NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

CONTINUED

for the year ended 31 May 2025

2. GROUP COMPOSITION continued

2.1 Investments in and loans to associates and joint ventures

2.1.1 Summary of investments in and loans to Cell C, other associates and other joint ventures

Critical accounting judgements and assumptions

(a) Classification of significant joint arrangements

The Group exercises judgement in determining the classification of its joint arrangements.

(b) Assessment of investment in associates and joint ventures for impairment

An investment in an associate or joint venture is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Group assesses at each reporting date whether such indicators exist. Similarly, the investment in an associate or joint venture is subsequently reassessed for indications of impairment loss previously recognised that may no longer exist. If there is an indication that an impairment loss has reversed, the Group is required to estimate the recoverable amount of the previously impaired investment. The impairment loss is reversed if the recoverable amount exceeds its carrying amount. The recoverable amounts of the investment in an associate or joint venture are determined based on value-in-use calculations. Where such calculations are performed, it would require the use of estimates.

(c) Classification of significant associates

The Group performs control assessments and determines the classification of its significant associates. Refer to note 2.2.1.

The Group holds the following investments in and loans to associates and joint ventures:

	Cost and share of reserves		**Loans**		**Cost and share of reserves and loans**	
	31 May 2025 R'000	31 May 2024 R'000	**31 May 2025 R'000**	31 May 2024 R'000	**31 May 2025 R'000**	31 May 2024 R'000
Cell C Limited	**1 701 197**	—	**3 245 909**	2 359 065	**4 947 106**	2 359 065
Other associates	**71 388**	64 821	**3 853**	17 560	**75 241**	82 381
Other joint ventures	**36 702**	33 512	**—**	36 394	**36 702**	69 906
	1 809 287	98 333	**3 249 762**	2 413 019	**5 059 049**	2 511 352
Disclosed as:						
– Non-current assets	**1 809 287**	98 333	**1 302 614**	1 967 246	**3 111 901**	2 065 579
– Current assets	**—**	—	**1 947 148**	445 773	**1 947 148**	445 773

Loans to associates and joint ventures

				Total loans		**Current**		**Non-current**	
	Effective shareholding	Payable	Interest rate	**2025 R'000**	2024 R'000	**2025 R'000**	2024 R'000	**2025 R'000**	2024 R'000
Cell C Limited[1]	70.00%	[3]	[3]	**3 245 909**	2 359 065	**1 943 295**	424 490	**1 302 614**	1 934 575
Blu Train Proprietary Limited[2]	64.68%	On demand	Linked to prime	**—**	13 171	**—**	—	**—**	13 171
I Talk Financial Services Proprietary Limited	30.38%	On demand	0%	**—**	3 997	**—**	3 997	**—**	—
I Talk Holdings Proprietary Limited	40.50%	On demand	Linked to prime	**—**	19 500	**—**	—	**—**	19 500
Mobii Systems Proprietary Limited	29.90%	On demand	0%	**3 853**	4 394	**3 853**	4 394	**—**	—
Mobile Macs Proprietary Limited	50.00%	On demand	Prime + 2%	**—**	12 189	**—**	12 189	**—**	—
T3 Telecoms SA	50.00%	On demand	0%	**—**	703	**—**	703	**—**	—
				3 249 762	2 413 019	**1 947 148**	445 773	**1 302 614**	1 967 246

[1] Refer to note 2.2.1 for details on the control assessment of Cell C Limited. Refer to note 3.2.1 for details of the treatment of the loans.

[2] The Group does not control Blu Train, as it does not control the Board of Directors due to having only one of the two Directorships, and a minority shareholders vote.

[3] Refer to the "Loans receivable from Cell C" table on the following page.

All loans with an on-demand feature approximate fair value.

Loans receivable from Cell C

	Debt funding 2025 R'000	Reinvestment instrument 2025 R'000	Deferral loan 2025 R'000	Acquired loan claim 2025 R'000	Total 2025 R'000
Opening balance as at 1 June 2024	**1 464 334**	**186 294**	**708 437**	**—**	**2 359 065**
Loan advanced	**—**	**—**	**—**	**408 171**	**408 171**
Interest accrued	**540 679**	**69 420**	**77 506**	**21 590**	**709 195**
Interest payments received	**(188 278)**	**(20 270)**	**(77 506)**	**(21 590)**	**(307 644)**
Capital payments received	**—**	**—**	**(226 103)**	**(4 513)**	**(230 616)**
Expected credit loss adjustment	**249 990**	**20 676**	**23 313**	**13 759**	**307 738**
Closing balance as at 31 May 2025	**2 066 725**	**256 120**	**505 647**	**417 417**	**3 245 909**
Credit-adjusted effective interest rate (%)	**31.25**[1]	**31.8**[2]	**12.67**[3]	**25.29**[4]	

Acquired loan claim

On 11 November 2024, TPC and Gramercy concluded a binding term sheet in terms of which TPC agreed to acquire a certain Claim of R463.6 million (including accrued interest), which Gramercy had against Cell C, for a purchase consideration of R450 million.

[1] Interest on this loan is being recognised using a credit-adjusted effective interest rate of 31.25%. The credit-adjusted effective interest rate reflects the initial estimate of lifetime expected credit losses. This means that TPC will only recognise the cumulative changes (both favourable and unfavourable) in the initial estimate of lifetime expected credit losses as a loss allowance.

[2] Interest on this loan is being recognised using a credit-adjusted effective interest rate of 31.8%. The credit-adjusted effective interest rate reflects the initial estimate of lifetime expected credit losses. This means that TPC will only recognise the cumulative changes (both favourable and unfavourable) in the initial estimate of lifetime expected credit losses as a loss allowance.

[3] Interest on this loan is being recognised using a credit-adjusted effective interest rate of 12.67%. The credit-adjusted effective interest rate reflects the initial estimate of lifetime expected credit losses. This means that CEC will only recognise the cumulative changes (both favourable and unfavourable) in the initial estimate of lifetime expected credit losses as a loss allowance.

[4] Interest on this loan is being recognised using a credit-adjusted effective interest rate of 25.29%. The credit-adjusted effective interest rate reflects the initial estimate of lifetime expected credit losses. This means that TPC will only recognise the cumulative changes (both favourable and unfavourable) in the initial estimate of lifetime expected credit losses as a loss allowance. Refer to note 3.4 for further information.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS
CONTINUED
for the year ended 31 May 2025

2. GROUP COMPOSITION continued
2.1 Investments in and loans to associates and joint ventures continued
2.1.1 Summary of investments in and loans to Cell C, other associates and other joint ventures continued

	Associate	
Investment in	**Cell C Limited**	
Principal activity	**Network provider**	
Country of incorporation	**South Africa**	
	31 May 2025 R'000	31 May 2024 R'000
Cost and share of reserves		
Cost and share of reserves at the beginning of the year	**—**	—
Share of (losses)/profits from associates and joint ventures	**(98 653)[3]**	—
Share of (losses)/profits after tax	**(69 278)**	—
Amortisation of intangible assets	**(102 739)**	—
Deferred tax on the amortisation of intangible assets	**73 364**	—
Foreign currency translation reserve	**—**	—
Dividends received	**—**	—
Disposal of joint venture	**—**	—
Additional investment	**241 229[2]**	—
Reversal of impairment of investment in associate	**1 558 621**	—
Cost and share of reserves at the end of the year	**1 701 197**	—
Loans to associates and joint ventures		
Loans at the beginning of the year	**2 359 065**	2 110 982
Loans advanced to associates and joint ventures[1]	**1 117 366**	701 682
Loans repaid by associates and joint ventures	**(538 260)**	(332 387)
Loans waived	**—**	—
Expected credit loss	**307 738**	(121 212)
Loans at the end of the year	**3 245 909**	2 359 065
Closing net book value	**4 947 106**	2 359 065

* The Group has interests in a number of individually immaterial associates and joint ventures that are accounted for using the equity method which are aggregated under "other associates" and "other joint ventures".

[1] Loans advanced to associates and joint ventures includes the interest accrued on existing loans.

[2] In 2022, a debt owed by Cell C to a lessor was transferred to a newly established special purpose vehicle (SPV5) in exchange for a 10% shareholding in Cell C, which remains SPV5's sole asset. Blue Label issued a guarantee in favour of the lessor for the repayment of this debt, while TPC committed to providing R275 million ("repayment amount") in funding to SPV5 in exchange for a claim of R699 million in SPV5, enabling it to meet its repayment obligations. The debt will be settled in tranches over the period from 31 December 2024 to 31 December 2026.

On 31 December 2024, TPC advanced the first tranche of funding amounting to R100 million and was recognised as part of the investment cost. The remaining funding commitments are scheduled as follows:
- R100 million on 31 December 2025;
- R50 million on 31 December 2026; and
- An additional R25 million on 31 December 2026, contingent upon the occurrence of certain liquidity events.

SPV5 is required to repay TPC for the amounts advanced from any future sale of shares or from dividends earned thereon, along with an additional R424 million plus 50% of the fair value of its 10% shareholding in Cell C, to the extent that the proceeds exceed R699 million. Since SPV5's only asset is its shareholding in Cell C, the repayment will be dependent on the disposal of these shares and/or dividends earned thereon. As a result, as of 31 December 2024, TPC has effectively acquired an additional 10% economic interest in Cell C, capped at the repayment amount. This investment will be equity accounted, subject to the cap, alongside TPC's existing 60% economic interest in Cell C. SPV5 is precluded from selling the Cell C shares without TPC's consent, but TPC has no rights with respect to directing the voting rights attached to the shares. In the event of default, TPC would be able to acquire the 10% shareholding in Cell C in settlement of its loan, but only with the prior approval of the Competition Commission of South Africa, as such acquisition would result in TPC acquiring control of Cell C.

TPC's loan commitment to SPV5, which has been accounted for as a derivative liability (carrying a value of R7 million as of 30 November 2024 and 31 December 2024, respectively), was derecognised on 31 December 2024 and reclassified as part of the acquisition cost of the additional investment in Cell C. The present value of the remaining funding obligations to SPV5, amounting to R148 million as of 31 December 2024, was recognised as part of the investment cost, with a corresponding liability recorded to SPV5.

[3] The share of profits of R1.5 billion were offset against historic losses of R1.6 billion, resulting in a net loss recognised in the current year of R99 million. Refer to note 2.2 for further details.

Other associates*		Other joint ventures*		Total	
31 May 2025 R'000	31 May 2024 R'000	**31 May 2025 R'000**	31 May 2024 R'000	**31 May 2025 R'000**	31 May 2024 R'000
64 821	58 731	**33 512**	24 454	**98 333**	83 185
22 240	6 358	**21 037**	9 058	**(55 376)**	15 416
22 240	6 358	**21 037**	9 058	**(26 001)**	15 416
—	—	**—**		**(102 739)**	—
—	—	**—**		**73 364**	—
538	(268)	**—**	—	**538**	(268)
(13 372)	—	**—**	—	**(13 372)**	—
—	—	**(17 847)**	—	**(17 847)**	—
740	—	**—**	—	**241 969**	—
(3 579)	—	**—**	—	**1 555 042**	—
71 388	64 821	**36 702**	33 512	**1 809 287**	98 333
17 560	9 282	**36 394**	34 783	**2 413 019**	2 155 047
488	13 399	**28 773**	51 369	**1 146 627**	766 450
(14 397)	(5 318)	**(29 476)**	(48 719)	**(582 133)**	(386 424)
—	—	**(23 496)**	—	**(23 496)**	—
202	197	**(12 195)**	(1 039)	**295 745**	(122 054)
3 853	17 560	**—**	36 394	**3 249 762**	2 413 019
75 241	82 381	**36 702**	69 906	**5 059 049**	2 511 352