approval of the Sell-Down and the Executive Transfer in terms of the Companies Act.

Ordinary Resolution 1 – Approval of the Pre-Listing Restructuring in terms of the JSE Listings Requirements

> *"**Resolved as an ordinary resolution that** the conclusion and implementation by TPC, a wholly-owned subsidiary of BLU, of the Pre-Listing Restructuring, on the terms described in the Circular, be and is hereby approved as a Category 1 Transaction in terms of paragraph 9.20 of the JSE Listings Requirements; provided that TPC may, should it so elect, and on the terms described in the Circular, elect to proceed with any one or more of the Keep Steps on the basis set out in paragraph 5.5 of the Circular."*

Threshold:

In order for Ordinary Resolution 1 to be adopted, it must be supported by more than 50% of the voting rights exercised on it by the Shareholders.

Reason and effect:

The reason for Ordinary Resolution 1 is that, in terms of the JSE Listings Requirements, it is likely that the Pre-Listing Restructuring will constitute a Category 1 transaction by a Subsidiary of BLU and, accordingly, requires the approval of the Shareholders by ordinary resolution.

The effect of adopting Ordinary Resolution 1 will be to grant BLU the necessary authority to proceed with the Pre-Listing Restructuring, in terms of the JSE Listing Requirements.

Ordinary Resolution 2 – Approval of the Sell-Down and Executive Transfer in terms of the JSE Listings Requirements

> *"Resolved as an ordinary resolution that, provided that Special Resolution 1 and Ordinary Resolution 1 have been duly adopted:*
>
> – *the Sell-Down by TPC, a wholly-owned subsidiary of BLU, of the Sell-Down Shares to Qualifying Investors (which may include Related Parties to BLU, on the basis set out in paragraph 20 of the Circular) in conjunction with the anticipated Listing of Cell C Listco on the JSE; and*
>
> – *the Executive Transfer by TPC, a wholly-owned subsidiary of BLU, of the Executive Shares to Scheme Participants for purposes of the Executive Scheme,*
>
> *on the terms described in the Circular, be and is hereby approved as a Category 1 Transaction in terms of paragraph 9.20 of the JSE Listings Requirements."*

Threshold:

In order for Ordinary Resolution 2 to be adopted, it must be supported by more than 50% of the voting rights exercised on it by the Shareholders.

Reason and effect:

The reason for Ordinary Resolution 2 is that, in terms of the JSE Listings Requirements, it is likely that the Sell-Down and the Executive Transfer will constitute a Category 1 transaction by a Subsidiary of BLU and, accordingly, requires the approval of the Shareholders by ordinary resolution.

The effect of adopting Ordinary Resolution 2 will be to grant TPC the necessary authority to proceed with the Sell-Down (if and at such time as the Board determines to be appropriate) and the Executive Transfer, in terms of the JSE Listing Requirements.

Ordinary Resolution 3 – Authority of Directors

> *"**Resolved as an ordinary resolution that**, any Director of BLU be and is hereby authorised to do all such things and sign all such documentation as are necessary to give effect to Special Resolution 1, Special Resolution 2, Ordinary Resolution 1 and Ordinary Resolution 2, hereby ratifying and confirming all such things already done and documentation already signed."*

Threshold:

In order for Ordinary Resolution 3 to be adopted, it must be supported by more than 50% of the voting rights exercised on it by the Shareholders.

Reason and effect:

The reason for Ordinary Resolution 3 is to ensure that the Directors are duly authorised to take such actions as are required to implement Special Resolution 1, Special Resolution 2, Ordinary Resolution 1 and Ordinary Resolution 2.

The effect of adopting Ordinary Resolution 3 will be to authorise any Director of BLU to take all such actions in relation to Special Resolution 1, Special Resolution 2, Ordinary Resolution 1 and Ordinary Resolution 2 and to ratify all such actions already done.

VOTING

As the General Meeting will cater for electronic participation only, it will not be desirable nor practical for voting to take place by way of show of hands. Accordingly, to allow the voting preferences of all Shareholders to be taken into account, all voting will be conducted by way of poll through the electronic facility provided. Shareholders will have one vote in respect of each Share held. More information in this regard is provided in the section entitled "*Action required by Shareholders*" commencing on page 4 of the Circular and under the heading "*Electronic participation*" near the end of this Notice.

Although voting will be permitted by way of electronic communication at the General Meeting, Certificated Shareholders and Own-Name Dematerialised Shareholders are encouraged, for administrative ease, to make use of proxies for purposes of voting at the General Meeting in accordance with the instructions contained in the Form of Proxy (*grey*). Dematerialised Shareholders other than Own-Name Dematerialised Shareholders are encouraged to furnish their CSDPs or Brokers with their voting instructions.

QUORUM

The quorum requirement for the General Meeting to begin or for a matter to be considered at the General Meeting is at least 3 (three) Shareholders present in person and entitled to vote on the Resolutions. In addition:

I. the General Meeting may not begin until sufficient persons are present or represented by proxy to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of the Resolutions; and

II. the Resolutions may not begin to be considered unless those who fulfilled the quorum requirements continue to be present.

CERTIFICATED SHAREHOLDERS AND OWN-NAME DEMATERIALISED SHAREHOLDERS

A Certificated Shareholder or Own-Name Dematerialised Shareholder may speak and vote at, and participate in, the General Meeting by registering to do so in the manner provided in the section entitled "*Action required by Shareholders*" commencing on page 4 and the "*Electronic participation*" section below.

Alternatively, a Certificated Shareholder or Own-Name Dematerialised Shareholder may appoint one or more proxies to represent it at the General Meeting by completing the attached Form of Proxy *(grey)* in accordance with the instructions contained therein. The Certificated Shareholder's or Own-Name Dematerialised Shareholder's proxy may then speak and vote at, and participate in, the General Meeting if the proxy registers to do so in the manner provided in the section entitled "*Action required by Shareholders*" commencing on page 4 and the "*Electronic participation*" section below.

For the purpose of effective administration, it is requested that the Form of Proxy *(grey)* be lodged with, emailed to or posted to TMS, to the addresses provided below, so as to reach TMS by no later than 10:00 on **Thursday, 16 October 2025**:

Hand deliveries to:
The Meeting Specialist Proprietary Limited
6th Floor
One Exchange Square
2 Gwen Lane
Sandown
Sandton
2196
South Africa

Postal deliveries to:
The Meeting Specialist Proprietary Limited
PO Box 62043,
Marshalltown, 2107
South Africa

Email deliveries to:
proxy@tmsmeetings.co.za

If a Certificated Shareholder or Own-Name Dematerialised Shareholder does not lodge, email or post the Form of Proxy *(grey)* to reach TMS by **10:00** on **Thursday, 16 October 2025**, the Shareholder will nevertheless be entitled to email the Form of Proxy *(grey)* to TMS at proxy@tmsmeetings.co.za so as to reach them prior to the time of commencement of the General Meeting.

DEMATERIALISED SHAREHOLDERS OTHER THAN OWN-NAME DEMATERIALISED SHAREHOLDERS

A beneficial owner of Shares which has Dematerialised its Shares, other than a Dematerialised Own-Name Shareholder should note the following:

I. its CSDP or Broker should contact it to ascertain how it wishes to cast its vote (or to ascertain whether it wishes to abstain from casting its vote) at the General Meeting, and thereafter cast its vote (or abstain from casting its vote) in accordance with those instructions;

II. if it has not been contacted by its CSDP or Broker, it is advisable that it contact its CSDP or Broker and furnish it with its voting instructions; and

III. if its CSDP or Broker does not obtain voting instructions from it, the CSDP or Broker should vote in accordance with the instructions contained in the mandate agreement between the beneficial owner and the CSDP or Broker.

In accordance with the mandate agreement with its CSDP or Broker, a beneficial owner of Shares which has Dematerialised its Shares, other than a Dematerialised Own-Name Shareholder must advise its CSDP or Broker if it wishes to speak and vote at, and participate in, the General Meeting itself or through a proxy. If it does so, its CSDP or Broker should issue the necessary letter of representation to it or its proxy to speak and vote at, and participate in, the General Meeting. In order to speak and vote at, and participate in, the General Meeting, the beneficial owner or proxy will additionally need to take the steps required in order to access the electronic facility, as provided in the section entitled "*Action required by Shareholders*" commencing on page 4 and the "*Electronic participation*" section below.

ELECTRONIC PARTICIPATION

Shareholders or their proxies who wish to speak and vote at, and participate in, the General Meeting via electronic communication must follow the instructions for registration, attendance and participation set out below.

BLU has retained the services of TMS to host the General Meeting. This will take place on an interactive electronic platform that will facilitate remote participation and voting by Shareholders. TMS will also act as scrutineer for purposes of the General Meeting. Shareholders who wish to participate electronically and/or vote at the General Meeting are requested to contact TMS as soon as possible, but in any event no later than 10:00 SA Standard Time on Thursday, 16 October 2025 either on: email at: proxy@tmsmeetings.co.za or by telephone at: Farhana Adam (+27 84 433 4836), Izzy van Schoor (+27 81 711 4255) or Michael Wenner (+27 61 440 0654). Members of the media and other stakeholders are welcome to attend the General Meeting via the electronic link. Should visitors wish to attend virtually, they should contact TMS via the email/telephone details above in order to obtain a link to the online meeting. TMS will assist shareholders with the requirements for participation in, and/or voting at the General Meeting, including details of how to access the electronic voting platform.

TMS will first validate such requests and confirm the identity of the Shareholder in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communication facility will be provided. BLU will inform participants who notified TMS of their intended participation by no later than 17:00 (South African Standard Time) on Friday, 17 October 2025 by e-mail of the relevant details through which participants can participate electronically.

Shareholders or their proxies wishing to speak and vote at, and participate in, the General Meeting electronically may still register after the above date and time, provided, however, that for those Shareholders or their proxies to speak and vote at, and participate in, the General Meeting, they must first be registered and verified (as required in terms of section 63(1) of the Companies Act) before the commencement of the General Meeting. TMS will first validate such requests and confirm the identity of the Shareholder or proxy in terms of section 63(1) of the Companies Act. If the request is validated, further details will be provided to the Shareholder or proxy on using the electronic facility to participate electronically in the General Meeting.

While BLU will bear all costs for hosting the General Meeting by way of the electronic facility, the cost of electronic participation in the General Meeting is for the expense of the participant and will be billed separately by the participant's own service provider. The participant acknowledges that the electronic communication services are provided by third parties and indemnifies BLU against any loss, injury, damage, penalty or claim arising in any way from the use of possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against BLU, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the participant via the electronic services to the General Meeting.

The electronic facilities will permit all participants at the General Meeting to communicate concurrently, without an intermediary, and to participate reasonably effectively in the General Meeting. Shareholders who wish to participate electronically in and/or vote at the General Meeting are required to follow the instructions and relevant prompts provided in the Notice of General Meeting. BLU cannot guarantee that there will not be a break in electronic communication that is beyond its control and therefore BLU, the JSE, the Transfer Secretaries or any third-party service provider appointed in order to facilitate the General Meeting by electronic means cannot be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, mobile data, internet connectivity, internet bandwidth and/or power outages which prevents any Shareholder from participating in and/or voting at the General Meeting.

SUMMARY OF THE PRECISE TERMS OF THE TRANSACTION

The precise terms of the Pre-Listing Restructuring, the Sell-Down and the Executive Transfer are set out in paragraphs 5, 6 and 9 of the Circular, respectively.

COURT APPROVAL

Section 115 of the Companies Act gives Shareholders the right to oppose the adoption of Special Resolution and to have it set aside in certain circumstances.

APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

In terms of section 164 of the Companies Act, Shareholders who are entitled to vote on a Special Resolution, are advised of their Appraisal Rights as follows:

- at any time before a Special Resolution ("**Relevant Special Resolution**") is to be voted on at the General Meeting, a Shareholder (who is entitled to vote at the General Meeting) may give BLU written notice objecting to the Relevant Special Resolution 1;
- within 10 business days after the Relevant Special Resolution has been adopted by Shareholders, BLU must send a notice confirming that the Relevant Special Resolution has been adopted, to each relevant Shareholder who gave BLU written notice of objection and has neither withdrawn that notice nor voted in favour of the Relevant Special Resolution; and
- a Shareholder who has given BLU written notice in terms of section 164 of the Companies Act objecting to the Relevant Special Resolution, has voted against the Relevant Special Resolution and has complied with all of the procedural requirements set out in section 164 of the Companies Act may make a Valid Demand (within 20 business days after the General Meeting, assuming the notices in respect of section 164 of the Companies Act is issued on the day of the General Meeting) pursuant to which BLU will be required, subject to section 164(9)(c) of the Companies Act, to pay such Dissenting Shareholder the fair value (in terms of and subject to the requirements set out in section 164 of the Companies Act) for all the Shares held by that Dissenting Shareholder.

The above information is a summary of Dissenting Shareholders' Appraisal Rights under the Companies Act and Shareholders are advised to consider section 164 of the Companies Act in full to obtain a better understanding of their Appraisal Rights.

SECTIONS 115 AND 164 OF THE COMPANIES ACT

Extracts of sections 115 and 164 of the Companies Act are set out in **Annexure 5** to this Circular.

By order of the Board

Blu Label Unlimited Group Limited

Monday, 22 September 2025
Company Secretary

(Being duly authorised hereto to sign this Notice for and on behalf of each and every Director in accordance with a round robin resolution of the Board signed by each and every Director)

Registered Office:
75 Grayston Drive
Sandton
Johannesburg
South Africa

Transfer Secretaries
JSE Investor Services Proprietary Limited
(Registration number: 2000/007239/07)
5th Floor, One Exchange Square
2 Gwen Lane, Sandown
Sandton
South Africa (PO Box 4844, Johannesburg, 2000, South Africa)

BLU LABEL UNLIMITED

BLU LABEL UNLIMITED GROUP LIMITED

(previously known as "Blue Label Telecoms Limited")
(Incorporated in the Republic of South Africa)
(Registration number: 2006/022679/06)
Share code: BLU
ISIN: ZAE000109088
("**BLU**")

FORM OF PROXY *(GREY)*

The definitions and interpretations commencing on page 10 of the Circular to which this Form of Proxy (*grey*) ("**Form**") is attached, and of which it forms part, ("**Circular**") apply throughout this Form.

FOR USE BY CERTIFICATED SHAREHOLDERS AND OWN-NAME DEMATERIALISED SHAREHOLDERS

For completion by Certificated Shareholders and Own-Name Dematerialised Shareholders at the General Meeting of BLU to be conducted entirely by electronic communication, as contemplated in the MOI and permitted by section 63(2)(a) of the Companies Act on **Monday, 20 October 2025**, and any adjournment or postponement thereof ("**General Meeting**").

Each Certificated Shareholder and Own-Name Dematerialised Shareholder is entitled to appoint a proxy (who need not be a Shareholder) to speak and vote at, and participate in, the General Meeting in place of that Shareholder. Please read the notes to this Form of Proxy (*grey*) below.

Note: If your Dematerialised Shares are held through a CSDP or Broker, and you have not provided the nominee with a general mandate to act on your behalf at shareholder meetings, and you want to participate in the electronic General Meeting in person, please contact your CSDP or Broker.

Note that voting will be performed by way of a poll so each validated Shareholder or proxy will be entitled to vote.

I/We (block letters) ____________________
(the registered Shareholder)

I/We (block letters) ____________________
(the beneficial Shareholder – insert details of beneficial Shareholder only if different to the registered Shareholder)

of (address) ____________________

Telephone: Work (   ) ____________________ Telephone: Mobile (   ) ____________________

being the holder(s) of (insert number of Shares in BLU, do hereby appoint (*refer to note 1*)

1. ____________________ or, failing him/her,

2. ____________________ or, failing him/her,

the Chairperson of the General Meeting,

as my/our proxy to act for me/us and on my/our behalf at the General Meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the Resolutions to be proposed thereat and at any adjournment or postponement thereof, and to vote for or against the Resolutions and/or abstain from voting, in respect of the Shares registered in my/our name(s) in accordance with the instructions set out below.

Please indicate the instructions to your proxy with an "**X**" in the spaces provided below. In the absence of such indication, the proxy will be entitled to exercise his/her discretion in voting. If you wish to cast your votes in respect of a lesser number of Shares than you own in BLU, insert the number of Shares held in respect of which you wish to vote (*refer to note 3*).

	For	Against	Abstain
Special Resolution 1: Approval of the Pre-Listing Restructuring in terms of sections 112 and 115 of the Companies Act (*To be voted on by all the Shareholders*)			
Special Resolution 2: Approval of the Sell-Down and Executive Transfer in terms of sections 112 and 115 of the Companies Act (*To be voted on by all the Shareholders*)			
Ordinary Resolution 1: Approval of the Pre-Listing Restructuring in terms of the JSE Listings Requirements (*To be voted on by all the Shareholders*)			
Ordinary Resolution 2: Approval of the Sell-Down and Executive Transfer in terms of the JSE Listings Requirements (*To be voted on by all the Shareholders*)			
Ordinary Resolution 3: Authority of Directors (*To be voted on by all the Shareholders*)			

I give permission to my CSDP to disclose to BLU how my votes have been cast, should BLU request such information from my CSDP.

Yes ☐

Please note: if an "**X**" is not inserted into the box, it will be taken that permission has been declined and that the CSDP will not be permitted to disclose to BLU how the votes have been cast.

Signed at ____________________ on ____________________ 2025

Signature ____________________

Authority of signatory to be attached if applicable *(refer to note 7)*

Assisted by me (where applicable – *refer to note 9*) Telephone: (   )

Please also read the notes overleaf.

SUMMARY OF SHAREHOLDER'S RIGHTS IN RESPECT OF PROXY APPOINTMENTS

Please note that in terms of section 58 of the Companies Act:

i. This Form must be dated and signed by the Shareholder appointing the proxy.

ii. You may appoint an individual as a proxy, including an individual who is not a Shareholder, to speak and vote at, and participate in, the General Meeting on your behalf.

iii. Your proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this Form.

iv. This Form must be delivered to The Meeting Specialist Proprietary Limited ("**TMS**"), before your proxy exercises any of your rights as a Shareholder at the General Meeting.

v. The appointment of your proxy will be suspended at any time to the extent that you choose to act directly and in person in the exercise of any of your rights as a Shareholder at the General Meeting.

vi. The appointment of your proxy is revocable unless you expressly state otherwise in this Form.

vii. As the appointment of your proxy is revocable, you may revoke the proxy appointment by: (i) cancelling it in writing or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to TMS. Please note that the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to TMS and the proxy as aforesaid.

viii. If this Form has been delivered to TMS, as long as that appointment remains in effect, any notice that is required by the Companies Act or the MOI to be delivered by BLU to you will be delivered by TMS to you or your proxy, if you have directed BLU to do so, in writing and paid any reasonable fee charged by BLU for doing so.

ix. Your proxy is entitled to exercise, or abstain from exercising, any voting right of yours at the General Meeting, but only as directed by you on this Form.

x. The appointment of your proxy remains valid only until the end of the General Meeting or any adjournment or postponement thereof or for a period of six months, whichever is shortest, unless it is revoked by you before then on the basis set out above. This Form shall be valid and shall apply to any adjournment or postponement of the General Meeting to which it relates and shall apply to any Resolution proposed at the General Meeting to which it relates and to such Resolution as modified or amended, including any such modified or amended Resolution to be voted on at any adjourned or postponed General Meeting to which the proxy relates, unless the proxy is revoked before the adjourned or postponed General Meeting.

Notes:

i. The person whose name stands first on the Form and who is present at the General Meeting will be entitled to act as a proxy to the exclusion of those whose names follow thereafter.

ii. If no proxy is inserted in the spaces provided, then the Chairperson shall be deemed to be appointed as the proxy to vote or abstain as the Chairperson deems fit.

iii. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that Shareholder in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, this Form will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she deems fit in respect of all of the Shareholder's votes exercisable at the General Meeting.

iv. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the Shareholder or by his/her proxy. A proxy shall be entitled to demand that voting take place on a poll.

v. Forms must be lodged with, emailed to or posted to TMS, to the addresses provided below:

   Hand deliveries to: The Meeting Specialist Proprietary Limited: 6th Floor, One Exchange Square, 2 Gwen Lane, Sandown, Sandton, 2196, South Africa;

   Postal deliveries to: The Meeting Specialist Proprietary Limited: PO Box 62043, Marshalltown, 2107, South Africa; and

   Email: proxy@tmsmeetings.co.za.

vi. For the purpose of effective administration, it is requested that the Form be lodged with, emailed to or posted to TMS, so as to reach TMS at or before **10:00** on **Thursday, 16 October 2025**, although the Form may be emailed to TMS at proxy@tmsmeetings.co.za at any time prior to the commencement of the General Meeting.

vii. Documentary evidence establishing the authority of a person signing this Form in a representative capacity must be attached to this Form unless previously recorded by BLU Secretary or waived by the Chairperson of the General Meeting if he/she is reasonably satisfied that the right of the representative to participate and vote has been reasonably verified. CSDPs or Brokers registered in BLU's sub-register voting on instructions from beneficial owners of Shares registered in BLU's sub-register, are requested that they identify the beneficial owner in the sub-register on whose behalf they are voting and return a copy of the instruction from such owner to BLU Secretary or to TMS, together with this Form.

viii. Any alteration or correction made to this Form must be initialled by the signatory/ies but will only be validly made if such alteration or correction is accepted by the Chairperson of the General Meeting.

ix. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by BLU Secretary.