2026

CONSOLIDATED FINANCIAL STATEMENTS

blu

BLU LABEL UNLIMITED

UNLIMITED POTENTIAL

2026

CONNECTING A UNIVERSE OF UNLIMITED POTENTIAL

CONTENTS

NON-IFRS INFORMATION

The non-IFRS performance measures are compiled in terms of the JSE Limited (JSE) Listings Requirements and the Guide on Pro Forma Financial Information, issued by the South African Institute of Chartered Accountants ("SAICA") and are the responsibility of the Board of Directors and are presented for illustrative purposes. Pro forma information presented on a non-IFRS basis has been extracted from the information underlying the Group's consolidated financial statements, the quality of which the Board is satisfied with. Shareholders are advised that, due to the pro forma nature of the non-IFRS performance measures, they may not fairly present the Group's financial position, changes in equity, results of operations or cash flows.

REASONABLE ASSURANCE REPORT

TO THE DIRECTORS OF BLU LABEL UNLIMITED GROUP LIMITED

REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

We have completed our assurance engagement to report on the compilation of the pro forma financial information of Blu Label Unlimited Group Limited and its subsidiaries, associates and joint ventures (the "Group") by the directors. The pro forma financial information, as set out in the Financial Highlights announcement and Commentary, consists of certain income, costs and trading profit metrics, excluding the effects of specified commercial transactions in the composition of the Group and excluding the impact of what management terms "extraneous contributions" which includes "extraneous costs" and/or "extraneous income" and core headline earnings (non-IFRS performance measures or the "pro forma financial information") as at 31 May 2026. The applicable criteria on which the directors have compiled the pro forma financial information are specified in the JSE Listings Requirements and described above under non-IFRS information.

The pro forma financial information has been compiled by the directors to illustrate the impact of specified transactions and extraneous contributions from the Group's operational performance, earnings and headline earnings. 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 2026, on which an audit report has been published.

DIRECTORS' RESPONSIBILITY

The directors of the Group 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 the Commentary of the consolidated financial statements for the year ended 31 May 2026.

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, 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 policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANT'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 of the applicable criteria specified in the JSE Listings Requirements.

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 Prospectus issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our 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 the pro forma financial information is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the Group as if the event had occurred or the transaction 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 event or transaction 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 provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, 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.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction 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 by the JSE Listings Requirements.

SizweNtsalubaGobodo Grant Thornton Inc.

ALEX PHILIPPOU
SizweNtsalubaGobodo Grant Thornton Inc.
Engagement Director

Registered Auditor

25 August 2026

152 14th Road
Noordwyk
Midrand
Gauteng

COMMENTARY

KEY MESSAGES

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

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

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

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

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

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

STATEMENT OF COMPREHENSIVE INCOME

NORMALISED FINANCIAL RESULTS

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

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

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

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

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

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

NORMALISED FINANCIAL SUMMARY

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

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

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

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

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

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

Group revenue, excluding Cell C's consolidated results for the three months ended 30 November 2025, and CEC's results for the full six-month period, amounted to R9.4 billion. As only the gross profit earned on "PINless top-ups", prepaid electricity, ticketing and universal vouchers are recognised as revenue, on imputing the gross revenue generated from these sources, the effective growth in revenue equated to R6.7 billion (7%), resulting in a total revenue of R99.9 billion compared to the prior year of R93.2 billion.

Gross revenue generated on "PINless top-ups" increased by R3.3 billion from R21.8 billion to R25.1 billion.

Electricity revenue generated on behalf of the utilities increased by R1.9 billion (4%) from R44.2 billion to R46.2 billion. Commission earnings, primarily calculated based on kilowatt-hour ("kWh") consumption, declined by R40 million (13%) from R319 million to R279 million. The decline in commissions was driven by margin compression, despite overall growth in gross electricity revenue, supported by NERSA-approved tariff adjustments and inflationary increases linked to kWh usage.

Gross ticketing revenue declined by R174 million (13%), resulting in a decline in commissions earned of R11 million. The decline was driven by a reduction in sales of music festivals and concerts, which have historically generated lower margins offset by a growth in commuter bus channel revenues.

Gross revenue from universal vouchers increased by R3.4 billion (22%) from R15.3 billion to R18.7 billion, underpinned by the continued expansion of BluVoucher sales through financial institution channels.

COMMENTARY CONTINUED

REPORTED FINANCIAL RESULTS

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

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

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

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

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

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

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position remains materially simplified following the successful implementation of the Cell C pre-listing restructuring and subsequent listing, with much of the historic complexity associated with Cell C funding instruments and restructuring-related transactions now unwound.

Key structural changes include:

- Debt-to-equity conversion: TPC's outstanding debt claims against Cell C were waived as the amounts owing were not supported by the pre-listing valuation.
- Disposal of CEC: TPC disposed of its 100% shareholding in CEC to Cell C, in exchange for additional Cell C shares.
- Airtime asset transfer: TPC returned Cell C airtime to Cell C in exchange for newly issued equity.
- SPV restructure: The special purpose vehicles ("SPVs") that held equity interests in Cell C were restructured, further simplifying the Group's financial structure.

Key balance-sheet movements related to the above:

- Loans to associates and joint ventures reduced by R3.2 billion;
- Cell C airtime inventory held by the BLU Group reduced by R3.8 billion; and
- Intangible assets and trade and other receivables reduced by R842 million and R448 million, respectively, which related to the income-sharing arrangement between CEC and Cell C.

Financial assets at fair value through profit or loss of R372 million were reallocated to the investment in Cell C following the completion of TPC's acquisition of SPV1 and Gramercy's shareholdings in Cell C, subsequent to receiving Competition Commission approval.

Investment in associates and joint ventures increased from R1.8 billion to R5 billion, driven primarily by Blu Label's investment in Cell C. The opening investment in Cell C of R1.7 billion was deemed to be disposed of at fair value upon Blu Label obtaining control of Cell C. Following Cell C's listing on 27 November 2025, the Group disposed of a portion of its shareholding, resulting in the loss of control and deconsolidation of the Cell C Group (including CEC), while retaining a significant minority interest accounted for as an associate at an initial fair value of R5.9 billion. The Group's share of Cell C's profits for the six months from December 2025 to May 2026 amounted to R379 million, resulting in the investment in Cell C accumulating to R6.3 billion.

Of this amount, R1.4 billion, representing a 15.95% interest in Cell C sold to Sisonke Growth Partners in November 2025, has been reclassified as a non-current asset held for sale within current assets, leaving a balance of R4.8 billion recognised within investments in associates and joint ventures.

The loss of control of the Cell C Group (including CEC) resulted in the full derecognition of CEC's assets and liabilities. This included a reduction in purchase price allocation intangible assets and goodwill of R444 million, together with a decrease in advances to customers of R1.6 billion. Interest-bearing borrowings declined by R1.7 billion following the derecognition of the CEC facility with African Bank.

Cash and cash equivalents increased by R143 million. This was primarily driven by proceeds of R2.7 billion received from the sell-down of a 30% shareholding in Cell C, based on an equity valuation of R9.0 billion. The proceeds have been applied towards the settlement of certain interest-bearing borrowings and other debt obligations and the payment of a dividend to BLU shareholders of R398 million.

Borrowings declined by R783 million, primarily due to the derecognition of the R1.7 billion African Bank facility, as detailed above, and the settlement of the current SPV 5, Gramercy and Pref A liabilities amounting to R668 million. These reductions were offset by the R1.5 billion bridging facility raised in September 2025.

As a result, the Group is positioned with a simpler and more transparent balance sheet and enhanced financial flexibility.

CASH FLOW STATEMENT

The statement of cash flows includes Cell C's consolidated results for the three months ended 30 November 2025.

Cash generated from trading operations, including three months of cash generated by Cell C, amounted to R424 million. Working capital movements comprised an increase in inventory of R698 million, an increase in advances to customers of R240 million and an increase in trade receivables of R216 million, partially offset by an increase in trade payables of R771 million. After net finance costs of R845 million and taxation payments of R141 million, net cash utilised in operating activities amounted to R561 million.

Net cash flows generated from investing activities amounted to R1.5 billion of which R2.8 billion related to the net proceeds raised on the acquisition and subsequent disposal of Cell C and CEC. This was offset by additional funds advanced to Cell C prior to listing amounting to R641 million, and the acquisition of additional Cell C shares amounting to R146 million. Net cash flows from investing activities were further offset by the purchase of intangible assets amounting to R474 million and the purchase of property, plant and equipment amounting to R141 million.

Cash flows utilised in financing activities amounted to R797 million. Lease repayments amounted to R765 million, including a R733 million lease settlement paid by Cell C to Dark Fibre Africa. Net inflows from borrowings amounted to R377 million. In addition, a dividend of R398 million was declared and paid to shareholders.

Cash and cash equivalents accumulated to R965 million at 31 May 2026.

PROSPECTS AND OUTLOOK

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

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

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

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

COMMENTARY CONTINUED

APPRECIATION

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

For and on behalf of the Board

LM NESTADT
Chairman

BM LEVY and MS LEVY
Joint Chief Executive Officers

DA SUNTUP* CA(SA)
Financial Director

25 August 2026

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

PROMINENT NOTICE

These annual financial statements have been audited by our external auditor SizweNtsalubaGobodo Grant Thornton Inc. in compliance with the applicable requirements of the Companies Act, No 71 of 2008. Dean Suntup, Financial Director, supervised the preparation of the annual financial statements.

DA SUNTUP CA(SA)
Financial Director

STATEMENT OF DIRECTORS' RESPONSIBILITY

for the year ended 31 May 2026

The Directors are responsible for the maintenance of adequate accounting records and the preparation, integrity and fair presentation of the Group financial statements of Blu Label Unlimited Group Limited, its subsidiaries, joint ventures and associates ("the Group").

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), the Financial Reporting Guides as issued by SAICA Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of 2008.

The Directors consider that having applied IFRS Accounting Standards in preparing the Group financial statements, they have selected the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS Accounting Standards that they consider to be applicable have been followed.

The Directors are satisfied that the information contained in the Group financial statements fairly presents the results of operations for the year and the financial position of the Group at year-end. The Directors prepared the other information included in the Group financial statements and are responsible for both its accuracy and its consistency.

In addition, the Directors are responsible for the Group's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The Group financial statements have been prepared on the going concern basis, since the Directors have every reason to believe that the Group has adequate resources in place to continue in operation for the foreseeable future, based on forecasts and available cash resources. These Group financial statements support the viability of the Group.

The independent auditing firm SizweNtsalubaGobodo Grant Thornton Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board of Directors and Committees of the Board, has audited the Group financial statements. The Directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were produced and approved by the Board of Directors on 25 August 2026 and are signed on its behalf by:

LM NESTADT
Non-Executive Chairman

DA SUNTUP
Financial Director

BM LEVY
Joint Chief Executive Officer

MS LEVY
Joint Chief Executive Officer

JOINT CHIEF EXECUTIVE OFFICERS AND FINANCIAL DIRECTOR RESPONSIBILITY STATEMENT ON INTERNAL FINANCIAL CONTROLS

In line with paragraph 5.9 of the JSE Listings Requirements, each of the Directors whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 25 to 117 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries has been provided to effectively prepare the financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, and we have fulfilled our role and function as Executive Directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving Directors.

BM LEVY
Joint Chief Executive Officer

MS LEVY
Joint Chief Executive Officer

DA SUNTUP
Financial Director

Sandton
25 August 2026

DECLARATION BY THE COMPANY SECRETARY

for the year ended 31 May 2026

In terms of section 88(2)(e) of the Companies Act, No 71 of 2008 (the Companies Act), I confirm that for the year ended 31 May 2026, Blu Label Unlimited Group Limited has lodged with the Companies and Intellectual Property Commission all such returns and notices as are required of a public company in terms of the Companies Act and that all such returns and notices are true, correct and up to date.

J VAN EDEN
Group Company Secretary

Sandton
25 August 2026

DIRECTORS' REPORT

The Directors have pleasure in presenting the Group annual financial statements of Blu Label Unlimited Group Limited ("Group", "Blu Label", "BLU" or "the Company") and its subsidiary, associate and joint venture companies ("the Group") for the year ended 31 May 2026.

PRINCIPAL ACTIVITIES AND STRATEGY

Blu Label Unlimited Group Limited's core business is the virtual distribution of secure electronic tokens of value and transactional services across its global footprint of touch points. The Group's stated strategy is to extend its global footprint of touch points, both organically and acquisitively, to meet the significant demand for the delivery of multiple prepaid products and services through a single distributor, across various delivery mechanisms and via numerous merchants or vendors.

STRATEGIC REVIEW

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

Blu Label is increasingly positioned as an essential-services platform spanning distribution and payments, data intelligence, embedded financial services, and infrastructure and energy. Cell C's independent positioning has reduced Group complexity, while Blu Label's shareholding retains strategic optionality. The priority for FY2027 is clear: generate cash, maintain balance-sheet flexibility, execute against the Group's growth opportunities and allocate capital with discipline.

FINANCIAL RESULTS

The Group recorded a net loss after tax attributable to equity holders for the year ended 31 May 2026 of R4.882 billion (2025: Profit of R2.484 billion). Full details of the financial position and results of the Group and its segments are set out in the Group annual financial statements. The Group annual financial statements for the year ended 31 May 2026 were approved by the Board and signed on its behalf on 25 August 2026.

SHARE CAPITAL

Full details of the authorised, issued and unissued capital of the Company at 31 May 2026 are contained in note 6.1 of the Group annual financial statements.

DIVIDENDS

Dividend number 9 was declared and approved by the Board of Directors. On 24 February 2026, the Board approved a dividend of 43.56126 cents per ordinary share, from income reserves. The interim dividend in respect of ordinary shares for the year ended 31 May 2026 has been recognised in the financial statements.

Before declaring the dividend, the Board applied the solvency and liquidity test on the Company and reasonably concluded that the Company satisfied the solvency and liquidity test immediately after payment of the dividend.

The number of ordinary shares in issue at the date of this declaration was 913 655 873. The ordinary dividend was subject to a local dividend withholding tax rate of 20%.

Accordingly, for those shareholders not exempt from paying dividend withholding tax, the net ordinary dividend was 34.84901 cents per ordinary share.

GOING CONCERN

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within its current funding levels in the foreseeable future. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources and facilities to continue in operational existence for the foreseeable future and is not at risk of breaching its covenants. The Group therefore continues to adopt the going concern basis in preparing the financial statements.

DIRECTORATE

The following are the details of the Company's Directors:

Name	Office	Appointment date	Resignation date
Larry M Nestadt (Chairman)	Independent Non-Executive Director	5 October 2007	
Brett M Levy	Joint Chief Executive Director	1 February 2007	
Mark S Levy	Joint Chief Executive Director	1 February 2007	
Nomavuso P Mnxasana	Independent Non-Executive Director	18 September 2020	
Joe S Mthimunye	Independent Non-Executive Director	5 October 2007	29 August 2025
Dean A Suntup	Financial Director	14 November 2013	
Jeremiah S Vilakazi	Independent Non-Executive Director	19 October 2011	
Lindiwe E Mthimunye	Independent Non-Executive Director	1 November 2022	
Happy Masondo	Independent Non-Executive Director	1 August 2023	
Lindsay P Ralphs	Independent Non-Executive Director	24 February 2026	
Ramakhathela D Mokhobo	Independent Non-Executive Director	1 October 2025	

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DIRECTORS' INTERESTS

The individual interests declared by Directors in the Company's share capital as at 31 May 2026, held directly or indirectly, were as follows:

	Nature of interest			
	Direct beneficial		Indirect beneficial	
DIRECTOR	**2026**	2025	**2026**	2025
LM Nestadt (Chairman)	**–**	–	**10 200 000**	10 000 000
BM Levy[1]	**72 660 979**	71 251 324	**27 772 778**	17 772 778
MS Levy[1]	**65 253 571**	63 843 916	**29 120 980**	19 120 980
RD Mokhobo	**153 417**	–	**–**	–
JS Mthimunye[2]	**130 000**	130 000	**446 573**	242 573
DA Suntup[1]	**6 731 700**	5 985 092	**177 778**	177 778
SJ Vilakazi	**–**	–	**8 200**	8 200

[1] *Although 578 521 shares vested to BM Levy and MS Levy and 306 407 vested to DA Suntup during the 2025 year, the transfer and/or sale of these shares were restricted due to a closed period in terms of the JSE Listings Requirements. The shares were transferred once the closed period expired on 24 November 2025. The shares were included in treasury shares and management concluded that no agency relationship existed over the shares while these rights were restricted.*

[2] *Resigned 29 August 2025.*

There was no change in the interests held by Directors between 31 May 2026 and the date of approval of these annual financial statements.

The aggregate interest of the current Directors in the capital of the Company was as follows:

	Number of shares	
DIRECTOR	**2026**	2025
Beneficial	**212 079 403**	188 532 641

The beneficial interest held by Directors and officers of the Company constitutes 23.21% (2025: 20.63%) of the issued share capital of the Company.

Details of Directors' emoluments and equity compensation benefits are set out in note 5.3 of the Group annual financial statements and details of the conditional share plan are set out in note 5.1.

RESOLUTIONS

On 11 August 2025, the Company passed and filed with the Companies and Intellectual Property Commission the following special resolutions:

- change of Company name; and
- amendment of the Company's Memorandum of Incorporation.

On 20 October 2025, the Company passed and filed with the Companies and Intellectual Property Commission the following special resolutions:

- Approval of the Pre-Listing Restructuring in terms of sections 112 and 115 of the Companies Act
- Approval of the Sell-Down and Executive Transfer in terms of sections 112 and 115 of the Companies Act

On 21 November 2025, the Company passed and filed with the Companies and Intellectual Property Commission the following special resolutions:

- approving the remuneration of Non-Executive Directors; and
- granting a general authority to repurchase the Company's shares.

Except for the aforementioned, no other special resolutions, the nature of which might be significant to shareholders in their appreciation of the state of affairs of the Group, were passed by the Company or its subsidiaries during the period covered at the date of signing these Group annual financial statements.

COMPANY SECRETARY

The Board is satisfied that Ms J van Eden has the requisite knowledge and experience to carry out the duties of a Company Secretary of a public company in accordance with section 88 of the Companies Act and is not disqualified to act as such. She is not a Director of the Board and maintains an arm's-length relationship with the Board. The business and postal address of the Company Secretary appear on the Company's website at www.bluelabeltelecoms.co.za.

DIRECTORS' REPORT CONTINUED

SUBSEQUENT EVENTS

DIVIDEND DECLARATION

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

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

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

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

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

DIVIDEND POLICY

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

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

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

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

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

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

Blu Label Unlimited Group Consolidated Financial Statements 2026

SHARE REPURCHASE PROGRAMME

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

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

CHANGES TO THE BOARD AND ITS COMMITTEES

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

LARRY NESTADT
Chairman

25 August 2026

AUDIT, RISK AND COMPLIANCE COMMITTEE'S REPORT

The Audit, Risk and Compliance Committee ("ARCC") is pleased to present its report for the financial year ended 31 May 2026.

The ARCC is an independent statutory committee appointed by the shareholders of the Company. In addition to its statutory duties, the Board has delegated further duties to the Committee. This report covers both these sets of duties and responsibilities.

MANDATE AND TERMS OF REFERENCE

The Committee has adopted comprehensive and formal terms of reference which have been approved by the Board and which are reviewed on an annual basis. The responsibilities of the ARCC include:

- examining and reviewing the Group's financial statements and reporting of interim and final results;
- reviewing and considering, for recommendation to the Board, the consolidated budget for the ensuing financial year;
- overseeing integrated reporting;
- overseeing the Internal Risk and Compliance Committee function;
- overseeing the function of the Group Compliance Officer;
- ensuring that Blu Label implements an effective policy and plan for risk management that has been disseminated throughout the organisation and integrated within day-to-day activities in order to enhance the Company's ability to achieve its strategic objectives;
- ensuring that the disclosure regarding risk is comprehensive, timely and relevant;
- ensuring that a combined/integrated assurance model is applied to provide a coordinated approach to all assurance activities and appropriately address all the significant risks facing Blu Label;
- reviewing and satisfying itself of the expertise, resources, and experience of the Blu Label finance function;
- overseeing the Group internal audit function;
- establishing, implementing, and maintaining a compliance function with adequate policies and procedures to ensure compliance with rules, regulations, statutes and procedures applicable to Blu Label;
- reporting annually to the Board and shareholders describing the Committee's composition, responsibilities, and how they were discharged, as well as any other information required by rule, including the approval of non-audit services;

Blu Label Unlimited Group Consolidated Financial Statements 2026

AUDIT, RISK AND COMPLIANCE COMMITTEE'S REPORT CONTINUED

MANDATE AND TERMS OF REFERENCE CONTINUED

- resolving any disagreements between management and the auditor regarding financial reporting;
- retaining independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation;
- seeking any information it requires from employees – all of whom are directed to co-operate with the Committee's requests – or external parties; and
- meeting with the organisation's officers, external auditors, internal auditors, or outside counsel as necessary.

MEMBERSHIP AND MEETINGS HELD

In accordance with the requirements of the Companies Act, No 71 of 2008 ("the Companies Act"), Ms LE Mthimunye, Ms NP Mnxasana, Mr SJ Vilakazi and Mr RD Mokhobo were appointed to the Committee by shareholders at the AGM held on 21 November 2025 in the following positions:

- LE Mthimunye (Independent Non-Executive Chairlady);
- NP Mnxasana (Independent Non-Executive Director);
- SJ Vilakazi (Independent Non-Executive Director); and
- RD Mokhobo (Independent Non-Executive Director).

The members of the Committee collectively have experience in audit, accounting, commerce, economics, law, corporate governance and general industry. All the members of the ARCC are Independent Non-Executive Directors.

The Committee meets quarterly and the quorum for each meeting is three members present throughout the meeting. Mandatory attendees at the meetings are the Joint Chief Executive Officers and the Financial Director of Blu Label. The external audit partner from SNGGT and a director from Deloitte, to whom Blu Label outsources its internal audit function, are also attendees. Both internal and external auditors are afforded the opportunity to address the meeting and have unlimited access to the Committee. During the year, the Committee met with the external and internal auditors respectively without the presence of management. The internal audit function reports directly to the ARCC and is also responsible to the Financial Director on day-to-day administrative matters.

STATUTORY DUTIES DISCHARGED

In execution of its statutory duties during the year under review, the Committee:

- nominated and recommended to shareholders the reappointment of SNGGT as independent external auditors, with Mr Alex Philippou, the audit partner, as the registered independent auditor;
- approved the fees to be paid to SNGGT and other external auditors, where applicable, and approved the terms of engagement;
- maintained a non-audit services policy which determines the nature and extent of any non-audit services that SNGGT may provide to the Group;
- discharged those statutory duties as prescribed by section 94 of the Companies Act, acting in its capacity as the appointed Audit Committee of the subsidiary companies of Blu Label;
- considered the Committee's report describing how duties have been discharged; and
- submitted matters to the Board concerning the Company's accounting policies, financial controls, records and reporting, and key risks identified in the enterprise-wide risk management ("ERM") process, as appropriate.

OTHER DUTIES TO DISCHARGE

FINANCIAL STATEMENTS AND REPORTING

THE COMMITTEE:

- monitored compliance with accounting standards and legal requirements and ensured that all regulatory compliance matters had been considered in the preparation of the financial statements;
- reviewed feedback from the JSE proactive monitoring panel and included additional disclosure where relevant;
- reviewed and confirmed compliance with the JSE regulations relating to the sign-off by the CEOs and FD on the internal financial controls;
- reviewed the external auditor's report to the Committee and management's responses thereto and made appropriate recommendations to the Board of Directors regarding actions to be taken;
- reviewed and commented on the annual financial statements, interim reports, paid advertisements, announcements and the accounting policies and recommended these to the Board for approval;
- reviewed and recommended to the Board for adoption the consolidated budget for the ensuing financial year; and
- considered the going concern status of the Company and Group on the basis of review of the annual financial statements and the information available to the Committee and recommended such going concern status for adoption by the Board.

The Board statement on the going concern status of the Group and Company is contained in the Directors' report.

EXTERNAL AUDIT AND NON-AUDIT SERVICES

The ARCC has satisfied itself as to the independence of the external auditor, SNGGT, as set out in section 94(7) of the Companies Act, which includes consideration of compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors, including tenure of the audit firm and rotation of the designated individual partner.

Requisite assurance was sought from and provided by SNGGT that internal governance processes within the firm support and demonstrate its claim to independence. SNGGT has been the auditor of the Company for four years.

To assess the effectiveness of the external auditors, the Committee considered the quality, delivery and execution of the agreed audit plan and variations from the plan, as well as the robustness and perceptiveness of SNGGT in its handling of key accounting treatments and disclosures. The ARCC has been informed of the most recent results of SNGGT's regulatory and firm inspection and is satisfied with the results thereof.

The Committee, in consultation with Executive Management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2026 financial year.

Any non-audit services to be provided by the external auditors are governed by a formal written policy which incorporates a monetary delegation of authority in terms of non-audit services to be provided.

The fees applicable to the services totalled Rnil (2025: Rnil million).

The ARCC has nominated, for approval at the AGM, the reappointment of SNGGT as registered auditors for the 2027 financial year. The Committee also satisfied itself in terms of paragraph 5.7(h)(iii) of the JSE Listings Requirements that SNGGT and the designated individual partner are suitable for appointment.

INTERNAL AUDIT AND INTERNAL CONTROLS

Blu Label's internal audit was outsourced to Deloitte for the year and the role of the Chief Audit Executive is fulfilled by the Engagement Director. The ARCC concludes that the Chief Audit Executive and internal audit arrangements are effective and independent.

THE COMMITTEE:

- reviewed the co-operation and co-ordination between the internal and external audit functions in order to avoid duplication of work and to work towards an effective and efficient combined/integrated assurance approach;
- examined and reviewed the progress made by internal audit against the approved 2025/26 audit plan;
- considered the combined/integrated assurance arrangements for the 2025/26 financial year;
- approved the risk-based internal audit plan for the 2025/26 financial year;
- considered the effectiveness of internal audit;
- considered internal audit findings and corrective actions taken in response to such findings; and
- reviewed the annual statement from internal audit on the effectiveness of the organisation's governance, risk management and internal control processes.

The ARCC concluded that appropriate financial reporting procedures have been established and were operating, as contemplated in paragraph 5.7(h)(ii) of the JSE Listings Requirements, which includes consideration of all the entities in the consolidated annual financial statements.

In carrying out its responsibility of ensuring appropriate financial reporting procedures are in place, the ARCC has had oversight of the procedures performed by management to ensure that internal financial controls are adequate in design and operating effectiveness, and has considered all deficiencies reported by management to the ARCC and external auditors together with steps taken to remedy such deficiencies.

The ARCC concludes that the combined assurance arrangement is effective and will continue to evolve as the Group grows.

RISK MANAGEMENT AND COMPLIANCE

In relation to the governance of risk, the Committee:

- reviewed the integrity of the risk control systems and ensured that the risk policies and strategies of the Company are effectively managed;
- made recommendations to the Board concerning the levels of risk tolerance and appetite, and monitored the management of risk exposures against these levels;
- reviewed and recommended to the Board the approval of the Integrated Risk Assurance Policy and Framework;
- monitored bi-annual risk assessments and reviewed the consolidated strategic risk profile to evaluate and ensure all material risks had been identified as they pertain to the triple context of Blu Label, and are being managed appropriately;
- provided feedback to the Board on significant risks, including emerging risks, and significant changes to the Company's risk profile;
- ensured that management considered and implemented appropriate risk responses to significant risks;
- considered the relevance and effectiveness of information and technology governance systems, processes and mechanisms to manage technology-related risks;
- reviewed and recommended to the Board risk information for disclosure, in accordance with King V principles;
- reviewed legal matters that could have a material impact on the Group in conjunction with Blu Label's legal adviser; and
- reviewed developments in corporate governance and best practice and considered their impact and implications across the Group with particular reference to the principles of King V.

AUDIT, RISK AND COMPLIANCE COMMITTEE'S REPORT CONTINUED

The ARCC is satisfied that it has dedicated sufficient time to its responsibility towards the governance of risk.

The Committee is satisfied that it has exercised sufficient, ongoing oversight of compliance through:
- the continued appointment of a dedicated Compliance Officer for the Group;
- the approval of the compliance strategy;
- the approval of the regulatory compliance policy and the compliance process;
- annual review of the Company's regulatory universe in order to prioritise regulatory compliance efforts;
- ongoing development and review of compliance risk management plans;
- continuous monitoring of the regulatory environment to ensure that the Group keeps abreast of matters affecting its regulatory environment; and
- identification and monitoring of key compliance risks across the Group.

EXPERTISE AND EXPERIENCE OF THE FINANCIAL DIRECTOR AND FINANCE FUNCTION

The Committee considered the appropriateness of the expertise and experience of the Financial Director and finance function in accordance with paragraph 5.7(h)(i) of the JSE Listings Requirements and governance best practice and has satisfied itself that the Group Financial Director has appropriate expertise and experience.

The ARCC concluded that the finance function is adequately resourced with technically competent individuals and is effective. The Committee confirms that it is satisfied that Mr Dean Suntup possesses the appropriate expertise and experience to discharge his responsibilities as Financial Director. The Committee is also satisfied that appropriate financial reporting procedures have been established and that those procedures are operating effectively.

ANNUAL FINANCIAL STATEMENTS

The Committee has reviewed the accounting policies and financial statements of the Company and the Group and is satisfied that they are appropriate and comply with IFRS Accounting Standards, the JSE Listings Requirements, and the requirements of the Companies Act of South Africa.

The Committee has evaluated the Group annual financial statements of Blu Label Unlimited Group Limited for the year ended 31 May 2026, and based on the information provided to the Committee, the Committee recommends the adoption of the annual financial statements by the Board.

The significant audit matters considered by the Committee were the acquisition of control of Cell C Holdings Limited ("Cell C"), the pre-listing restructuring and subsequent loss of control of Cell C and the classification and measurement of the Sisonke shares as "Held for Sale".

These matters were addressed as follows:
Management assessed the transactions involving Cell C in detail and obtained in-depth advice from a financial reporting specialist to determine the appropriate accounting treatment under IFRS Accounting Standards as detailed in the financial statements. For the Purchase Price Allocation ("PPA") under IFRS 3 and for measuring any derivative instruments, fair values were determined by, or inputs were provided by, external valuation specialists.

LE MTHIMUNYE
Chairlady

25 August 2026

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BLU LABEL UNLIMITED GROUP LIMITED

OPINION

We have audited the Consolidated Financial Statements of Blu Label Unlimited Group Limited ("the Group") set out on pages 25 to 117, which comprise the Consolidated Statement of Financial Position as at 31 May 2026, and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information.

In our opinion, the Consolidated Financial Statements present fairly, in all material respects, the Consolidated Financial Position of Blu Label Unlimited Group Limited as at 31 May 2026, and its Consolidated financial performance and Consolidated Cash Flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and company 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.

FINAL MATERIALITY

The ISAs recognise that:
- misstatements, including omissions, are considered to be material if the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;
- judgements about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and
- judgements about matters that are material to users of the financial statements consider users as a group rather than as specific individual users, whose needs may vary greatly.

The amount we set as materiality represents a quantitative threshold used to evaluate the effect of misstatements to the financial statements as a whole, based on our professional judgement. Qualitative factors are also considered in making final determinations regarding what is material to the financial statements.

Based on our professional judgement, we determined overall group materiality at R261 million, being 2% of revenue. Revenue was selected as the benchmark as it is a key performance measure used by stakeholders in assessing the Group's performance.

The principal users of the financial statements include investors, suppliers, banks, creditors, regulators and prospective investors.

In determining the nature, timing and extent of our audit procedures, we applied performance materiality of 75% of overall materiality. Performance materiality is used to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality.

GROUP AUDIT SCOPE

We tailored the scope of our audit to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We considered the Group's organisation or legal structure and its financial reporting processes when identifying components for purposes of planning and performing audit procedures.

In establishing the Group audit scope, we considered those components which will be subject to further audit procedures and the scope of work to be performed at these components.

In determining which components will be subject to audit procedures, we considered whether these components are significant (due to risk or size), non-significant or inconsequential to the Group.

We conducted full scope audits on four (4) components and specific scope audits on six (6) components where our procedures were more focused or limited to specific accounts which we considered had the potential for the greatest impact on the significant accounts in the financial statements given the specific risks identified.

Analytical review procedures were performed over the remaining components that were non-significant and inconsequential to the Group.

INDEPENDENT AUDITOR’S REPORT CONTINUED

TO THE SHAREHOLDERS OF BLU LABEL UNLIMITED GROUP LIMITED

We determined the type of work that needed to be performed by us, as the group auditor and component auditors from within the firm operating under our instruction. Where the work was performed by a component auditor, we determined the level of involvement we needed to have in the audit work at that component to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

KEY AUDIT MATTERS

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key Audit Matters in the current year include:

Key audit matter	How our audit addressed the key audit matter
Acquisition of control of Cell C	
At the beginning of the reporting period, the Group held a 70% economic interest and a 49.53% voting interest in Cell C, which was accounted for as an associate in accordance with IAS 28 *Investments in Associates and Joint Ventures.* The required Competition Commission approval was received and the conditions precedent to acquire the additional Cell C shares were met on 4 September 2025. This gave TPC the ability to exercise 59.66% of the voting rights and resulted in TPC obtaining control over Cell C and was consolidated by the Group from the 4th of September 2025, the date control was obtained. The step up from associate to subsidiary was accounted for as a deemed disposal of its 70% equity interest in the associate and the acquisition of Cell C as a subsidiary as a business combination at fair value. This required the application of IFRS 3 *Business Combinations*, including the identification and measurement of the identifiable assets acquired and liabilities assumed through the performance of a purchase price allocation, the assessment of whether any pre-acquisition relationships were effectively settled as part of the transaction, and the determination of the resulting goodwill arising on acquisition.	With the assistance of our financial reporting specialists, we assessed the accounting treatment applied to the deemed disposal of its interest in the associate upon obtaining control of Cell C. We evaluated the application of IFRS 3 *Business Combinations* as it relates to step acquisitions including management’s purchase price allocation, the identification of the assets acquired and liabilities assumed, the assessment and accounting treatment of the settlement of pre-existing relationships, and the methodologies and significant assumptions used in determining the acquisition-date fair values. We involved our valuation specialists to assess the valuation methodologies applied by management and tested the significant inputs used in determining the fair values attributed to the identifiable assets acquired and liabilities assumed. We also assessed the resulting goodwill recognised on acquisition and evaluated whether the purchase price allocation was appropriately prepared in accordance with IFRS 3. We agreed material balances consolidated by the Group from the acquisition date to the underlying accounting records of Cell C and tested significant consolidation journals and adjustments recognised by management. The presentation and disclosure of the deemed disposal of the associate and the resulting business combination within the Annual Financial Statements were also evaluated for compliance with IFRS Accounting Standards. No material exceptions were identified from the procedures performed, and the purchase price allocation and resulting goodwill recognised were assessed as appropriate.

Key audit matter	How our audit addressed the key audit matter
Pre-Listing Restructuring and subsequent loss of control of Cell C	
Following the acquisition of control, the Group implemented a pre-listing restructuring. The restructuring included the settlement of various debt claims through the conversion of such claims into Cell C shares, the transfer of 100% of the issued share capital of CEC to Cell C in exchange for Cell C shares, the transfer of airtime to Cell C in exchange for Cell C shares as well as the restructuring of SPVs. These transactions resulted in a substantial increase in the Group’s economic interest in Cell C. Following the issue of the restructuring shares and the resulting dilution of existing interests, the Group held 99.92% of the issued share capital of Cell C immediately prior to the implementation of the Cell C share transaction. The share transaction resulted in Cell C shareholders exchanging their Cell C shares for shares in Cell C ahead of the listing of Cell C on the Johannesburg Stock Exchange (“JSE”). As part of the listing structure, 15.95% of the shares were allocated to Sisonke Growth Partners in fulfilment of Cell C’s requirement to meet its ownership obligations in terms of previously disadvantaged individuals. The terms of the Sisonke arrangement resulted in the recognition of a derivative liability by the Group. The Group’s economic interest in Cell C includes the 15.95% stake as the derecognition criteria have not been met. In addition, 4.50% of the shares were transferred to Cell C management in terms of the management participation arrangements. Prior to the listing of Cell C on the JSE, The Prepaid Company sold 30% of the issued share capital of Cell C to investors through an initial public offering. As a result of these transactions, the Group’s interest in Cell C reduced from 99.92% to 49.47%, resulting in the loss of control of Cell C. Upon the loss of control of Cell C, the Group derecognised the assets and liabilities of the subsidiary and recognised its retained investment in Cell C at fair value. The Group accounted for its retained investment as an investment in associate.	With the assistance of our financial reporting specialists, we assessed the accounting treatment applied to the pre-listing restructuring and subsequent listing transactions. We obtained and inspected the relevant agreements and supporting documentation and evaluated whether the accounting treatment applied to each transaction was appropriate in accordance with IFRS Accounting Standards. We recalculated the ownership movements arising from the restructuring and related equity transactions, including the acquisition of additional economic interest, the Sisonke Growth Partners transaction, the management share transfer and subsequent share sale transactions, and assessed the resulting impact on the Group’s economic interest in Cell C. We assessed the accounting treatment applied to the Sisonke Growth Partners transaction, including the recognition and measurement of the in-substance call option accounted for as a derivative liability arising from the arrangement. With the assistance of our actuarial specialists, we evaluated the methodology and assumptions applied by management in determining the fair value of the derivative liability and assessed whether the resulting accounting treatment was appropriate. We assessed the fair value applied by management in accounting for the listing transactions and subsequent loss of control of Cell C. With the assistance of our valuation specialists, we evaluated the appropriateness of the listing value used by management and assessed whether the pricing established through the listing process was appropriately reflected in the determination of the loss recognised on the loss of control of Cell C and the initial recognition of the retained investment. We further assessed the accounting treatment applied upon the loss of control of Cell C, including the derecognition of the subsidiary and the recognition of the retained investment. Based on the procedures performed, we determined that the accounting treatment applied to the pre-listing restructuring, listing transactions, and subsequent loss of control of Cell C were appropriate in all material respects. We further determined that the valuations applied by management and the related disclosures in the Annual Financial Statements were appropriate in all material respects.

INDEPENDENT AUDITOR'S REPORT CONTINUED

TO THE SHAREHOLDERS OF BLU LABEL UNLIMITED GROUP LIMITED

Key audit matter	How our audit addressed the key audit matter
Classification and measurement of the Sisonke shares "Held for Sale"	
The Group committed to an active and formal programme to effect the disposal of 15.95% of its retained interest in Cell C through Sisonke Growth Partners, the Group has therefore classified these shares as a Non-current Asset Held for Sale. The classification of the investment as held for sale required significant judgement by management in assessing whether the requirements of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* had been met. Management was required to assess whether the disposal was highly probable, whether the asset was immediately available for sale in its present condition, and whether completion of the transaction was expected within the period required by IFRS 5. The matter was considered significant to our audit due to the materiality of the investment, the judgement involved in assessing whether the IFRS 5 criteria had been met, and the impact of the classification on the presentation and measurement of the Group's retained Cell C investment and related disclosures in the Financial Statements.	We assessed management's classification of the Sisonke shares held for sale with reference to the requirements of IFRS 5. With the assistance of our financial reporting specialists, we reviewed the agreements supporting the Sisonke Growth Partners transaction and assessed whether sufficient evidence existed at reporting date to support management's conclusion that the disposal was highly probable. We considered the status of the transaction, the actions taken by management to complete the disposal and the expected timing of completion. We agreed the number of shares classified as held for sale to the underlying transaction documentation and shareholder records and recalculated the associated economic interest of 15.95%. We assessed whether the held-for-sale investment had been measured appropriately in accordance with IFRS 5 and evaluated the appropriateness of management's accounting treatment. We further assessed the adequacy of the disclosures included in the Annual Financial Statements relating to the held-for-sale classification, including the significant judgements applied by management. Based on the procedures performed, we determined management's classification and measurement of the Cell C investment held for sale was appropriate and consistent with the requirements of IFRS 5 in all material respects.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Blu Label Unlimited Group Limited Annual Financial Statements 2026", which includes the Directors' Report, the Report of the Audit and Risk Committee and the Certificate by the Company Secretary, as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report and the other sections of the document titled "Blu Label Unlimited Group Limited Integrated Annual Report 2026", which is expected to be made available to us after that date. The other information further comprises the Shareholder Analysis on pages 118 to 119. The other information does not include the consolidated financial statements and our audit report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, 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 CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the directors are responsible for assessing the Group'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 the Group or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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 Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT CONTINUED

TO THE SHAREHOLDERS OF BLU LABEL UNLIMITED GROUP LIMITED

We communicate with the directors regarding, amongst 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that SizweNtsalubaGobodo Grant Thornton Inc. has been the auditor of Blu Label Unlimited Group Limited for four (4) years.

SizweNtsalubaGobodo Grant Thornton Inc.

ALEX PHILIPPOU
SizweNtsalubaGobodo Grant Thornton Inc.
Engagement Director

Registered Auditor

25 August 2026

152 14th Road
Noordwyk
Midrand
Gauteng

GROUP INCOME STATEMENT

for the year ended 31 May 2026

	Notes	2026 R'000	2025 R'000
Revenue	1.2	**12 918 532**	13 730 344
Finance revenue	1.2	**134 276**	319 833
TOTAL REVENUE	1.2	**13 052 808**	14 050 177
Other income	1.3	**979 558**	76 675
Direct operating costs*		**(9 580 983)**	(10 675 174)
Employee compensation and benefit expense	5.2	**(1 266 793)**	(1 052 704)
Depreciation and amortisation		**(460 586)**	(192 774)
Impairments of goodwill	1.3	**(200 592)**	–
Fair value movements	1.3	**222 941**	174 316
Bad debts and expected credit loss	1.3	**(215 525)**	(235 524)
Modification/derecognition of financial instruments	1.3	**192 662**	(52 872)
Other expenses	1.3	**(7 949 489)**	(680 804)
OPERATING (LOSS)/PROFIT	1.3	**(5 225 999)**	1 411 316
Finance costs	1.4	**(991 319)**	(1 090 314)
Finance income	1.4	**277 599**	803 857
(Impairment)/reversal of impairment of investment in associate	2.1.1	**(9 273)**	1 555 042
Gain on deemed disposal of associate	2.1.1	**841 077**	–
Share of profits/(losses) from associates and joint ventures	2.1.1	**374 829**	(55 376)
(LOSS)/PROFIT BEFORE TAXATION		**(4 733 086)**	2 624 525
Taxation	7.1	**47 426**	(143 805)
(LOSS)/PROFIT FOR THE YEAR		**(4 685 660)**	2 480 720
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Equity holders of the parent		**(4 882 394)**	2 484 243
Non-controlling interest**		**196 734**	(3 523)
EARNINGS PER SHARE			
– BASIC	1.5	**(539.73)**	276.52
– DILUTED	1.5	**(539.73)**	275.24

* *Direct operating costs are the operating expenses directly attributable to the production of goods and services sold by the Group. These include, but are not limited to, the costs associated with the acquisition of airtime and handsets sold by the Group.*
** *Of this amount, R163 million relates to the period during which Cell C was consolidated.*

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 May 2026

	2026 R'000	2025 R'000
(LOSS)/PROFIT FOR THE YEAR	(4 685 660)	2 480 720
OTHER COMPREHENSIVE INCOME:		
ITEMS THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS		
Foreign exchange (loss)/profit on translation of associates and joint ventures*	(2 836)	538
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	(2 836)	538
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	(4 688 496)	2 481 258
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR ATTRIBUTABLE TO:		
Equity holders of the parent	(4 885 230)	2 484 781
Non-controlling interest	196 734	(3 523)

* *These components of other comprehensive income do not attract any tax.*

GROUP STATEMENT OF FINANCIAL POSITION

as at 31 May 2026

	Notes	31 May 2026 R'000	31 May 2025 R'000
ASSETS			
NON-CURRENT ASSETS		6 123 822	6 570 672
Property, plant and equipment	4.3	144 955	159 767
Right-of-use assets	4.4	24 214	38 919
Intangible assets	4.2	446 182	1 509 855
Goodwill	4.1	181 415	717 475
Investments in associates and joint ventures	2.1.1	4 969 349	1 809 287
Loans to associates and joint ventures	2.1.1	–	1 302 614
Loans receivable	3.3.1	98 251	46 536
Advances to customers	3.3.3	–	653 146
Financial assets at fair value through profit or loss	3.5	–	128 521
Deferred taxation assets	7.2	259 456	204 552
CURRENT ASSETS		6 904 196	13 199 224
Loans to associates and joint ventures	2.1.1	3 467	1 947 148
Inventories	4.5	1 305 787	4 665 220
Loans receivable	3.3.1	92 162	57 240
Trade and other receivables	3.3.2	3 075 527	4 300 696
Advances to customers	3.3.3	–	990 621
Financial assets at fair value through profit or loss	3.5	–	411 074
Current tax assets		25 419	5 121
Cash and cash equivalents	3.3.4	964 739	822 104
Assets classified as held for sale	8	1 437 095	–
TOTAL ASSETS		13 028 018	19 769 896
EQUITY AND LIABILITIES			
Capital and reserves		1 991 240	7 635 107
Issued share capital and premium		7 635 226	7 580 207
Other reserves	6.2	(3 285 315)	(2 835 093)
Retained earnings		(2 465 106)	2 815 288
Total ordinary shareholders' equity		1 884 805	7 560 402
Non-controlling interest		106 435	74 705
NON–CURRENT LIABILITIES		4 771 091	3 246 384
Deferred taxation liabilities	7.2	18 946	223 348
Non-current lease liability	3.6	19 527	36 551
Financial liabilities at fair value through profit or loss	3.5	140 000	242 637
Borrowings	3.4.2	4 592 618	2 743 848
CURRENT LIABILITIES		6 265 687	8 888 405
Trade and other payables	3.4.1	5 921 677	5 974 889
Deferred revenue	4.6	254 925	173 436
Lease liability	3.6	11 821	10 393
Current tax liabilities		1 813	21 228
Borrowings	3.4.2	75 430	2 707 628
Bank overdraft	3.3.4	21	831
TOTAL EQUITY AND LIABILITIES		13 028 018	19 769 896

Blu Label Unlimited Group Consolidated Financial Statements 2026

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 31 May 2026

	Notes	Issued share capital and premium R'000	Retained earnings R'000	Other reserves R'000	Total ordinary shareholders' equity R'000	Non-controlling interest R'000	Total equity R'000
BALANCE AS AT 1 JUNE 2024		7 562 077	331 045	(2 883 438)	5 009 684	102 456	5 112 140
Profit for the year		–	2 484 243	–	2 484 243	(3 523)	2 480 720
Other comprehensive income		–	–	538	538	–	538
TOTAL COMPREHENSIVE INCOME/(LOSS)		–	2 484 243	538	2 484 781	(3 523)	2 481 258
Acquisition of treasury shares	6.1	(1 202)	–	–	(1 202)	–	(1 202)
Equity compensation benefit scheme shares vested	6.2	19 332	–	(17 812)	1 520	(1 520)	–
Equity compensation benefit movement	5.2, 6.2	–	–	65 619	65 619	3 772	69 391
Dividends paid		–	–	–	–	(26 480)	(26 480)
BALANCE AS AT 31 MAY 2025		**7 580 207**	**2 815 288**	**(2 835 093)**	**7 560 402**	**74 705**	**7 635 107**
Loss for the year		**–**	**(4 882 394)**	**–**	**(4 882 394)**	**196 734**	**(4 685 660)**
Other comprehensive loss		**–**	**–**	**(2 836)**	**(2 836)**	**–**	**(2 836)**
TOTAL COMPREHENSIVE (LOSS)/INCOME		**–**	**(4 882 394)**	**(2 836)**	**(4 885 230)**	**196 734**	**(4 688 496)**
Acquisition of treasury shares	6.1	**(57)**	**–**	**–**	**(57)**	**–**	**(57)**
Equity compensation benefit scheme shares vested	6.2	**55 076**	**–**	**(53 500)**	**1 576**	**(1 576)**	**–**
Equity compensation benefit movement	6.2	**–**	**–**	**20 242**	**20 242**	**1 414**	**21 656**
Transaction with non-controlling interest reserve movement	6.2	**–**	**–**	**(414 128)**	**(414 128)**	**414 128**	**–**
Non-controlling interest acquired	2.1	**–**	**–**	**–**	**–**	**703 199**	**703 199**
Non-controlling interest disposed of	2.1	**–**	**–**	**–**	**–**	**(1 271 934)**	**(1 271 934)**
Dividends paid		**–**	**(398 000)**	**–**	**(398 000)**	**(10 235)**	**(408 235)**
BALANCE AS AT 31 MAY 2026		**7 635 226**	**(2 465 106)**	**(3 285 315)**	**1 884 805**	**106 435**	**1 991 240**

GROUP STATEMENT OF CASH FLOWS

for the year ended 31 May 2026

	Notes	2026 R'000	2025 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers		**13 496 136**	12 579 041
Cash paid to suppliers, financiers and employees		**(13 071 681)**	(12 091 501)
CASH GENERATED BY OPERATIONS	1.6	**424 455**	487 540
Interest received		**134 470**	402 307
Interest paid		**(979 174)**	(1 035 022)
Taxation paid		**(140 799)**	(321 292)
Net cash utilised in operating activities		**(561 048)**	(466 467)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of intangible assets	4.2	**(474 167)**	(443 330)
Acquisition of property, plant and equipment	4.3	**(141 245)**	(48 549)
Acquisition of subsidiary net of cash acquired*		**298 777**	–
Additional investment in and acquisition of shares in associates	3.5	**(146 124)**	(100 740)
Proceeds on disposal of property, plant and equipment		**2 102**	9 793
Proceeds from disposal of subsidiaries net of cash disposed**		**2 500 093**	–
Proceeds on disposal of joint venture		**–**	9 945
Dividends received from associates	2.1.1	**29 812**	13 372
Advances paid to associates***		**(641 279)**	–
Financial assets carried at fair value repaid	3.5	**47 994**	21 087
Loans repaid by associates and joint ventures		**9 133**	245 228
Loans advanced		**(1 263)**	(28 011)
Loans receivable repaid		**17 431**	20 494
Net cash generated by/(utilised in) investing activities		**1 501 264**	(300 711)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings raised	3.4.2	**1 845 094**	1 610 506
Borrowings repaid	3.4.2	**(1 468 297)**	(860 160)
Lease repayments	3.6	**(765 276)**	(30 360)
Treasury shares acquired	6.1	**(57)**	(1 202)
Dividends paid to non-controlling interest****	2.4	**(10 235)**	(26 480)
Dividends paid to equity holders of the parent		**(398 000)**	–
Net cash (utilised in)/generated by financing activities		**(796 771)**	692 304
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**143 445**	(74 874)
Cash and cash equivalents at the beginning of the year		**821 273**	896 147
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3.3.4	**964 718**	821 273

* *Acquisition of subsidiary net of cash acquired relates to the acquisition of Cell C, which became a subsidiary on 4 September 2025 (refer to note 2.2.1) with a take on cash balance of R307 million, offset by an R8 million cash outflow relating to the additional 10.13% stake in Cell C acquired.*

** *Proceeds from the disposal of subsidiaries net of cash disposed comprised a net inflow of R2.535 billion relating to the disposal of Cell C and CEC, and a net outflow of R35 million relating to the disposal of Ticketpro.*

*** *Advances paid to associates relate to amounts advanced to Cell C in the current year that were subsequently capitalised, increasing the Group's effective holding in Cell C prior to the listing thereof.*

**** *Represents a dividend paid to a minority shareholder of a subsidiary company.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 May 2026

1. RESULTS OF OPERATIONS

1.1 SEGMENTAL SUMMARY

The Group's segment reporting follows the organisational structure as reflected in its internal management reporting systems, which are the basis for assessing the financial performance of the business segments and for allocating resources to these segments. Management's assessment of the Group's organisational structure takes the geographical location of the segments into account.

Operating segments are reported internally to the Chief Operating Decision-maker in a manner consistent with the financial statements. In addition, the Chief Operating Decision-maker uses core headline earnings as a non-IFRS measure in evaluating the Group's performance on a segmental level. The Chief Operating Decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors, who are responsible for making strategic decisions on behalf of the Group.

Transactions between reportable segments are conducted on similar terms as other transactions of a similar nature.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

for the year ended 31 May 2026

1. RESULTS OF OPERATIONS CONTINUED

1.1 SEGMENTAL SUMMARY CONTINUED

The Group's segment reporting follows the organisational structure as reflected in its internal management reporting systems, which are the basis for assessing the financial performance of the business segments and for allocating resources to these segments. Management's assessment of the Group's organisational structure takes the geographical location of the segments into account.

The segment results for the year ended 31 May 2026 are as follows:

	Total		Africa Distribution		International		Solutions		Corporate	
	2026 R'000	2025 R'000	**2026 R'000**	2025 R'000	**2026 R'000**	2025 R'000	**2026 R'000**	2025 R'000	**2026 R'000**	2025 R'000
Total segment revenue	**17 068 955**	18 651 636	**16 552 554**	18 111 662	**–**	–	**308 148**	259 894	**208 253**	280 080
Internal revenue	**(4 016 147)**	(4 601 459)	**(3 745 501)**	(4 287 107)	**–**	–	**(62 393)**	(34 272)	**(208 253)**	(280 080)
REVENUE	**13 052 808**	14 050 177	**12 807 053**	13 824 555	**–**	–	**245 755**	225 622	**–**	–
SEGMENT RESULT										
Operating profit/(loss) before depreciation, amortisation and the additional items listed below	**850 068**	1 718 170	**996 449**	1 872 701	**(433)**	(276)	**4 283**	20 602	**(150 231)**	(174 857)
Gain on effective settlement of pre-existing relationships upon obtaining control of Cell C	**480 707**	–	**480 707**	–	**–**	–	**–**	–	**–**	–
Gain on settlement of Cell C leases with Dark Fibre Africa	**355 832**	–	**355 832**	–	**–**	–	**–**	–	**–**	–
Transaction costs related to the restructuring, unbundling and the listing of Cell C	**(318 992)**	–	**(318 992)**	–	**–**	–	**–**	–	**–**	–
Loss on disposal of subsidiaries	**(6 132 514)**	–	**(6 027 454)**	–	**–**	–	**–**	–	**(105 060)**	–
Fair value gain on surety receivable	**2 200**	2 883	**–**	–	**2 200**	2 883	**–**	–	**–**	–
Fair value gain on other financial instruments	**220 741**	171 433	**220 741**	171 433	**–**	–	**–**	–	**–**	–
Impairments	**(200 592)**	–	**(193 328)**	–	**–**	–	**–**	–	**(7 264)**	–
Bad debts and expected credit loss on loans	**9 469**	284 981	**(3 178)**	285 206	**(467)**	(389)	**14 084**	164	**(970)**	–
Bad debts and expected credit losses on trade receivables, other receivables and advances to customers	**(224 994)**	(520 505)	**(225 643)**	(519 789)	**–**	–	**649**	(716)	**–**	–
Modification/derecognition of financial instruments	**192 662**	(52 872)	**192 662**	(52 872)	**–**	–	**–**	–	**–**	–
Depreciation and amortisation	**(460 586)**	(192 774)	**(449 482)**	(176 371)	**–**	–	**(657)**	(695)	**(10 447)**	(15 708)
OPERATING (LOSS)/PROFIT	**(5 225 999)**	1 411 316	**(4 971 686)**	1 580 308	**1 300**	2 218	**18 359**	19 355	**(273 972)**	(190 565)
Finance costs	**(991 319)**	(1 090 314)	**(990 655)**	(1 087 912)	**–**	(2)	**(182)**	(213)	**(482)**	(2 187)
Finance income	**277 599**	803 857	**274 980**	799 853	**57**	–	**1 810**	3 495	**752**	509
(Impairment)/reversal of impairment of investment in associate	**(9 273)**	1 555 042	**(9 273)**	1 558 621	**–**	(3 579)	**–**	–	**–**	–
Gain on deemed disposal of associate – Cell C	**841 077**	–	**841 077**	–	**–**	–	**–**	–	**–**	–
Share of profits/(losses) from associates and joint ventures	**374 829**	(55 376)	**336 858**	(80 624)	**–**	–	**37 971**	25 248	**–**	–
Taxation	**47 426**	(143 805)	**34 461**	(153 136)	**(493)**	(722)	**10 034**	6 455	**3 424**	3 598
(LOSS)/PROFIT FOR THE YEAR	**(4 685 660)**	2 480 720	**(4 484 238)**	2 617 110	**864**	(2 085)	**67 992**	54 340	**(270 278)**	(188 645)
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO:										
Equity holders of the parent	**(4 882 394)**	2 484 243	**(4 672 257)**	2 628 052	**864**	(2 085)	**59 277**	46 921	**(270 278)**	(188 645)
Non-controlling interest	**196 734**	(3 523)	**188 019**	(10 942)	**–**	–	**8 715**	7 419	**–**	–
RECONCILIATION OF (LOSS)/PROFIT FOR THE YEAR TO CORE HEADLINE EARNINGS FOR THE YEAR										
(Loss)/profit for the year attributable to equity holders of the parent	**(4 882 394)**	2 484 243	**(4 672 257)**	2 628 052	**864**	(2 085)	**59 277**	46 921	**(270 278)**	(188 645)
Amortisation of intangibles raised through business combinations net of tax and non-controlling interest	**41 774**	50 890	**41 774**	50 890	**–**	–	**–**	–	**–**	–
Headline earnings adjustment	**5 638 482**	1 612 163	**5 525 603**	1 601 195	**–**	3 579	**596**	6 953	**112 283**	436
CORE HEADLINE EARNINGS/(LOSS) FOR THE YEAR	**797 862**	4 147 296	**895 120**	4 280 137	**864**	1 494	**59 873**	53 874	**(157 995)**	(188 209)

The Company is domiciled in the Republic of South Africa. The revenue earned from external customers in South Africa is R13.0 billion (2025: R14.0 billion), and from external customers from other countries is R3.8 million (2025: R4.1 million).

The Africa Distribution segment includes revenue of R2.3 billion from an external customer.

At 31 May 2026, the Group is managed on the basis of four main business segments:
- Africa Distribution includes the distribution of prepaid airtime, starter packs and electricity of the South African network operators and utility suppliers, the distribution of ticketing and universal vouchers, as well as the distribution and financing of handsets, tablets and other devices within South Africa and certain African countries.
- International includes the investment in Oxigen Services India.
- Solutions include marketing of cellular and financial products and services through outbound telemarketing and other channels, provides inbound customer care and technical support, and markets data and analytics services.
- Corporate performs the head office administration function.

CORE HEADLINE EARNINGS

Core headline earnings is a non-IFRS measure used by the Group in evaluating the Group's performance. This supplements the IFRS Accounting Standards measures. Core net profit is calculated by adjusting net profit for the year with the amortisation of intangible assets net of deferred taxation and non-controlling interests that arise as a consequence of the PPA completed in terms of IFRS 3 - Business Combinations. Core headline earnings is calculated by adjusting core net profit with the headline earnings adjustments required by SAICA circular 1/2023.

Reconciliation of core headline earnings to relevant IFRS Accounting Standards is presented in note 1.5.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED
for the year ended 31 May 2026

1. RESULTS OF OPERATIONS CONTINUED

1.2 REVENUE

The Group earns revenue from the sale of goods and the provision of services through its vast proprietary distribution channels and platforms. Owing to the wide array of products and services provided, the Group interacts with a broad cross-section of South African society. The Group generates revenue based on various contractual arrangements with its customers, the major sources of which are listed below. These sources aggregate revenue by nature, extent, timing and risk.

Revenue source	Performance obligations included	Recognition	Measurement and terms of sale	Critical estimates and judgements
PREPAID AIRTIME, DATA AND RELATED REVENUE	A. PREPAID AIRTIME AND DATA The sale of prepaid airtime and data represents the majority of Group revenue. Prepaid airtime and data is either physical PIN, virtual PIN or PINless. Physical PIN inventory is sold in bulk to customers (who themselves are generally distributors) as and when they place orders with Blu Label. Customers will either collect the physical inventory at Blu Label depots or it will be delivered via courier to them. Virtual PIN inventory is delivered as an inventory file via secure file transfer protocol to a customer's point of sales device, secure network location or sales terminal. This file contains the same information delivered to Blu Label by the mobile networks, being PIN numbers, product codes, serial numbers and expiry dates. PINless sales relate to airtime and data sold that is not in the form of either a virtual PIN or physical voucher and accordingly no inventories exist. Airtime or data is requested by an end-user via one of the Group's customer's integrated systems, upon which Blu Label will automatically notify the applicable network to increase the relevant end-user balance. Blu Label does not take control of inventory related to PINless at any point. B. COMMISSIONS, BONUSES AND INCENTIVES Commissions, bonuses and incentives related to the sales of prepaid airtime and data are earned by the Group based on reward structures agreed with the cellular network providers.	A. PREPAID AIRTIME AND DATA Physical and virtual PIN inventory sales are recognised on transfer of control of inventory to the customer. Control is transferred at the point of delivery of physical inventory or inventory files to the customer. In general, the Group does not provide warranties, nor the right of return on inventory that has been delivered as it cannot reasonably determine whether any PINs have already been activated. The Group considers itself as the principal in the sale of PIN inventory sales, and thus recognises the full face value (transaction price) of the voucher sold net of any discounts in revenue. PINless sales are recognised on the successful completion of the airtime or data reload transaction, which culminates in an increase of the end-user's balance. It is at this point that the Group has completed its performance obligation to connect the parties through its integrated system and facilitate the transaction. The Group considers itself as the agent in the sale of PINless airtime and data, and thus recognises only the commission on the sale as revenue. B. COMMISSIONS, BONUSES AND INCENTIVES Commissions, bonuses and incentives related to the sales of prepaid airtime are recognised on a systematic basis (generally monthly) once the Group has established its right to receive payment based on the achievement of the sales, activations or recharges criteria for the period measured.	A. PREPAID AIRTIME AND DATA Physical and virtual PIN inventory sales are measured at the face value (transaction price) of the voucher sold net of any discounts. Payment arrangements vary per customer and can range from payment before delivery to terms of up to 60 days. PINless sales are based on the commission percentage earned on the face value (transaction price) of the airtime and data sold. Payment terms for PINless sales do not generally exceed three days, with settlement usually taking place the next business day. B. COMMISSIONS, BONUSES AND INCENTIVES Commissions, bonuses and incentives are measured based on the contractual value or percentage commission earned in accordance with agreements between the Group and the relevant cellular network. Payment terms do not exceed 30 days.	A. PREPAID AIRTIME AND DATA The Group has considered whether it acts in the capacity of an agent or principal in the sale of physical and virtual PIN inventory. Among other considerations, the Group maintains control of the inventory prior to sale and bears all risks related to it. The Group has concluded that, in respect of these sales, it acts as principal. In relation to PINless sales, the Group has concluded that it acts in the capacity of an agent as its primary responsibility is the facilitation of the reload transaction rather than the handling and distribution of an inventory item. B. COMMISSIONS, BONUSES AND INCENTIVES No significant judgements or estimates.
POSTPAID AIRTIME, DATA AND RELATED REVENUE	A. POSTPAID AIRTIME AND DATA Postpaid revenue is different in nature, timing and risk to prepaid airtime and accordingly is managed as a separate source. Postpaid airtime is generally sold in terms of hybrid postpaid arrangements with customers. Hybrid arrangements provide the customer with a fixed amount of airtime which, when exhausted, will result in the conversion of the customer to prepaid. Both postpaid and prepaid revenue generated in terms of this delivery model is included in this aggregation. The Group's performance obligation on a hybrid contract is to make available an active line for the month and provide the agreed airtime value for the customer to use on that line. B. COMMISSIONS, BONUSES AND INCENTIVES Commissions, bonuses and incentives related to these arrangements, including the sale of prepaid airtime and data to this customer base, are earned by the Group in accordance with reward structures agreed with the cellular network providers.	A. POSTPAID AIRTIME AND DATA Revenue earned on postpaid and hybrid contracts is recognised monthly when invoiced to the customer in arrears. The Group's performance obligation is the provision of a line with airtime supplied over the duration of the contract, and accordingly revenue is recognised over time. Sales of prepaid airtime to postpaid customers is recognised in the same manner as the sale of prepaid airtime to prepaid customers described above. B. COMMISSIONS, BONUSES AND INCENTIVES Commissions, bonuses and incentives are measured based on the contractual value or percentage commission earned in accordance with agreements between the Group and the relevant cellular network. Payment terms do not exceed 30 days.	A. POSTPAID AIRTIME AND DATA Revenue earned on postpaid and hybrid contracts is measured at the face value (transaction price) of the fixed airtime provided, net of any discounts. Payment terms are generally 30 days from invoice. Prepaid airtime sold to postpaid customers is measured in the same manner described above for sales to prepaid customers. B. COMMISSIONS, BONUSES AND INCENTIVES Commissions, bonuses and incentives are measured based on the contractual value or percentage commission earned in accordance with agreements between the Group and the relevant cellular network. Payment terms do not exceed 30 days.	A. POSTPAID AIRTIME AND DATA The Group acts in the capacity of principal in relation to postpaid and hybrid contracts as the Group takes the full inventory risk, sets the price for these contracts to the end-users and is the primary obligor. B. COMMISSIONS, BONUSES AND INCENTIVES No significant judgements or estimates.

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1. RESULTS OF OPERATIONS CONTINUED

1.2 REVENUE CONTINUED

Revenue source	Performance obligations included	Recognition	Measurement and terms of sale	Critical estimates and judgements
PREPAID AND POSTPAID SIM CARDS	A. SIM CARDS AND PRELOADED AIRTIME Physical SIM cards are either sold to customers independently or with preloaded airtime through the Group's wholesale and retail distribution channels. The sale of a SIM card with preloaded airtime is considered one performance obligation by the Group and accounted for entirely within this aggregation. B. ACTIVATION BONUSES AND ONGOING REVENUE Activation bonuses are earned from the cellular networks on the successful activation of a SIM card. Ongoing commissions are earned on any subsequent airtime recharges by the customer utilising the SIM card.	A. SIM CARDS AND PRELOADED AIRTIME Revenue earned on the sale of the physical SIM card starter pack inventory, as well as preloaded airtime, is recognised when a SIM card is initially sold to the customer. B. ACTIVATION BONUSES AND ONGOING REVENUE Activation bonuses received from the networks are recognised when the SIM card is activated on the relevant mobile network. Activation criteria, as well as the point of activation, is determined by the mobile networks. Ongoing revenue and other incentives are recognised once the associated contractual criteria have been met.	A. SIM CARDS AND PRELOADED AIRTIME Revenue on the sale of the physical SIM card starter pack inventory and any preloaded airtime is measured at the individual selling price of the inventory and preloaded airtime, net of any discounts. Where the SIM card starter pack inventory is sold on extended credit terms (greater than 12 months), the revenue recognised is reduced by the financing component, which is subsequently recognised over the projected term at the effective interest rate. The payment terms for SIM card starter pack inventory sales sold on normal payment terms are between 30 and 90 days. Extended terms vary between three and 48 months. B. ACTIVATION BONUSES AND ONGOING REVENUE Activation bonuses and ongoing commissions are measured at the contractual amounts receivable. The payment terms for activation bonuses and ongoing commissions are between 30 and 90 days.	A. SIM CARDS AND PRELOADED AIRTIME Critical estimates include the estimation of the anticipated repayment term and discount rate for SIM card inventory sold on extended credit terms. The Group uses the South African Reserve Bank prime lending rate as a reference to determine the rate used in assessing the significant financing component of these sales. The Group acts in the capacity of a principal on the sale of SIM card inventory. B. ACTIVATION BONUSES AND ONGOING REVENUE The Group recognises the variable consideration relating to ongoing revenue as and when it is received because it is only at this point that it is highly probable that a significant reversal in revenue for that contract will not occur in the future. Ongoing revenue is fully constrained at the individual contract level due to the high variability in behaviour of the individual customers, including the period over which prepaid customers remain on the same SIM card (this can range from one day to a number of years) and the spending patterns of individual customers, which is also highly variable. In addition, because the terms of the ongoing revenue structure with the telecommunication companies are regularly up for negotiation, the Group is not able to predict the likelihood or magnitude of a revenue reversal.
SERVICES	Major sources of services revenue include location-based services, SMS transaction services, value-added services in the form of media and content supply to customers, call centre and data transaction services, technology services and payment provision services.	Revenue earned from services is recognised in the accounting period in which they are rendered. Where services revenue is recognised over time, the completion of the specific transaction is assessed on the basis of the actual service provided as a proportion of the total service to be provided. Due to the nature of the services rendered by the Group, most are short term in duration (less than one month), and seldom, if ever, impact more than one accounting period.	Revenue earned on transaction linked services is measured at the effective unit selling price of the service provided at the point of provision. If the service is not directly transaction linked, or provided over a longer period of time, the proportion of the selling price relating to the actual services provided compared to the total services to be provided is recognised on a monthly basis in arrears. Payment terms are between one day and 30 days.	The Group applies its judgement in the recognition of services revenue as either principal or agent. This will depend on the nature and contractual arrangements of the service provided. The Group considers who controls the service prior to it being provided, who is responsible for the performance of the service and who sets the price for the service provided. Due to the short-term nature of the services provided by the Group, no significant judgements or estimates are required to be made regarding the timing or amount of revenue recognised.
ELECTRICITY COMMISSIONS	The Group earns commissions on the facilitation of prepaid electricity sold to customers on behalf of utility suppliers.	Electricity commissions earned are recognised on the sale of a voucher to the customer. The Group cannot accept returned vouchers. Vouchers expire 12 months after issue; however, the number of expired vouchers is not significant and thus does not materially affect the quantum of commissions earned.	Electricity commissions earned are measured at the contractually agreed commission percentage per rand of electricity sold. Payment terms are generally 30 to 60 days.	The Group acts in the capacity of an agent in relation to electricity commissions. The Group has applied the same factors as those considered for services revenue in making this determination.

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1. RESULTS OF OPERATIONS CONTINUED

1.2 REVENUE CONTINUED

Revenue source	Performance obligations included	Recognition	Measurement and terms of sale	Critical estimates and judgements
HANDSETS TABLETS AND OTHER DEVICES	This category represents revenue earned on the sale of handsets, tablets, accessories and other devices to customers through the Group's wholesale and retail distribution channels.	Revenue from the sale of these goods is recognised at a point in time when control of the goods transfers to the customer, which is generally on acceptance of the goods by the customer.	Revenue on the sale of goods is measured at the effective selling price of the items sold after subtracting discounts and rebates granted to customers on volume purchases and early settlement where applicable. Revenue is measured at the consideration received in terms of the arrangement with the customer. Handsets are generally sold on extended credit terms of between 24 and 36 months, whereby the revenue recognised is reduced by a financing component, which is subsequently recognised over the projected term at the effective interest rate. Payment terms for other goods are generally between 30 and 60 days. Subsidies on handset sales are considered an incremental cost of obtaining a contract with a customer that is expected to be recovered and as such are recognised as an asset within advances to customers (refer to note 3.3.3) and amortised over the period of the contract.	The Group has assessed that the right of return that customers have in relation to sold goods does not have a significant impact on the revenue recognised. This is due to the fact that the majority of returns are related to products returned under warranty where back to back warranty arrangements are in place with the product manufacturer and thus there is a minimal impact on revenue recognised.
OTHER REVENUE	Other revenue earned by the Group on products and services which are incidental or complementary to those described above include the installation of prepaid electric meters, electricity audit projects undertaken on electricity sales for municipalities, rentals earned on point of sale and other devices used to facilitate the above major revenue streams, the sale of universal vouchers, the sale of tickets for transportation and to sporting events, and the facilitation of bill payments.	Revenue is recognised either at a point in time or over time as control is transferred to the customer in the arrangement.	Revenue is measured at the consideration received in terms of the arrangement with the customer. Payment terms are generally between 30 and 60 days.	No significant judgements or estimates.
SUBSCRIPTION INCOME SHARE	This category represents the Group's share of Cell C's income, under the subscription income-sharing arrangement (refer to note 4.2(e)), from particular postpaid subscribers that sign up, extend or upgrade their subscriptions with Cell C after 1 November 2020.	The Group's share of subscription income is recognised as revenue as and when Cell C earns the income from the particular postpaid subscribers.	The Group's share of subscription income is recognised as revenue based on the net cash flows which the Group is entitled to from Cell C that relate to the particular postpaid subscribers. The net cash flows are determined after deducting the operating costs of Cell C, borne by the Group, that are associated with these subscribers, as and when they are incurred by Cell C. To the extent the Group has facilitated the procurement of handsets to enable Cell C to fulfil its obligation of providing such handsets to these subscribers, the Group's costs are also deducted in measuring the Group's share of subscription income and handset revenue. Subsidies on handset sales are considered an incremental cost of obtaining a contract with a customer that is expected to be recovered and as such are recognised as an asset within advances to customers (refer to note 3.3.3) and amortised over the period of the contract.	Since it is Cell C that transfers goods or services to the subscribers, and not the Group, the subscribers are not considered to be customers of the Group. Similarly, Cell C is not a customer of the Group as the Group does not transfer goods or services to Cell C. Accordingly, the Group's share of subscription income does not constitute revenue from contracts with customers as defined in IFRS 15 – *Revenue from Contracts with Customers*. It is considered to be income arising in the course of the Group's ordinary activities, and is therefore presented as revenue.
FINANCE REVENUE	Interest income earned on financing arrangements where the core business of the Group is the provision of financing to its customers in its capacity as a principal financier.	Finance revenue is recognised on the accrual basis over the term of the financing provided.	Finance revenue is measured at the effective interest rate implicit in the financing arrangement.	No significant judgements or estimates.

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for the year ended 31 May 2026

1. RESULTS OF OPERATIONS CONTINUED

1.2 REVENUE CONTINUED

The following table illustrates revenue by source and by revenue-generating reportable segment (refer to note 1.1)

	Total		Africa Distribution		Solutions	
	2026 R'000	2025 R'000	**2026 R'000**	2025 R'000	**2026 R'000**	2025 R'000
Revenue from contracts with customers	**12 782 416**	13 215 098	**12 536 661**	12 989 476	**245 755**	225 622
Revenue from contracts with customers operating as a distributor	**9 835 946**	13 215 098	**9 590 191**	12 989 476	**245 755**	225 622
Prepaid airtime, data and related revenue	**5 716 540**	8 625 289	**5 716 540**	8 625 289	**–**	–
Postpaid airtime, data and related revenue	**161 663**	171 467	**161 663**	171 467	**–**	–
Prepaid and postpaid SIM cards	**307 520**	344 379	**307 520**	344 379	**–**	–
Services	**585 412**	520 167	**339 657**	294 545	**245 755**	225 622
Electricity commission	**279 499**	319 964	**279 499**	319 964	**–**	–
Handsets, tablets and other devices	**1 830 416**	2 395 249	**1 830 416**	2 395 249	**–**	–
Other revenue*	**954 896**	838 583	**954 896**	838 583	**–**	–
Revenue from contracts with customers operating as a mobile network operator**	**2 946 470**	–	**2 946 470**	–	**–**	–
Mobile services – prepaid	**1 502 735**	–	**1 502 735**	–	**–**	–
Mobile Services – postpaid	**584 096**	–	**584 096**	–	**–**	–
Services – wholesale	**429 796**	–	**429 796**	–	**–**	–
Services – roaming	**377 153**	–	**377 153**	–	**–**	–
Services – other	**52 690**	–	**52 690**	–	**–**	–
Subscription income share	**136 116**	515 246	**136 116**	515 246	**–**	–
REVENUE	**12 918 532**	13 730 344	**12 672 777**	13 504 722	**245 755**	225 622
FINANCE REVENUE	**134 276**	319 833	**134 276**	319 833	**–**	–
TOTAL REVENUE	**13 052 808**	14 050 177	**12 807 053**	13 824 555	**245 755**	225 622

* *Other revenue predominantly includes audit projects on municipalities and commissions earned on the sale of universal vouchers, bus ticketing and the facilitation of bill payments.*

** *Cell C became a subsidiary on 4 September 2025 (refer to note 2.2.1), from which date the Group temporarily recognised revenue from contracts with customers operating as a mobile network operator. These revenue streams were recognised for the roughly three-month duration that Cell C was consolidated as a subsidiary. Following the loss of control of Cell C on 27 November 2025, congruent with the listing thereof (refer to note 2.2.2), their revenue streams were no longer recognised.*

1.3 OPERATING (LOSS)/ PROFIT

	Notes	**2026 R'000**	2025 R'000
THE FOLLOWING HAS BEEN CHARGED/(CREDITED) IN ARRIVING AT OPERATING (LOSS)/ PROFIT:			
Advertising and promotional expenses[1]		**211 961**	54 275
Audit fees – services as auditors relating to the year-end audit[2]		**26 989**	19 379
Audit fees – other[3]		**1 677**	-
Consulting fees[4]		**146 702**	50 201
Foreign exchange (gain)/loss		**(892)**	1 578
Gain on effective settlement of pre-existing relationships upon obtaining control of Cell C	2.2.1	**(480 707)**	–
Gain on settlement by Cell C of leases with Dark Fibre Africa[5]	1.1	**(355 832)**	–
Impairment of inventory		**17 424**	8 034
Insurance[6]		**34 137**	27 600
IT infrastructure costs and computer-related costs[7]		**85 136**	76 831
Legal fees[8]		**4 417**	11 569
Licence fees[9]		**150 291**	87 076
Loss on disposal of property, plant and equipment		**3 163**	1 998
Loss on disposal of intangible assets		**37 092**	–
Loss on disposal of subsidiary – Cell C (including CEC)	2.2.2	**6 027 454**	–
Loss on disposal of subsidiary – other		**105 060**	–
Loss on in-substance written call option over Cell C shares issued to Sisonke Growth Partners Proprietary Limited	3.5	**140 000**	–
Loss on written put option over Cell C shares issued to Nedbank and Lesaka	3.5	**141 117**	–
Motor vehicle expenses[10]		**11 578**	11 450
Software development and IT project costs		**56 999**	70 390
Staff training[11]		**45 528**	52 492
Transaction costs related to the restructuring, unbundling and the listing of Cell C[12]		**318 992**	–
Travel – local and overseas[13]		**24 837**	17 544
IMPAIRMENTS OF GOODWILL COMPRISE THE FOLLOWING:			
Impairment of goodwill arising on Glocell Distribution Proprietary Limited	4.1	**161 697**	–
Impairment of goodwill – other	4.1	**38 895**	–
		200 592	–
FAIR VALUE MOVEMENTS COMPRISE THE FOLLOWING:			
Fair value gain on surety receivable	3.5	**(2 200)**	(2 883)
Net fair value gain on financial instruments	3.5	**21 896**	(171 433)
Fair value gain on Preference shares B	3.5	**(242 637)**	–
		(222 941)	(174 316)
BAD DEBTS AND EXPECTED CREDIT LOSS COMPRISE THE FOLLOWING:			
Bad debts and expected credit loss on loans		**(9 469)**	(284 981)
Bad debts and expected credit losses on trade receivables, other receivables and advances to customers		**224 994**	520 505
		215 525	235 524
MODIFICATION/DERECOGNITION OF FINANCIAL INSTRUMENTS COMPRISE THE FOLLOWING:			
TPC			
(Gain)/loss on modification of financial liability – Class A Preference Shares	3.4.2	**(43 238)**	18 769
Gain on derecognition of financial liability – SPV5	3.4.2	**(165 216)**	–
Loss on modification of financial liability – Gramercy	3.4.2	**15 792**	–
CEC			
Loss on derecognition of financial assets measured at amortised cost		**–**	34 103
		(192 662)	52 872

[1] *Included in 2026 is R150.6 million incurred by Cell C for the three-month period consolidated September to November 2025.*
[2] *Included in 2026 is R4.8 million incurred by Cell C for the three-month period consolidated September to November 2025.*
[3] *Included in 2026 is R1.7 million incurred by Cell C for the three-month period consolidated September to November 2025.*
[4] *Included in 2026 is R76.6 million incurred by Cell C for the three-month period consolidated September to November 2025.*
[5] *Included in 2026 is R355.8 million incurred by Cell C for the three-month period consolidated September to November 2025.*
[6] *Included in 2026 is R8.9 million incurred by Cell C for the three-month period consolidated September to November 2025.*
[7] *Included in 2026 is R6.2 million incurred by Cell C for the three-month period consolidated September to November 2025.*
[8] *Included in 2026 is R0.9 million incurred by Cell C for the three-month period consolidated September to November 2025.*
[9] *Included in 2026 is R59.6 million incurred by Cell C for the three-month period consolidated September to November 2025.*
[10] *Included in 2026 is R1.9 million incurred by Cell C for the three-month period consolidated September to November 2025.*
[11] *Included in 2026 is R2.0 million incurred by Cell C for the three-month period consolidated September to November 2025.*
[12] *Included in 2026 is R232.5 million incurred by Cell C for the three-month period consolidated September to November 2025.*
[13] *Included in 2026 is R2.1 million incurred by Cell C for the three-month period consolidated September to November 2025.*

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1 RESULTS OF OPERATIONS CONTINUED

1.4 FINANCE COSTS AND FINANCE INCOME

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

Where the core business of a Group subsidiary is providing finance to its customers, the interest earned from these customers is recognised as revenue in profit or loss. In all other scenarios, interest is recognised as a finance income or finance expense below operating profit.

	2026 R'000	2025 R'000
FINANCE COSTS		
– Bank	**17**	66
– Loans and facilities	**840 638**	1 003 071
– Related party loans (refer to note 9)	**2 400**	755
– Other	**51 445**	80 459
– Unwinding of lease liability	**96 819**	5 963
	991 319	1 090 314
FINANCE INCOME		
– Bank	**(49 803)**	(34 625)
– Loans	**(1 387)**	(6 779)
– Related party loans (refer to note 9)	**(223 607)**	(710 833)
– Related party other (refer to note 9)	**–**	(47 125)
– Other	**(2 802)**	(4 495)
	(277 599)	(803 857)

1.5 EARNINGS PER SHARE

CORE HEADLINE

Core headline earnings per share are calculated by adding back to headline earnings, the amortisation of intangible assets net of deferred taxation and non-controlling interests as a consequence of the PPA completed in terms of IFRS 3 – *Business Combinations*.

USE OF ADJUSTED MEASURES

The measures listed below are presented as management believes it to be relevant to the understanding of the Group's financial performance. These measures are used for internal performance analysis and provide additional useful information on underlying trends to equity holders. These measures are not defined terms under IFRS Accounting Standards and may therefore not be comparable with similarly titled measures reported by other entities. It is not intended to be a substitute for, or superior to, measures as required by IFRS Accounting Standards.

(A) HEADLINE EARNINGS, EARNINGS AND CORE HEADLINE EARNINGS PER SHARE

	Attributable earnings		Cents per share	
	2026 R'000	2025 R'000	2026	2025
HEADLINE EARNINGS PER SHARE				
Basic	**756 088**	4 096 406	**83.58**	455.96
Diluted	**756 088**	4 096 406	**83.39**	453.86
Core	**797 862**	4 147 296	**88.20**	461.63
EARNINGS ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS				
Basic	**(4 882 394)**	2 484 243	**(539.73)**	276.52
Diluted	**(4 882 394)**	2 484 243	**(539.73)***	275.24

(B) WEIGHTED AVERAGE NUMBER OF SHARES

Weighted average number of shares	2026 R'000	2025 R'000
Weighted average number of ordinary shares	**904 599**	898 408
Adjusted for weighted average conditional shares	**2 125**	4 154
Weighted average number of ordinary shares for diluted headline earnings	**906 724**	902 562

* *The conditional shares are not included in the weighted average number of ordinary shares for diluted earnings per share because they are anti-dilutive.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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1 RESULTS OF OPERATIONS CONTINUED

1.5 EARNINGS PER SHARE CONTINUED

USE OF ADJUSTED MEASURES CONTINUED

(C) ANALYSIS OF HEADLINE EARNINGS

	(Loss)/profit before tax and non-controlling interest R'000	Tax R'000	Non-controlling interest R'000	Headline earnings R'000
2026				
Loss attributable to equity holders of the parent	**(4 733 086)**	**47 426**	**(196 734)**	**(4 882 394)**
Net loss on disposal of property, plant and equipment	**3 163**	**(854)**	**22**	**2 331**
Net loss on disposal of intangible assets	**37 092**	**(10 015)**	**–**	**27 077**
Impairment of property, plant and equipment	**14 248**	**(3 078)**	**–**	**11 170**
Impairment of intangible assets	**144 381**	**(38 983)**	**–**	**105 398**
Impairment of goodwill	**200 592**	**–**	**–**	**200 592**
Impairment of investment in associate	**9 273**	**–**	**–**	**9 273**
Net gain on sale of associates and joint venture	**(842 171)**	**–**	**–**	**(842 171)**
Net loss on disposal of subsidiaries	**6 132 514**	**–**	**–**	**6 132 514**
Net gain on disposal of property, plant and equipment in associate/joint venture	**(7 702)**	**–**	**–**	**(7 702)**
HEADLINE EARNINGS				**756 088**
2025				
Profit attributable to equity holders of the parent	2 624 525	(143 805)	3 523	2 484 243
Net loss on disposal of property, plant and equipment	1 998	(424)	(747)	827
Impairment of property, plant and equipment	22 150	(5 981)	–	16 169
Net loss on disposal of property, plant and equipment in associate/joint venture[2]	17 755	–	–	17 755
Net loss on sale of joint venture	7 902	683	(1 631)	6 954
Reversal of impairment of investment in associate	(1 555 042)	–	–	(1 555 042)
Impairment of property, plant and equipment in associate[2]	804 387	–	–	804 387
Impairment of intangible assets in associate[2]	1 638 571	–	–	1 638 571
Impairment of leased assets in associate[2]	682 542	–	–	682 542
HEADLINE EARNINGS				4 096 406

[2] *With reference to note 2.2.1, during the prior year all of the previously unrecognised Group's share of cumulative losses in Cell C of R1.6 billion were recognised, which included these capital items.*

(D) ANALYSIS OF CORE HEADLINE EARNINGS

	2026 R'000	2025 R'000
Reconciliation between net profit and core headline earnings for the year:		
Net (loss)/profit for the year attributable to equity holders of the parent	**(4 882 394)**	2 484 243
Amortisation of intangibles raised through business combinations net of tax and non-controlling interest	**41 774**	50 890
Core net (loss)/profit for the year	**(4 840 620)**	2 535 133
Headline earnings adjustments	**5 638 482**	1 612 163
Core headline earnings	**797 862**	4 147 296

1.6 CASH GENERATED BY OPERATIONS

	Notes	2026 R'000	2025 R'000
Reconciliation of operating profit to cash generated by operations:			
Operating (loss)/profit		**(5 225 999)**	1 411 316
Adjustments for:			
Depreciation of property, plant and equipment	4.3	**72 564**	70 086
Depreciation on leased assets	4.4	**56 039**	24 303
Amortisation of intangible assets	4.2	**286 217**	399 183
Fair value gain on financial instruments	3.5	**(242 637)**	(376 324)
Fair value loss on financial instruments	3.5	**21 896**	204 891
Fair value gain on surety receivable	3.5	**(2 200)**	(2 883)
Gain on effective settlement of pre-existing relationships upon obtaining control of Cell C	2.2.1	**(480 707)**	–
Impairment of intangible assets	4.2	**144 381**	–
Impairment of property, plant and equipment	4.3	**14 248**	22 150
Impairment reversal of loans		**(10 103)**	(293 251)
Impairment of inventory		**17 424**	8 034
Impairment of goodwill	4.1	**200 592**	–
Loan forgiveness		**(719)**	–
Loss on disposal of property, plant and equipment		**3 163**	1 998
Loss on disposal of intangible assets		**37 092**	16
Loss on disposal of subsidiaries	1.3	**6 132 514**	–
Net (profit)/loss on disposal of investment in joint ventures		**(1 094)**	7 902
Termination of lease		**(144)**	(284)
Lease modification income	3.6	**(326 303)**	–
Lease incentive received		**(10 401)**	–
(Gain)/loss on modification/derecognition of financial instruments	1.3	**(192 662)**	52 872
Loss on initial recognition of financial liability	3.5	**281 117**	–
Equity compensation benefit expense	5.2	**32 913**	69 391
Changes in working capital:			
Increase in inventories		**(698 529)**	(264 243)
Increase in trade and other receivables		**(215 834)**	(1 063 727)
Increase in trade and other payables		**771 189**	694 757
Increase in advances to customers		**(239 562)**	(478 647)
		424 455	487 540

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for the year ended 31 May 2026

2 GROUP COMPOSITION

BASIS OF CONSOLIDATION

(A) SUBSIDIARIES

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(B) CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES WITHOUT CHANGE OF CONTROL

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, i.e. transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When entering into a written put on a non-controlling interest, the initial liability is recognised at the present value of the expected settlement price with a corresponding adjustment to equity. Thereafter if the non-controlling interest continues to be recognised, the Group takes subsequent changes in the expected changes in the liability as an adjustment in profit or loss. The Group believes this is an appropriate accounting policy, because there is no clear guidance in IFRS Accounting Standards as to whether IFRS 9 or 10 should be applied to the presentation of the remeasurement of a liability.

(C) ASSOCIATES AND JOINT VENTURES

Investments in associates and joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates and joint ventures includes goodwill identified on acquisition. Loans made to associates and joint ventures that are equity in nature are treated as part of the cost of the investment made.

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. The carrying amount of the investment is also adjusted for the Group's share of post-acquisition movements in other net assets.

The Group determines at each reporting date if there are any indicators which would require the Group to test whether the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount adjacent to share of profit/(loss) from associates in the statement of comprehensive income.

Dilution gains and losses arising in investments in associates and joint ventures are recognised in the income statement.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

When the Group's share of losses in an associate or joint venture equals or exceeds its interests in the associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture. Where an impairment is recognised in respect of an associate or joint venture, the Group's share of equity-accounted results reflect amortisation based on an adjusted impaired fair value.

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.

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

	Cost and share of reserves		Loans		Investments and loans	
	31 May 2026 R'000	31 May 2025 R'000	**31 May 2026 R'000**	31 May 2025 R'000	**31 May 2026 R'000**	31 May 2025 R'000
Cell C	**6 278 749**	1 701 197	**–**	3 245 909	**6 278 749**	4 947 106
Other associates and joint ventures	**127 695**	108 090	**3 467**	3 853	**131 162**	111 943
	6 406 444	1 809 287	**3 467**	3 249 762	**6 409 911**	5 059 049
Disclosed as:						
– Non-current assets	**4 969 349**	1 809 287	**–**	1 302 614	**4 969 349**	3 111 901
– Current assets	**1 437 095***	–	**3 467**	1 947 148	**1 440 562**	1 947 148

* *Refer to note 8.*

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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

(C) CLASSIFICATION OF SIGNIFICANT ASSOCIATES CONTINUED

Investment in Principal activity Country of incorporation	Associate Cell C Network provider South Africa		Other associates**		Other joint ventures**		Total	
	31 May 2026 R'000	31 May 2025 R'000	**31 May 2026 R'000**	31 May 2025 R'000	**31 May 2026 R'000**	31 May 2025 R'000	**31 May 2026 R'000**	31 May 2025 R'000
COST AND SHARE OF RESERVES								
Cost and share of reserves at the beginning of the period	**1 701 197**	–	**71 388**	64 821	**36 702**	33 512	**1 809 287**	98 333
Share of profits/(losses) from associates and joint ventures	**314 397**	(98 653)	**48 040**	22 240	**12 392**	21 037	**374 829**	(55 376)
Share of profits/(losses) after tax	**333 181**[1]	(69 278)	**48 040**	22 240	**12 392**	21 037	**393 613**	(26 001)
Amortisation of intangible assets	**(25 731)**	(102 739)	**–**	–	**–**	–	**(25 731)**	(102 739)
Deferred tax on the amortisation of intangible assets	**6 947**	73 364	**–**	–	**–**	–	**6 947**	73 364
Revaluation of investment in Cell C (note 2.2.1)	**841 077**[2]	–	**–**	–	**–**	–	**841 077**	–
Additional investment	**363 512**[3]	241 229	**–**	740	**–**	–	**363 512**	241 969
Cell C becomes a subsidiary (note 2.2.1)	**(2 835 801)**	–	**–**	–	**–**	–	**(2 835 801)**	–
Cell C becomes an associate (note 2.2.2)	**5 894 367**	–	**–**	–	**–**	–	**5 894 367**	–
Foreign currency translation reserve	**–**	–	**(2 836)**	538	**–**	–	**(2 836)**	538
Dividends received	**–**	–	**(29 626)**	(13 372)	**(186)**	–	**(29 812)**	(13 372)
Disposal of joint venture	**–**	–	**–**	–	**1 094**	(17 847)	**1 094**	(17 847)
(Impairment)/reversal of impairment of investment in associate	**–**	1 558 621	**(9 273)**	(3 579)	**–**	–	**(9 273)**	1 555 042
COST AND SHARE OF RESERVES AT THE END OF THE PERIOD	**6 278 749**	1 701 197	**77 693**	71 388	**50 002**	36 702	**6 406 444**	1 809 287
EQUITY ACCOUNTED	**4 841 654**	1 701 197	**77 693**	71 388	**50 002**	36 702	**4 969 349**	1 809 287
NON-CURRENT ASSETS HELD FOR SALE	**1 437 095**	–	**–**	–	**–**	–	**1 437 095**	–
LOANS TO ASSOCIATES AND JOINT VENTURES								
Loans at the beginning of the period	**3 245 909**	2 359 065	**3 853**	17 560	**–**	36 394	**3 249 762**	2 413 019
Loans advanced to associates and joint ventures[4]	**222 816**	1 117 366	**–**	488	**–**	28 773	**222 816**	1 146 627
Loans repaid by associates and joint ventures	**(85 668)**	(538 260)	**(206)**	(14 397)	**–**	(29 476)	**(85 874)**	(582 133)
Loans waived	**–**	–	**–**	–	**–**	(23 496)	**–**	(23 496)
Expected credit loss	**8 268**	307 738	**(180)**	202	**–**	(12 195)	**8 088**	295 745
Effective settlement upon obtaining control of Cell C (note 2.2.1)	**(3 391 325)**	–	**–**	–	**–**	–	**(3 391 325)**	–
Loans at the end of the period	**–**	3 245 909	**3 467**	3 853	**–**	–	**3 467**	3 249 762
Closing net book value	**6 278 749**	4 947 106	**81 160**	75 241	**50 002**	36 702	**6 409 911**	5 059 049

*** The Group also 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] This represents BLU's share of Cell C losses for three months from 1 June 2025 – 31 August 2025 and BLU's share of Cell C profits for six months from 1 December 2025 – 31 May 2026. Cell C was consolidated from 1 September 2025 – 30 November 2025 (three months).

[2] TPC's economic interest was deemed to be disposed of at its fair value yielding a gain of R841 million.

[3] Cell C shares purchased from SPV1's bond trustees, Gramercy, Nedbank & Lesaka. Refer to note 3.5 for further information.

[4] Loans advanced to associates and joint ventures also include the interest accrued on existing loans.

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2.2 INVESTMENT IN CELL C

CRITICAL ACCOUNTING JUDGEMENTS AND ASSUMPTIONS

(A) CLASSIFICATION OF SIGNIFICANT ASSOCIATES

During the year, there were significant changes in TPC's shareholding in Cell C, detailed as follows:

	Percentage
Shareholding with voting rights	49.53
ECONOMIC INTEREST WITHOUT VOTING RIGHTS	20.47
SPV4 – Loan to SPV4	5.47
SPV4 – Sale of a 5% shareholding in Cell C to SPV4 on loan account	5.00
SPV5 – Loan to SPV5	10.00
TOTAL ECONOMIC INTEREST AS AT 31 MAY 2025	70.00
	10.13
Purchase of shares from SPV1's bond trustees	4.04
Purchase of shares from Gramercy	6.09
TOTAL ECONOMIC INTEREST UPON ACQUIRING CONTROL	80.13
ADDITIONAL SHARES OBTAINED IN THE CELL C PRE-LISTING RESTRUCTURING NET OF DILUTION	19.79
Debt-to-equity conversions	0.01
Sale of CEC in exchange for shares	22.47
Return of Cell C airtime for shares	77.08
Purchase of additional shares from SPV4	0.00
Dilution	(79.77)
TOTAL SHAREHOLDING AND ECONOMIC INTEREST AFTER THE CELL C PRE-LISTING RESTRUCTURING	99.92
Sale of shares to Cell C management	(4.50)
Sell down	(30.00)
TOTAL ECONOMIC INTEREST AS AT 30 NOVEMBER 2025	65.42
Sale of shares to Sisonke Growth Partners Proprietary Limited (note 2.2)	(15.95)
TOTAL SHAREHOLDING AS AT 30 NOVEMBER 2025	49.47
Purchase of Lesaka shares (note 3.5)	0.025
Purchase of Nedbank shares (note 3.5)	0.035
TOTAL SHAREHOLDING AS AT 31 MAY 2026	49.53
Total economic interest as at 31 May 2026 is accounted for as follows:	65.48
Equity accounted	49.53
Non-current assets classified as held for sale (note 8)	15.95

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for the year ended 31 May 2026

2 GROUP COMPOSITION CONTINUED

2.2 INVESTMENT IN CELL C CONTINUED

CRITICAL ACCOUNTING JUDGEMENTS AND ASSUMPTIONS CONTINUED

(A) CLASSIFICATION OF SIGNIFICANT ASSOCIATES CONTINUED

Details of the changes in the investment in Cell C are set out below:

- 31 May 2025 – Cell C was an associate
  TPC held 49.53% of the shares and voting rights in Cell C, but an economic interest of 70% by virtue of its economic interest in Cell C shares held by SPV4 (10.47% interest) and SPV5 (10% interest). Previously BLU had provided loans to SPV4 and SPV5 and since the only assets held by the SPVs to back the loans were Cell C shares, the loans were in-substance investments in those shares. Furthermore, BLU had a commitment to acquire 59,000,000 Cell C shares (4.04% interest) from SPV1's bond trustees for $109 500 and a commitment to acquire 88,939,299 Cell C shares (6.09% interest) from Gramercy for R6 million. Since both purchases were subject to the approval of the Competition Commission and other conditions precedent which were unfulfilled as of 31 May 2025, the commitments to acquire the shares were accounted for as derivative assets at 31 May 2025.

- 4 September 2025 – Cell C became a subsidiary
  Competition Commission approval was received on 3 September 2025 and the other conditions precedent to acquire the additional Cell C shares were met on 4 September 2025. This gave TPC the ability to exercise 59.66% of the voting rights and resulted in TPC having the ability to exercise control over Cell C. Upon Cell C becoming a subsidiary, TPC's economic interest at the time of 70% (equity-accounted carrying value of R1.636 billion) was deemed to be disposed of at its fair value which was estimated to be R2.477 billion (based on an estimated fair value of Cell C of R3.539 billion), yielding a gain of R841 million. After acquiring the shares from SPV1's bond trustees and Gramercy, TPC's economic interest in Cell C was 80.13%.

- 22–24 November 2025 – CEC was sold to Cell C and Cell C became an associate (49.47% shareholding, economic interest of 65.42%)
- Pre-listing restructuring of Cell C which resulted in TPC holding 99.92% of the shares in Cell C (before the sales of shares identified below):
  - TPC waived the debt owing to it by Cell C.
  - TPC sold 100% of the shares in CEC to Cell C in exchange for Cell C shares.
  - TPC returned Cell C airtime to Cell C in exchange for Cell C shares. None of these transactions had an impact on the BLU consolidated financial statements because they were all inter-company transactions.
  - TPC acquired an additional 0.008% stake in Cell C from SPV4 for no consideration. This was accounted for as a transaction with minorities resulting in a R0.7 million credit to the transaction with non-controlling interest reserve.

- TPC transferred a 4.5% stake in Cell C to Cell C Executive Management involved in the turn-around of Cell C, for no consideration.

  The shares were transferred while TPC had control of Cell C, which meant that the transaction was with equity participants and was therefore accounted for within equity as an allocation between the transaction with non-controlling interest reserve and non-controlling interest of the fair value of the shares of R405 million.

  Furthermore, since Cell C was a subsidiary, at the time that TPC transferred these shares, the sale constituted an equity-settled share-based payment transaction for BLU. The Cell C Executive Management must meet specified service vesting conditions to be entitled to the shares, however, should the shares not vest, they do not revert to TPC and the Cell C Remuneration Committee will determine their reallocation in accordance with the terms agreed to by the participants. The share-based payment expense for the period until Cell C was deconsolidated was immaterial given that the grant date of the share-based payment occurred shortly prior to TPC losing control of Cell C as a result of the sell-down (see below) and that the expense is recognised over the vesting period. 60% and 40% vest over an average period of 2.86 years and 4.86 years, respectively. The transfer of the shares to Cell C Executive Management constitutes an equity-settled share-based payment transaction for Cell C itself (notwithstanding that TPC sold the shares) because it will be receiving the services from the recipients of the Cell C shares. After the loss of control and to the extent that Cell C will be equity accounted, TPC's share of profits from Cell C will include the equity accounted share of the equity-settled share-based payment expense recognised by Cell C.

- TPC sold a 15.95% stake in Cell C to Sisonke Growth Partners Proprietary Limited ("Sisonke") to ensure that Cell C would meet ICASA's requirement for a minimum share ownership of 30% by historically disadvantaged individuals ("HDIs") upon Cell C's listing.

  The shares were sold at R26.50 per share on loan account with a six-year tenure bearing interest at prime overdraft rate plus 3.75% per annum. During this period, 90% of any dividends accruing to Sisonke are required to be applied to reduce the loan account outstanding. TPC has the right to repurchase any or all of the Cell C shares at the market price prevailing at the time, subject to it having the necessary regulatory approvals. Since TPC continues to bear substantially all of the risks and rewards of ownership of the shares until the loan account is settled, other than the voting rights, the sale on loan account has been accounted for as an 'in-substance' written call option (derivative liability) over the 15.95% stake with the loan account treated as the exercise price. The derivative liability is recognised at fair value through profit or loss and its fair value has been determined using the Geometric Brownian Motion model using Monte Carlo Simulations (refer to note 3.5). The variables include expected risk-free interest rates, and the anticipated volatility and dividend yield of the Cell C share. Since the loan account is taken into account in determining the fair value of the derivative liability, the loan is not separately accounted for as a loan receivable. TPC's economic interest in Cell C that is accounted for includes the 15.95% stake and Sisonke's right to keep 10% of any dividends accruing to them during the loan period is reflected in the fair value of the derivative liability. The initial fair value yielded a loss of R140 million which was recognised in other expenses in the statement of comprehensive income. The 15.95% stake is classified as a non-current asset held for sale. Refer to note 8 for further information.

- TPC sold shares in Cell C, comprising an aggregate stake of 30%, to third-party investors ahead of Cell C's listing on 27 November 2025. The sale took place at R26.50 per share, which yielded a market capitalisation of Cell C of R9.010 billion upon its listing.

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2 GROUP COMPOSITION CONTINUED

2.2 INVESTMENT IN CELL C CONTINUED

2.2.1 INVESTMENT IN CELL C: ASSOCIATE TO A SUBSIDIARY

Receiving approval from the Competition Commission made it possible for TPC to acquire an additional 10.13% stake in Cell C (4.04% from SPV1's bond trustees and 6.09% from Gramercy), thereby increasing its economic interest in Cell C to 80.13%.

From a financial reporting perspective, upon Cell C becoming a subsidiary on 4 September 2025, it was deemed that:

- TPC's economic interest at the time of 70% (equity accounted carrying value of R1.636 billion) was disposed of at its fair value which was estimated to be R2.477 billion (based on an estimated fair value of 100% of Cell C of R3.539 billion), yielding a gain of R841 million; and then
- TPC acquired an economic interest of 80.13% for a purchase price (before the effective settlement of pre-existing relationships) equal to R2.836 billion, which comprised the fair value of the 70% economic interest (R2.477 billion) plus the fair values of the derivative assets of R141 million and R210 million related to the purchase of shares from SPV1's bond trustees and Gramercy respectively, plus cash of R8 million.

Business combination accounting required BLU to reflect the effective settlement (derecognition), at fair value, of pre-existing relationships between the BLU Group and Cell C because upon acquiring control of Cell C, Cell C and BLU became a single reporting entity. These comprised the following:

	Carrying value as of 4 September 2025 R'000	Fair value as of 4 September 2025 R'000	Gain to BLU on effective settlement R'000
• Inter-company loans receivable from Cell C (R1.302 billion non-current and R2.089 billion current)	3 391 325	3 391 325	–
• Inter-company trade receivables from Cell C	94 025	94 025	–
• Inter-company trade payables to Cell C	(187 499)	(187 499)	–
• Cell C airtime	4 884 431	5 365 138	480 707
Cell C airtime (inventory)	3 552 144		
Prepayments for Cell C airtime (included in trade receivables)	1 332 287		
• Intangible assets related to the subscription income-sharing arrangement between Cell C and CEC	827 810	827 810	–
• Balances included in trade receivables related to the subscription income-sharing arrangement between Cell C and CEC (R141 million non-current and R239 million current)	379 627	379 627	–
• Deferred tax liabilities related to the subscription income-sharing arrangement assets that were derecognised	(223 509)	(223 509)	–
TOTAL	9 166 210	9 646 917	480 707

Although the purchase price of TPC's economic interest of 80.13% was calculated as R2.836 billion, after taking into account the fair value of what BLU received upon the effective settlement of the pre-existing relationships of R9.647 billion, it means that BLU effectively paid R12.483 billion to acquire 80.13% of the assets and liabilities of Cell C that do not relate to transactions or relationships with BLU. BLU elected to measure the non-controlling interest ("NCI") of 19.87% at its fair value of R703 million upon acquiring control of Cell C. Therefore, for the purposes of the PPA required by business combination accounting, the total purchase price for 100% of the assets and liabilities of Cell C that do not relate to transactions or relationships with BLU was calculated as R13.186 billion. The PPA is shown on page 53 with goodwill being the excess of the total purchase price over the net identifiable assets and liabilities of Cell C recognised by BLU.

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STATEMENT OF FINANCIAL POSITION OF CELL C REFLECTING THE IMPACT OF THE PPA UPON ACQUIRING CONTROL

	R'000
NON-CURRENT ASSETS	
Property, plant and equipment and right-of-use assets	751 812
Intangible assets	11 687 836
Spectrum	8 620 000
Brand	1 646 000
Computer software	1 376 323
Other	45 513
Equity-accounted investments	11 017
TOTAL NON-CURRENT ASSETS	12 450 665
CURRENT ASSETS	
Inventories	42 686
Trade and other receivables	941 749
Cash and cash equivalents	306 707
TOTAL CURRENT ASSETS	1 291 142
NON-CURRENT LIABILITIES	
Lease liabilities	1 848 465
Deferred tax	209 984
TOTAL NON-CURRENT LIABILITIES	2 058 449
CURRENT LIABILITIES	
Trade and other payables	4 314 965
Interest-bearing borrowings	461 439
Lease liabilities	266 724
Contract liabilities	115 269
TOTAL CURRENT LIABILITIES	5 158 397
Net identifiable assets and liabilities with third parties at fair value	6 524 961
Goodwill	6 660 955
Purchase price	13 185 916

2.2.2 INVESTMENT IN CELL C: SUBSIDIARY TO ASSOCIATE

Ahead of Cell C's listing on 27 November 2025, TPC sold shares in Cell C to third-party investors, comprising an aggregate stake of 30% for cash of R2.703 billion. Based on the sell-down price, the market capitalisation of the new Cell C Group (which includes CEC) upon listing was R9.010 billion. Upon the sell-down, TPC lost control of Cell C as a result of its shareholding and voting rights being reduced to 49.47% which only gives TPC significant influence. As a result, the new Cell C Group was deconsolidated and TPC's economic interest of 65.42% was recognised as an investment in an associate which was measured initially at R5.894 billion based on the market capitalisation of the new Cell C Group upon the sell-down. Included in the carrying value of the investment in Cell C is goodwill of R404 million. The sell-down resulted in a loss of R6.027 billion which is recognised in other expenses in the statement of comprehensive income.

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2 GROUP COMPOSITION CONTINUED

2.2 INVESTMENT IN CELL C CONTINUED

2.2.3 ASSESSMENT OF CONTROL OVER CELL C

As of 31 May 2026, TPC's shareholding (and voting rights) in Cell C is 49.53%.

The Cell C Board of Directors makes decisions that significantly affect Cell C's returns (the relevant activities). TPC has no rights to appoint any directors on the Cell C Board. The appointment of directors is by ordinary resolution and given that TPC does not hold a majority of the shareholder voting rights, TPC cannot unilaterally pass such ordinary resolution. Accordingly, TPC does not control the Cell C Board and therefore does not control Cell C.

It is noted that although TPC's economic interest includes the 15.95% stake in Cell C that was sold to Sisonke (refer to note 2.2), TPC has no ability to direct how the voting rights attached to these shares are exercised. Sisonke holds these voting rights. In addition, although TPC has the right to repurchase the shares sold to Sisonke, doing so requires the prior approvals of the Competition Commission and the ICASA and it is unlawful to give effect to a transaction before such approval is obtained.

Furthermore, given that Cell C is now listed and there have been significant changes in its shareholders, there is currently no basis for concluding that TPC's voting rights will constitute the majority of the voting rights cast at a Cell C shareholders' meeting. Therefore, there is no basis for concluding that TPC has de facto control over Cell C. Since TPC has significant influence, Cell C is classified as an associate at 31 May 2026.

2.3 (B) ASSESSMENT OF INVESTMENT IN ASSOCIATES AND JOINT VENTURES FOR IMPAIRMENT

Based on the share price of Cell C at 31 May 2026, TPC's economic interest of 65.48% equates to R5.9 billion. Management believes that the listed share price does not necessarily reflect the fair value of a Cell C share because it is very thinly traded. A calculation performed as at 31 May 2026 reflects a value well in excess of the carrying amount of R6.3 billion.

Blu Label Unlimited Group Consolidated Financial Statements 2026

2.4 NON-CONTROLLING INTERESTS

Set out below is the summarised financial information relating to each subsidiary that has NCI that are material to the Group at year-end. The amounts disclosed for each subsidiary are before inter-company eliminations with other companies in the Group.

SUBSIDIARY NAME:	TJ Group[1]		Blu Label Data Solutions		Cigicell Proprietary Limited[2]	
PRINCIPAL PLACE OF BUSINESS	South Africa		South Africa		South Africa	
SEGMENT	Africa Distribution		Solutions		Africa Distribution	
	2026	2025	**2026**	2025	**2026**	2025
NCI (%)	**40**	40	**19**	19	**26**	26
	R'000	R'000	**R'000**	R'000	**R'000**	R'000
Non-current assets	**138 519**	122 032	**63 813**	74 855	**23 531**	17 995
Current assets	**73 216**	66 254	**67 467**	87 539	**821 905**	603 366
TOTAL ASSETS	**211 735**	188 286	**131 280**	162 394	**845 436**	621 361
Capital and reserves	**52 246**	69 196	**83 159**	109 388	**174 865**	146 551
Non-current liabilities	**26 385**	29 506	**–**	–	**–**	–
Current liabilities	**133 104**	89 584	**48 121**	53 006	**670 571**	474 810
TOTAL EQUITY AND LIABILITIES	**211 735**	188 286	**131 280**	162 394	**845 436**	621 361
ACCUMULATED NCI[3]	**22 696**	29 706	**15 800**	20 784	**45 465**	38 103
SUMMARISED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY						
Revenue	**164 812**	149 813	**267 429**	215 505	**428 234**	370 801
Total comprehensive income for the year	**(15 163)**	(24 931)	**51 662**	43 300	**32 539**	28 840
Comprehensive income allocated to NCI	**(6 065)**	(9 972)	**9 816**	8 227	**8 460**	7 401
SUMMARISED CASH FLOWS FOR THE YEAR ENDED 31 MAY						
Cash flows (utilised in)/generated from operating activities	**(3 496)**	8 870	**16 863**	6 873	**(20 162)**	43 271
Cash flows (utilised in)/generated by in investing activities	**(40 936)**	(50 061)	**(21 678)**	(2 450)	**8**	(18 549)
Cash flows generated from/(utilised in) financing activities	**41 941**	30 134	**11 702**	–	**5 168**	(18 658)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	**(2 491)**	(11 057)	**6 887**	4 423	**(14 986)**	6 064
DIVIDENDS PAID TO NCI	**–**	–	**9 500**	6 460	**–**	20 020

1 *The TJ Group consists of Transaction Junction Proprietary Limited and Transaction Junction (Namibia) Proprietary Limited.*
2 *Cigicell Proprietary Limited includes its subsidiaries, Visual Revenue Management Proprietary Limited (VRM) and Blu Energy Proprietary Limited.*
3 *Accumulated NCI excludes the share-based payment reserve adjustments because the awards are treated as cash-settled in the separate entities' financial statements.*

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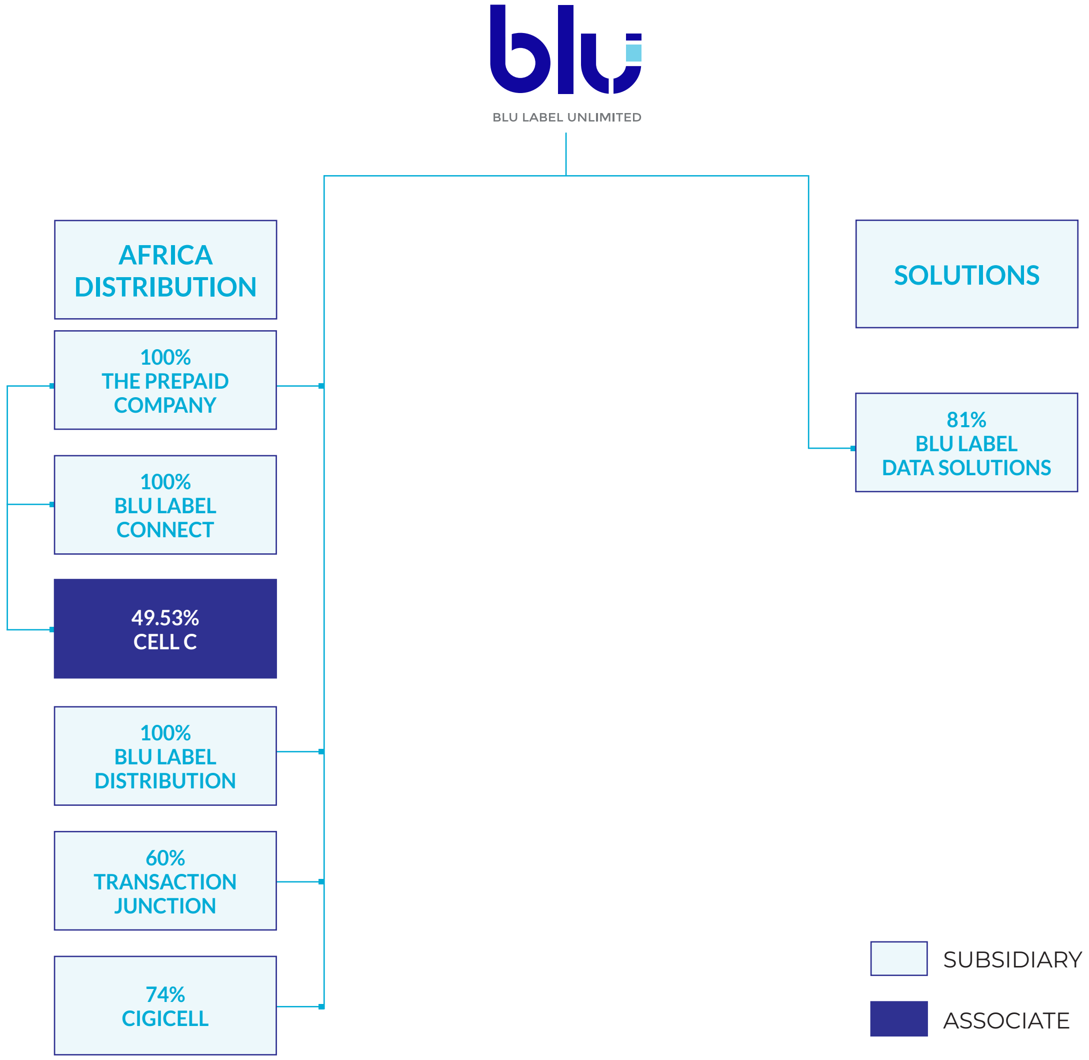
for the year ended 31 May 2026

2 GROUP COMPOSITION CONTINUED

2.5 INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Blu Label Unlimited Group Limited conducts its operations through various wholly owned subsidiaries, associates and joint ventures, the principal activities of the Group are conducted through the following significant entities to the Group:



A full list of the subsidiaries, associates and joint ventures to the Group is available, upon request, at the registered offices of the Group.

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

3.1 FINANCIAL INSTRUMENTS

Financial instruments carried on the statement of financial position are as follows:

CLASSES	CATEGORIES	Carrying value 2026 R'000	Carrying value 2025 R'000
NON–CURRENT ASSETS*			
Loans to associates	Amortised cost	–	1 302 614
Loans receivable	Amortised cost	**98 251**	46 536
Advances to customers	Amortised cost	–	653 146
Financial assets at fair value through profit or loss	Fair value through profit or loss	–	128 521
		98 251	2 130 817
CURRENT ASSETS**			
Loans to associates	Amortised cost	**3 467**	1 947 148
Loans receivable	Amortised cost	**92 162**	57 240
Trade and other receivables[1]	Amortised cost	**2 632 421**	2 944 312
Advances to customers	Amortised cost	–	990 621
Financial assets at fair value through profit or loss	Fair value through profit or loss	–	411 074
Cash and cash equivalents	Amortised cost	**964 739**	822 104
		3 692 789	7 172 499
NON–CURRENT LIABILITIES*			
Non–current lease liability	Amortised cost	**19 527**	36 551
Financial liabilities at fair value through profit or loss	Fair value through profit or loss	**140 000**	242 637
Borrowings	Amortised cost	**4 592 618**	2 743 848
		4 752 145	3 023 036
CURRENT LIABILITIES**			
Trade and other payables[2]	Amortised cost	**5 741 930**	5 715 637
Lease liability	Amortised cost	**11 821**	10 393
Borrowings	Amortised cost	**75 430**	2 673 100
Borrowings from associates and joint ventures	Amortised cost	–	34 528
Bank overdraft	Amortised cost	**21**	831
		5 829 202	8 434 489
		(6 790 307)	(2 154 209)

[1] *Carrying value per statement of financial position is R3.076 billion (2025: R4.301 billion) which includes R443 million (2025: R1.357 billion) relating to prepayments and tax receivables, which are not financial assets.*

[2] *Carrying value per statement of financial position is R5.922 billion (2025: R5.975 billion) which includes R179.8 million (2025: R259 million) relating to employee benefits and tax payables, which are not financial liabilities.*

* *The fair values of non-current assets and liabilities approximate their carrying values due to their terms being market-related.*

** *The fair values of current assets and liabilities approximate their carrying values due to their short-terms (less than 12 months).*

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

The Group elects on a contract by contract basis to apply IFRS 9 and IFRS 7 to financial guarantee contracts and not IFRS 17.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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for the year ended 31 May 2026

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

3.1 FINANCIAL INSTRUMENTS CONTINUED

MEASUREMENT ON INITIAL RECOGNITION

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, except for those classified as fair value through profit or loss which are initially measured at fair value excluding transaction costs. Transaction costs directly attributable to the acquisition of financial assets, or incurrence of financial liabilities, classified at fair value through profit or loss are recognised immediately in profit or loss. A trade receivable without a significant financing component is initially recognised at the transaction price.

In instances in which the valuation techniques applied to determine fair value of financial assets/financial liabilities on initial recognition do not use only data that is from observable markets, any resulting day one gains/losses are deferred and are recognised as part of the carrying values of the related financial asset/financial liability. These gains/losses are only recognised subsequently to the extent that they arise from a change in a factor (including time) that market participants would take into account when pricing the financial asset/financial liability.

SUBSEQUENT MEASUREMENT

Subsequent measurement of financial assets and financial liabilities depends on their classification.

The Group classifies financial assets on initial recognition as measured at amortised cost or fair value through profit or loss ("FVTPL") on the basis of the Group's business model for managing the financial asset and the cash flow characteristics of the financial asset.

CATEGORY	SUBSEQUENT MEASUREMENT
FINANCIAL ASSETS	
Amortised cost	The financial asset is held within a business model with the objective to collect the contractual cash flows, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.
Fair value through profit or loss	The financial asset does not qualify for measurement at amortised cost or fair value through other comprehensive income.

Financial assets are not reclassified unless the Group changes its business model for managing those financial assets. Reclassification is done prospectively from the date that the Group changes its business model.

Financial liabilities are classified as measured at amortised cost except for:
- derivatives which are measured at fair FVTPL;
- financial liabilities designated by the Group upon initial recognition to be at FVTPL because of the existence of one or more derivatives embedded within the financial liabilities which would otherwise need to be separated out resulting in the host financial liabilities being measured at amortised cost and the derivative(s) being measured at FVTPL; and
- financial guarantee contracts which are measured initially at their fair value, and subsequently at the higher of:
  - the amount of the loss allowance determined using the same approach as that used for impairment of financial assets measured at amortised cost (see Impairment of financial assets measured at amortised cost on below); and
  - the initial fair value less, when appropriate, the cumulative amount of income recognised in accordance with the principles of revenue recognition.

Financial assets are classified as current on the statement of financial position if expected to be realised within 12 months of the statement of financial position reporting date; if not, they are classified as non-current. Financial liabilities are classified as non-current if the Group has the right to defer settlement beyond 12 months of the statement of financial position reporting date; if not, they are classified as current.

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DERECOGNITION OF FINANCIAL ASSETS

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership.

A modification of the terms of a financial asset is assessed to determine whether it results in derecognition. If the modification is substantial, the original financial asset is derecognised and a new financial asset is recognised. The difference between the carrying amount of the financial asset derecognised and the fair value of the new financial asset is recognised in profit or loss.

DERECOGNITION OF FINANCIAL LIABILITIES

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, the original liability is derecognised, and a new financial liability is recognised. The difference between the carrying amount of the financial liability derecognised and the fair value of the new financial liability is recognised in profit or loss.

IMPAIRMENT OF FINANCIAL ASSETS MEASURED AT AMORTISED COST

The Group calculates its allowance for credit losses for financial assets measured at amortised cost using expected credit losses ("ECLs"). Credit losses are cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the original effective interest rate ("EIR"), or at the original credit-adjusted EIR for purchased or originated credit-impaired financial assets. ECLs are probability weighted averages of credit losses.

For all financial assets measured at amortised cost, except for trade and other receivables, the Group measures the related loss allowance at an amount equal to 12-month ECLs, which is the portion of lifetime ECLs that result from default events that are possible within the 12 months after the reporting date. Once a significant increase in credit risk occurs, the loss allowance is measured based on lifetime ECLs. For trade and other receivables, the Group measures the related loss allowance at lifetime ECLs from initial recognition.

Purchased or originated credit-impaired financial assets are financial assets that are credit-impaired on initial recognition. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred, for example:
- significant financial difficulty of the borrower;
- default or past due event;
- other lenders having granted the borrower concessions for economic or contractual reasons relating to the borrower's financial difficulty that they would not otherwise consider;
- probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Since the original credit-adjusted EIR reflects lifetime ECLs at initial recognition, the Group only recognises the cumulative changes in lifetime ECLs since initial recognition as a loss allowance for purchased or originated credit-impaired financial assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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for the year ended 31 May 2026

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

3.2 FINANCIAL RISK MANAGEMENT

In the course of its business, the Group is exposed to a number of financial risks, namely credit risk, liquidity risk and market risk (including interest rate and foreign currency risks). This note presents the Group's objectives, policies and processes for managing its financial risk and capital.

Risk management is monitored and managed by key personnel of each entity in the Group on a daily basis, based on their specific operational requirements.

3.2.1 CREDIT RISK

Credit risk, or the risk of financial loss to the Group due to customers or counterparties not meeting their contractual obligations, is managed through the application of credit approvals, limits and monitoring procedures.

The Group is exposed to credit risk on financial assets mainly in respect of those assets detailed in the financial instruments table. The carrying amounts of financial assets represent the maximum credit exposure.

EXPECTED CREDIT LOSSES

The Group tracks significant increases in credit risk using information available to the Group regarding the counterparty credit risk. Furthermore, this is supplemented by taking into account the performance of the counterparty to the financial asset in question, as well as data from Moody's Analytics where applicable.

The Group calculates its allowance for credit losses for financial assets measured at amortised cost using ECLs.

ECLs were determined by the Group based on an unbiased, probability-weighted amount that is determined by evaluating a range of possible outcomes and, where relevant, reflecting the time value of money. In accordance with the requirements of IFRS 9, ECL allowances are required to be measured in a way that incorporates information available at the reporting date about past events, current conditions and forecasts of future economic conditions. Each of these were used in calculating the ECL on the in-scope financial assets of the Group. Moody's Analytics is used to incorporate forward looking information in the determination of ECLs. Moody's consider the effect of various macro-economic phenomena and events to be embedded in the underlying actual results of entities, and, as a result, reflected in the probability of default ("PD") assumption of underlying ECL methodologies. As such, no significant overlays or other adjustments, other than the macro-economic forecasts, have been included in the current and prior financial years.

Moody's Analytics produces a set of macro-economic forecasts for South Africa that considers the historical accuracy of various forecasters to identify reliable sources. These are incorporated into their GCorr macro-economic forecast set. Based on research conducted by Moody's Analytics, it recommends the use of its Baseline, Stronger Near-Term Rebound (S1), and Moderate Recession (S3) forecast sets weighted 40%, 30% and 30% (2025: 40%, 30%, 30%) respectively for a forward looking adjustment for the purposes of IFRS 9. It considers both public and private South African company defaults in this research. The methodology considers the industry of the asset and the related volatility in comparison to the average volatility in the South African economy.

Significant increases in credit risk can be evaluated with reference to movements in the balances between the grouping categories used throughout this note.

Management defines default as the situation when counterparties fail to make payments in a timely manner and future payments are either suspended or unlikely.

For counterparties where no external credit ratings are available, the Group has used a management-determined credit risk rating model. The management of the Group performs a rigorous internal rating assessment process of all external counterparty credit risk exposures and rates these exposures grouping them into the below five groups which are then aligned to equivalent Moody's sourced default ratings.

The groupings below are referenced throughout this note:
- Group 1: Fully performing counterparties with a credit rating equivalent to a Moody's rating of B1 or higher. ECL range up to 8.7% (2025: up to 8.25%).
- Group 2: Fully performing counterparties with a credit rating equivalent to a Moody's rating of between B1 and B2. ECL range of 8.7% to 10.78% (2025: 8.25% to 10.16%).
- Group 3: Fully performing counterparties with a credit rating equivalent to a Moody's rating of between B2 and Ca. ECL range of 10.78% to 51.89% (2025: 10.16% to 51.68%).
- Group 4: Counterparties who are considered to be in default and have an equivalent Moody's rating of Ca or lower. ECL of 51.89% to 100% (2025: 51.68% to 100%).
- Group 5: Counterparties which have been designated as credit-impaired or originated credit-impaired loans. ECL based on the credit rating of the underlying counterparty.

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These groupings are generally aligned to the staging requirements of IFRS 9 as follows:
- Group 1 financial assets are typically Stage 1.
- Group 2 financial assets are typically Stage 1, with minor Stage 2 balances.
- Group 3 financial assets are typically Stage 1 and Stage 2 balances.
- Group 4 financial assets are typically Stage 3.
- Group 5 (POCI) financial assets are typically Stage 3.

The table below discloses the credit quality of the financial assets carried at amortised cost (excluding advances to customers and trade receivables) of the Group:

	2026 R'000	2025 R'000
Group 1	1 079 729	862 886
Group 2	41 887	64 315
Group 3	37 003	2 532
Group 4	–	–
Group 5	–	3 245 909
TOTAL	1 158 619	4 175 642

THE MOVEMENT IN ECLS (EXCLUDING TRADE RECEIVABLES) OF THE GROUP:

	2026 R'000	2025 R'000
PROVISION FOR IMPAIRMENT		
Balance at the beginning of the year	204 828	447 622
Allowances made during the year	266 958	194 588
Amounts utilised	(118 669)	(437 382)
Disposal of subsidiaries	(343 456)	–
AT 31 MAY	9 661	204 828

(I) CASH AND CASH EQUIVALENTS

The Group places cash and cash equivalents with major banking groups and financial institutions.

The counterparties were categorised as follows:
Group 1: Financial institutions with a Moody's long-term debt issuer rating of Ba2 or better, or cash on hand, with an insignificant ECL.

	2026 R'000	2025 R'000
COUNTERPARTIES WITH EXTERNAL CREDIT RATING		
Group 1	964 739	822 104
TOTAL	964 739	822 104

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for the year ended 31 May 2026

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

3.2 FINANCIAL RISK MANAGEMENT CONTINUED

3.2.1 CREDIT RISK CONTINUED

(II) LOANS TO ASSOCIATES AND JOINT VENTURES

The Group has provided loans to associates and joint ventures as part of specific transactions, to satisfy operational as well as other requirements. These associates and joint ventures are located in South Africa.

The Group manages credit risk on this portfolio of loans by following strict protocols for the approval thereof, and where possible obtaining appropriate security and other collateral. Management regularly reviews these loans and uses an internal ratings-based system to track credit risk thereon. Refer to note 2.1.1.

The table below discloses the credit quality of the loans to associates and joint ventures of the Group for which no external credit ratings are available. Equivalent credit ratings were based on the latest Moody's default ratings.

These ratings include forward looking adjustments for all relevant economic factors. Management defines default as when counterparties fail to make payments and future payments are either suspended or unlikely. Management writes off loans where they have actively pursued the debt and there is no indication of recovery.

	Gross carrying amount R'000	Loss allowance R'000	Net carrying amount R'000	Average ECL ratio %
31 MAY 2026				
Loans advanced to counterparties without external ratings included in:				
Group 3	**3 994**	**(527)**	**3 467**	**(13.19)**
	3 994	**(527)**	**3 467**	
31 MAY 2025				
Loans advanced to counterparties without external ratings included in:				
Group 1	4 200	(347)	3 853	(8.26)
Group 5	3 118 907	127 002	3 245 909	4.07
	3 123 107	126 655	3 249 762	

(III) LOANS RECEIVABLE

The Group has provided loans to third parties who are seen as product distributors, in order to expand its distribution channels. These loans have been extended on various terms depending on management's assessment of the business rationale for the provision thereof. The Group manages credit risk by following strict protocols for the approval and monitoring of these loans, and where possible, obtaining appropriate security and other collateral.

Management regularly reviews these loans and uses an internal ratings-based system to track credit risk thereon.

The table below discloses the credit quality of the loans receivable of the Group for which no external credit ratings are available. Equivalent credit ratings were based on the latest Moody's default ratings. These ratings include forward looking adjustments for all relevant economic factors. Management defines default as when counterparties fail to make payments and future payments are either suspended or unlikely. Management writes off loans where they have actively pursued the debt and there is no indication of recovery.

The loss allowance as at 31 May 2026 for loans receivable is determined as follows:

	Gross R'000	Loss allowance R'000	Net carrying amount R'000	Average ECL ratio %
31 MAY 2026				
Loans advanced to counterparties without external ratings included in:				
Group 1	**114 990**	**–**	**114 990**	**–**
Group 2	**46 949**	**(5 062)**	**41 887**	**(10.78)**
Group 3	**37 460**	**(3 924)**	**33 536**	**(10.48)**
	199 399	**(8 986)**	**190 413**	
31 MAY 2025				
Loans advanced to counterparties without external ratings included in:				
Group 1	38 675	(1 746)	36 929	(4.51)
Group 2	71 921	(7 606)	64 315	(10.58)
Group 3	5 176	(2 644)	2 532	(51.08)
Group 4	423	(423)	–	(100.00)
	116 195	(12 419)	103 776	

(IV) TRADE AND OTHER RECEIVABLES

The Group has a diversified customer base and policies are in place to ensure sales are made to customers with an appropriate credit history and payment history. All of the Group's revenues are generated in South Africa.

Individual credit limits are set for each customer and the utilisation of these credit limits is monitored regularly.

Customers cannot exceed their set credit limit without specific Senior Management approval. Such approval is assessed and granted on a case-by-case basis. Management regularly reviews the receivables age analysis and follows up on long-outstanding receivables. The Group's customer base has been aggregated into groupings that represent, to a large degree, how the Group manages its receivables and also illustrates the spread of credit risk.

Within these aggregated groupings, the Group's exposure to credit risk is made up of banks and other financial institutions, major retailers, aggregators, independent and informal retail customers, petroleum forecourts, municipalities, private utilities and cellular networks. The balance of the customer base is widely dispersed.

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for the year ended 31 May 2026

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

3.2 FINANCIAL RISK MANAGEMENT CONTINUED

3.2.1 CREDIT RISK CONTINUED

PROVISION MATRIX

ECLs are calculated by applying a loss ratio to the aged balance of receivables at each reporting date. The loss ratio is calculated according to the ageing/payment profile of sales by applying historic/proxy write-offs to the payment profile of the sales population. In instances where there was no evidence of historical write-offs, management used a proxy write-off for similar receivables obtained from external credit rating agencies. Receivable balances have been grouped so that the ECL calculation is performed on groups of receivables with similar risk characteristics and ability to pay.

Exposures are mainly segmented by customer type, i.e. banks and other financial institutions, major retailers, aggregators, independent and informal retail customers, petroleum forecourts, municipalities, private utilities and cellular networks. This is done to allow for risk differentiation. 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 Probability of Default and Loss Given Default are then adjusted for forward looking information to determine a point-in-time adjustment.

Forward looking information is also used to derive a base, upside and downside scenario given multiple forecasts under the guidance of Moody's. These assumptions are applied to determine the ECL for the portfolio of receivables at the reporting date to the extent that there is a strong correlation between the forward looking information and the ECL.

In most instances, no material adjustments were required to accommodate forward looking information, as the majority of receivables were settled within a relatively short period (under 60 days on average).

The Group used 60 to 72 months' sales data to determine the payment profile of the sales. Where the Group has information about actual historical write-offs, actual write-offs have been used to determine a historic loss ratio. Alternatively, management has used a proxy write-off, based on management's best estimate including information obtained from an external ratings agency (Moody's). The Group has considered quantitative forward looking information such as the core inflation rate. Qualitative assessments have also been performed, of which the impact was found to be immaterial.

Management considers trade receivables aged in excess of 90 days past due (where the excessive ageing is not caused by administrative delays that are within the control of the Group), and those handed over to the Group's attorneys for legal collection processes, to be in default and accordingly increases the allowance for impairment raised on these receivables. This policy is applied to all receivables, other than receivables for starter packs, municipalities, private utilities or specific circumstances where management has rebutted the presumption that a customer is in default when 90 days past due as a result of the inherent nature of the product/transaction being undertaken which follows a business cycle in excess thereof.

Receivables for starter packs are considered to be in default where no income has been earned from activation or ongoing revenue in the last three months and the receivable has aged in excess of the anticipated repayment cycle. Receivables from municipalities and private utilities are considered to be in default where the net exposure to the counterparty, after deduction of the collateral held, has aged in excess of 12 months, or where handed over to the Group's attorneys for legal collection purposes.

Trade receivables are written off when there is no reasonable expectation of recovery. This is assessed individually by each operation and includes, for example, where the trade receivables have been handed over for collection and remain outstanding or the debtor has entered bankruptcy. Other receivables and other financial assets are individually assessed by management based on each situation's unique facts and circumstances and are written off when management believes that there is no reasonable expectation of recovery.

The loss allowance as at 31 May 2026 for trade receivables and other receivables to which the provision matrix has been applied is determined as follows:

AGEING AND IMPAIRMENT ANALYSIS

	Gross R'000	Loss allowance R'000	Net carrying amount R'000	Average ECL ratio %
31 MAY 2026				
FULLY PERFORMING RECEIVABLES				
Trade receivables arising on revenue from contracts with customers				
Banks and other financial institutions	468 889	(26)	468 863	(0.01)
Aggregators, independent and informal retail customers	624 760	(382)	624 378	(0.06)
Formal market retail customers	554 503	(1 662)	552 841	(0.30)
Customers in the petroleum sector	94 630	(180)	94 450	(0.19)
Receivables for starter packs	8 423	(9)	8 414	(0.11)
Cell C	3 573	(1)	3 572	(0.03)
Other cellular networks	157 061	(11)	157 050	(0.01)
Municipalities and private utilities	117 298	(664)	116 634	(0.57)
Sundry receivables	122 675	(148)	122 527	(0.12)
Receivables from revenue recognised on fixed term contracts	110 115	–	110 115	–
PAST DUE RECEIVABLES				
Trade receivables arising on revenue from contracts with customers				
BANKS AND OTHER FINANCIAL INSTITUTIONS				
Past due by 1 to 30 days	584	–	584	–
Past due by 31 to 60 days	313	–	313	–
Past due by 61 to 90 days	–	–	–	–
Past due by more than 90 days	–	–	–	–
AGGREGATORS, INDEPENDENT AND INFORMAL RETAIL CUSTOMERS				
Past due by 1 to 30 days	173 013	(6 765)	166 248	(3.91)
Past due by 31 to 60 days	10 891	(142)	10 749	(1.30)
Past due by 61 to 90 days	9 387	(833)	8 554	(8.87)
Past due by more than 90 days	2 325	(2 325)	–	(100.00)

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3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

3.2 FINANCIAL RISK MANAGEMENT CONTINUED

3.2.1 CREDIT RISK CONTINUED

AGEING AND IMPAIRMENT ANALYSIS CONTINUED

	Gross R'000	Loss allowance R'000	Net carrying amount R'000	Average ECL ratio %
FORMAL MARKET RETAIL CUSTOMERS				
Past due by 1 to 30 days	8 167	(32)	8 135	(0.39)
Past due by 31 to 60 days	229	(3)	226	(1.31)
Past due by 61 to 90 days	42	(4)	38	(9.52)
Past due by more than 90 days	2 815	(1 972)	843	(70.05)
CUSTOMERS IN THE PETROLEUM SECTOR				
Past due by 1 to 30 days	2	–	2	–
Past due by 31 to 60 days	2	–	2	–
Past due by 61 to 90 days	155	(4)	151	(2.58)
Past due by more than 90 days	1 437	(1 437)	–	(100.00)
RECEIVABLES FOR STARTER PACKS				
Past due by 1 to 30 days	13 593	(43)	13 550	(0.32)
Past due by 31 to 60 days	–	–	–	–
Past due by 61 to 90 days	–	–	–	–
Past due by more than 90 days	83	(83)	–	(100.00)
CELL C				
Past due by 1 to 30 days	1 624	(2)	1 622	(0.12)
Past due by 31 to 60 days	22	–	22	–
Past due by 61 to 90 days	20	–	20	–
Past due by more than 90 days	45	(45)	–	(100.00)
OTHER CELLULAR NETWORKS				
Past due by 1 to 30 days	4 456	(1)	4 455	(0.02)
Past due by 31 to 60 days	1	–	1	–
Past due by 61 to 90 days	–	–	–	–
Past due by more than 90 days	–	–	–	–
MUNICIPALITIES AND PRIVATE UTILITIES				
Past due by 1 to 30 days	36 426	(444)	35 982	(1.22)
Past due by 31 to 60 days	33 904	(391)	33 513	(1.15)
Past due by 61 to 90 days	12 780	(232)	12 548	(1.82)
Past due by more than 90 days	81 117	(2 229)	78 888	(2.75)
	2 655 360	(20 070)	2 635 290	(0.76)

	Gross R'000	Loss allowance R'000	Net carrying amount R'000	Average ECL ratio %
31 MAY 2025				
FULLY PERFORMING RECEIVABLES				
Trade receivables arising on revenue from contracts with customers				
Banks and other financial institutions	373 405	(32)	373 373	(0.01)
Aggregators, independent and informal retail customers	1 135 704	(1 150)	1 134 554	(0.10)
Formal market retail customers	420 367	(1 362)	419 005	(0.32)
Customers in the petroleum sector	68 816	(110)	68 706	(0.16)
Receivables for starter packs	11 149	(19)	11 130	(0.17)
Cell C	2 892	(1)	2 891	(0.03)
Other cellular networks	33 270	(3)	33 267	(0.01)
Municipalities and private utilities	129 449	(165)	129 284	(0.13)
Trade receivables arising on financing transactions				
Cell C	–	–	–	–
Other	19 066	(3 303)	15 763	(17.32)
Sundry receivables	277 127	(54 556)	222 571	(19.69)
Receivables from revenue recognised on fixed term contracts	144 091	–	144 091	–
PAST DUE RECEIVABLES				
Trade receivables arising on revenue from contracts with customers				
BANKS AND OTHER FINANCIAL INSTITUTIONS				
Past due by 1 to 30 days	317	–	317	–
Past due by 31 to 60 days	110	–	110	–
Past due by 61 to 90 days	7	–	7	–
Past due by more than 90 days	102	(102)	–	(100.00)
AGGREGATORS, INDEPENDENT AND INFORMAL RETAIL CUSTOMERS				
Past due by 1 to 30 days	194 801	(1 574)	193 227	(0.81)
Past due by 31 to 60 days	31 965	(1 522)	30 443	(4.76)
Past due by 61 to 90 days	2 852	(813)	2 039	(28.51)
Past due by more than 90 days	14 415	(14 415)	–	(100.00)
FORMAL MARKET RETAIL CUSTOMERS				
Past due by 1 to 30 days	20 140	(90)	20 050	(0.45)
Past due by 31 to 60 days	7 128	(6)	7 122	(0.08)
Past due by 61 to 90 days	5 031	(16)	5 015	(0.32)
Past due by more than 90 days	4 178	(3 441)	737	(82.36)

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for the year ended 31 May 2026

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

3.2 FINANCIAL RISK MANAGEMENT CONTINUED

3.2.1 CREDIT RISK CONTINUED

AGEING AND IMPAIRMENT ANALYSIS CONTINUED

	Gross R'000	Loss allowance R'000	Net carrying amount R'000	Average ECL ratio %
CUSTOMERS IN THE PETROLEUM SECTOR				
Past due by 1 to 30 days	–	–	–	–
Past due by 31 to 60 days	–	–	–	–
Past due by 61 to 90 days	–	–	–	–
Past due by more than 90 days	3 068	(3 068)	–	(100.00)
RECEIVABLES FOR STARTER PACKS				
Past due by 1 to 30 days	1 998	(8)	1 990	(0.40)
Past due by 31 to 60 days	19 468	(127)	19 341	(0.65)
Past due by 61 to 90 days	4	–	4	–
Past due by more than 90 days	454	(454)	–	(100.00)
CELL C				
Past due by 1 to 30 days	2 446	(1)	2 445	(0.04)
Past due by 31 to 60 days	1 800	(1)	1 799	(0.06)
Past due by 61 to 90 days	1 384	(2)	1 382	(0.14)
Past due by more than 90 days	–	–	–	–
OTHER CELLULAR NETWORKS				
Past due by 1 to 30 days	–	–	–	–
Past due by 31 to 60 days	–	–	–	–
Past due by 61 to 90 days	–	–	–	–
Past due by more than 90 days	–	–	–	–
MUNICIPALITIES AND PRIVATE UTILITIES				
Past due by 1 to 30 days	30 285	(96)	30 189	(0.32)
Past due by 31 to 60 days	22 528	(102)	22 426	(0.45)
Past due by 61 to 90 days	8 829	(109)	8 720	(1.23)
Past due by more than 90 days	47 728	(1 791)	45 937	(3.75)
	3 036 374	(88 439)	2 947 935	(2.91)

THE MOVEMENT IN ECLS:

	Trade receivables	
	2026 R'000	2025 R'000
PROVISION FOR IMPAIRMENT OF RECEIVABLES (EXCLUDING SUNDRY RECEIVABLES)		
Balance at the beginning of the year	**33 883**	28 429
Allowances made during the year	**11 335**	11 949
Amounts utilised**	**(15 148)**	(6 495)
Disposal of subsidiaries	**(10 148)**	–
At 31 May	**19 922**	33 883

*** ECLs utilised in the write-off of long-outstanding trade receivables, where collection avenues were exhausted.*

3.2.2 LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due, both under normal and stressed circumstances.

The Group's objective is to maintain prudent liquidity risk management by maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available. Cash flow forecasting is performed in the operating entities of the Group to ensure sufficient cash to meet operational needs, while maintaining sufficient headroom to ensure that borrowing limits (where applicable) are not breached.

Surplus cash held by the operating entities over and above the balance required for working capital management is transferred to Group treasury. Group treasury invests surplus cash in interest-bearing accounts, identifying instruments with sufficient liquidity to provide adequate headroom as determined by the above mentioned forecasts.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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for the year ended 31 May 2026

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

3.2 FINANCIAL RISK MANAGEMENT CONTINUED

3.2.2 LIQUIDITY RISK CONTINUED

MATURITY OF FINANCIAL LIABILITIES

The table below analyses the undiscounted cash flows for the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

		Payable in:				
	Notes	Less than one month or on demand R'000	More than one month but not exceeding one year R'000	More than one year but not exceeding two years R'000	More than two years but not exceeding five years R'000	Carrying value at 31 May 2026 R'000
2026						
Interest-bearing borrowings	3.4.2	**40 990**	**286 027**	**4 680 268**	**–**	**4 645 359**
Non-interest-bearing borrowings	3.4.2	**3 192**	**–**	**–**	**–**	**3 192**
Trade and other payables*	3.4.1	**4 153 740**	**1 588 190**	**–**	**–**	**5 741 930**
Lease liabilities	3.6	**1 097**	**13 057**	**13 045**	**10 752**	**31 348**
Borrowings from associates and joint ventures	3.4.2	**105**	**20 649**	**–**	**–**	**19 497**
Bank overdraft	3.3.4	**21**	**–**	**–**	**–**	**21**
Financial guarantee liabilities		**–**	**75 000**	**250 000**	**–**	**–**
TOTAL		**4 199 145**	**1 907 923**	**4 693 313**	**10 752**	**10 441 347**

		Payable in:				
	Notes	Less than one month or on demand R'000	More than one month but not exceeding one year R'000	More than one year but not exceeding two years R'000	More than two years but not exceeding five years R'000	Carrying value at 31 May 2025 R'000
2025						
Class A Preference Shares	3.4.2	–	–	–	292 621	208 079
Gramercy loan payable	3.4.2	–	225 000	112 500	–	303 573
SPV 5 obligation	3.4.2	–	100 000	75 000	–	155 941
Other interest-bearing borrowings	3.4.2	1 696 057	977 525	2 049 936	367 270	4 748 636
Non-interest-bearing borrowings	3.4.2	719	–	–	–	719
Trade and other payables*	3.4.1	3 495 369	2 220 971	–	–	5 715 637
Lease liabilities	3.6	1 981	16 433	11 065	25 619	46 944
Financial liabilities at fair value through profit or loss	3.5	–	6 570	1 500	242 637	242 637
Borrowings from associates and joint ventures	3.4.2	199	36 910	–	–	34 528
Bank overdraft	3.3.4	839	–	–	–	831
TOTAL		5 195 164	3 583 409	2 250 001	928 147	11 457 525

* *Trade and other payables exclude non-financial instruments, being VAT and certain amounts included within accruals and sundry creditors.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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for the year ended 31 May 2026

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

3.2 FINANCIAL RISK MANAGEMENT CONTINUED

GROUP FACILITIES

The Group has access to the following facilities in order to meet its liquidity needs:

Facility	Borrower	Investec Bank	Rand Merchant Bank	Futuregrowth Asset Management	Value R'000	Interest rate	Interest period	Final repayment date
General Banking facility	The Prepaid Company Proprietary Limited	69.6%	30.4%	—	500 000	Prime + 1%	Monthly	30 September 2027
Revolving Credit Facility A	The Prepaid Company Proprietary Limited	23.8%	10.3%	65.9%	660 000	Prime + 1%	Monthly	30 September 2027
Term Facility	The Prepaid Company Proprietary Limited	37.5%	37.5%	25%	69 000	Prime + 1%	Monthly	30 September 2026
Transaction Facility	The Prepaid Company Proprietary Limited	—	100%	—	1 900 000	Prime - 1.5%	Monthly	30 September 2027
Bridge loan	The Prepaid Company Proprietary Limited	38.4%	61.6%	—	1 510 000	Prime + 0.5%	Monthly	30 September 2027
					4 639 000			

For details of the amount utilised of each facility, refer to note 3.4.2.

- The following debt covenants applied to the General Banking Facility, Revolving Facility A, Term Facility and Bridge loan with Investec Bank, Rand Merchant Bank and Futuregrowth Asset Management:
  – Total consolidated debt to adjusted consolidated EBITDA ratio must be less than a stipulated decreasing ratio at each measurement period, from 3.5 times at 31 May 2026 to 2.5 times for all measurement periods expiring thereafter; and
  – BLU's market capitalisation must exceed R3 billion.

The Group has not been in breach in respect of these covenants.

In addition to these facilities, the Group has sufficient working capital resources in the form of cash, trade receivables and realisable inventory to be able to adequately meet its short-term obligations.

The Group has overdraft, credit card and debit order collection facilities with FNB, a division of FirstRand Bank Limited (FNB).

PLEDGES, GUARANTEES AND SURETIES

In 2019, TPC and BLU provided a guarantee to African Bank Limited ("ABL"), limited to R250 million, to guarantee the payment obligation of Comm Equipment Company (Pty) Ltd ("CEC") to ABL under loan facilities granted by ABL to CEC. In 2023 BLU provided a guarantee to Samsung Electronics South Africa (Pty) Ltd ("Samsung") limited to R75 million, to guarantee the payment obligations of CEC to Samsung for goods sold by Samsung to CEC. CEC was a wholly owned subsidiary of TPC until November 2025, when TPC sold its shares in CEC to Cell C. A term of the sale was that Cell C would procure the release of BLU and TPC from the guarantees in favour of ABL and Samsung. Pending such release, Cell C provided TPC and BLU with a back to back indemnity, in terms of which TPC and BLU are immediately indemnified by Cell C against any loss they may incur pursuant to either ABL or Samsung calling upon the guarantees.

3.2.3 MARKET RISK

Market risk is the risk that changes in market prices (interest rate and currency risk) will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group is exposed to risks from movements in interest rates and foreign exchange rates that affect its assets, liabilities and anticipated future transactions. The Group is not exposed to significant levels of price risk.

(I) INTEREST RATE RISK

The Group's cash flow interest rate risk arises from loans receivable, cash and cash equivalents, and borrowings carrying interest at variable rates. The Group's financial position and financial results are not affected by fair value interest rate risk as the Group does not have any fixed interest-bearing instruments carried at fair value other than the instruments detailed in note 3.5 where the fair value risk of these instruments is detailed.

As part of the process of managing the Group's exposure to interest rate risk, interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates.

	Potential (decrease)/increase to profit before tax*
	2026 R'000
	9 535

* *Relates to a 0.25% (25 basis points) increase/decrease in the market interest rates.*

The interest rate sensitivity analysis is based on the following assumptions:
- changes in market interest rates affect the interest income or expense of variable interest financial instruments; and
- changes in market interest rates only affect profit or loss in relation to financial instruments with fixed interest rates if these are recognised at fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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for the year ended 31 May 2026

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

3.2 FINANCIAL RISK MANAGEMENT CONTINUED

3.2.3 MARKET RISK CONTINUED

(II) FOREIGN CURRENCY RISK

The Group is exposed to foreign currency risk from transactions and translations. Transaction exposure arises because affiliated companies undertake transactions in currencies other than their functional currency. Translation exposure arises where affiliated companies have a functional currency other than rand.

The Group manages its exposure to foreign currency risk by ensuring that the net foreign currency exposure remains within acceptable levels. Hedging instruments may be used in certain instances to reduce risks arising from foreign currency fluctuations. The Group's foreign currency exposure has reduced substantially due to its writing off certain USD-denominated loans.

In the current year, the Group incurred a foreign exchange gain of R0.9 million (2025: R1.6 million loss) mainly as a result of the Group's USD exposure.

FOREIGN CURRENCY SENSITIVITY ANALYSIS

The Group does not have significant exposure to foreign currency, and thus volatility in exchange rates will not have a significant impact on the Group.

(III) CAPITAL ADEQUACY RISK

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust this capital structure, the Company may issue new shares, adjust the amount of dividends paid to shareholders, return capital to shareholders or sell assets to reduce debt. The Group defines capital as capital and reserves and non-current borrowings. The Group is required to maintain a market capitalisation of R3 billion in terms of its covenants with Investec Bank in respect of TPC's working capital facility.

Blu Label Unlimited Group Consolidated Financial Statements 2026

3.3 FINANCIAL ASSETS

3.3.1 LOANS RECEIVABLE

	2026 R'000	2025 R'000
Interest-free loans	40 921	39 308
Interest-bearing loans receivable	158 478	76 888
Less: Provision for impairment	(8 986)	(12 420)
	190 413	103 776
Amounts included in non-current portion of loans receivable	98 251	46 536
Amounts included in current portion of loans receivable	92 162	57 240

All loans receivable are unsecured and repayable within five years. Interest-bearing loans bear interest at a range of between prime and prime plus two percent. The fair value of the loans, which include loans to product distributors, approximates their carrying value.

3.3.2 TRADE AND OTHER RECEIVABLES

Trade receivables comprise receivables that are due from customers which arise from transactions for the sale of goods and rendering of services in the ordinary course of business. For details related to the ECLs, refer to note 3.2.1. Receivables for prepayments and VAT are stated at their nominal values.

The following table provides an analysis of the Group's trade and other receivables, including an analysis of trade receivables by originating transaction type as well as by counterparty:

	2026 R'000	2025 R'000
TRADE RECEIVABLES ARISING ON REVENUE FROM CONTRACTS WITH CUSTOMERS	2 422 570	2 615 156
Banks	469 786	373 941
Aggregators, independent and informal retail customers	820 375	1 398 803
Formal market retail customers	564 778	456 844
Customers in the petroleum sector	96 226	71 884
Receivables for starter packs	22 098	33 073
Cell C	6 263	8 522
Other cellular networks	161 518	33 270
Municipalities and private utilities	281 526	238 819
Less: Provision for impairment	(19 922)	(33 883)
Net trade receivables	2 402 648	2 581 273
Receivables from revenue recognised on fixed term contracts	110 115	144 091
Prepayments	300 849	1 186 276
Net sundry debtors	122 992	236 084
VAT	138 923	152 972
	3 075 527	4 300 696

The fair value of the trade and other receivables approximates their carrying amounts due to the market-related discount factor that has been applied to the balances.

There is a cession of trade receivables, including inter-group balances, of R2.146 billion (2025: R2.332 billion) in favour of the Group bankers for facilities referred to in note 3.2.

RECEIVABLES FOR STARTER PACKS

The normal operating cycle for some starter pack debtors exceeds 12 months but are considered current due to management expecting to realise the assets in their normal operating cycle.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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for the year ended 31 May 2026

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

3.3 FINANCIAL ASSETS CONTINUED

3.3.2 TRADE AND OTHER RECEIVABLES CONTINUED

RECEIVABLES FROM REVENUE RECOGNISED ON FIXED TERM CONTRACTS

The Group's receivables from revenue recognised on fixed term contracts comprise the following movements for the year:

	2026 R'000	2025 R'000
Balance at the beginning of the year	144 091	169 304
Revenue recognised – handsets, tablets and other devices	139 287	191 942
Revenue recognised – finance revenue	20 712	27 313
Amounts becoming due in the year	(193 975)	(244 468)
	110 115	144 091

Included in receivables from revenue recognised on fixed term contracts are amounts of R24 million (2025: R29 million) which have a cycle period in excess of 12 months but are considered current due to management expecting to realise the assets in their normal operating cycle of 24 months.

PREPAYMENTS

Included in prepayments is an amount of Rnil (2025: R152 million) relating to payments to Cell C where TPC does not bear the risks and rewards of ownership until it is able to freely sell the prepaid airtime. As a result these amounts have not been included into prepaid airtime inventory. The prepayment will be tested for impairment at each reporting date.

3.3.3 ADVANCES TO CUSTOMERS

Advances to customers comprised receivables arising on financing transactions where, in substance, the nature of the business activities undertaken by certain subsidiaries of the Group was to engage in the provision of financing.

Upon the disposal of Cell C (including CEC) advances to customers have been derecognised.

	2026 R'000	2025 R'000
Handset financing and subscription income-sharing receivables	–	1 908 275
Less: Provision for impairment	–	(264 508)
	–	1 643 767
Amounts included in non-current portion of advances to customers	–	653 146
Amounts included in current portion of advances to customers	–	990 621

The fair value of the advances to customers approximates their carrying amounts due to the market-related discount factor that has been applied to the balances.

3.3.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and deposits held on call with banks.

	2026 R'000	2025 R'000
Cash at bank	963 007	820 782
Cash on hand	1 732	1 322
	964 739	822 104
Bank overdraft	(21)	(831)
	964 718	821 273

Included in this balance is restricted cash of R2.7 million (2025: R34.2 million), received on behalf of and immediately due to third parties, which may not be utilised in the Group's ordinary course of business.

3.4 FINANCIAL LIABILITIES

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Refer to accounting policies on borrowings and trade and other payables for financial liabilities (which exclude employee-related liabilities and VAT), and share capital for equity instruments issued by the Group.

3.4.1 TRADE AND OTHER PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

	2026 R'000	2025 R'000
Trade payables	5 076 112	4 915 823
Accruals	225 932	263 762
Employee benefits	152 193	185 652
Sundry creditors	453 553	536 939
VAT	13 887	72 713
	5 921 677	5 974 889

The fair value of the trade and other payables approximates their carrying amounts due to being payable in the short term.

3.4.2 BORROWINGS

	2026 R'000	2025 R'000
Interest-bearing borrowings	4 664 856	5 450 757
Non-interest-bearing borrowings	3 192	719
	4 668 048	5 451 476
Amounts included in non-current portion of borrowings	4 592 618	2 743 848
Amounts included in current portion of borrowings	75 430	2 707 628
CATEGORIES OF BORROWINGS:		
Class A Preference shares	–	208 079
Facilities	4 642 297	4 737 834
Gramercy loan payable	–	303 573
SPV5	–	155 941
Borrowings from associates and joint ventures	19 497	34 528
Other third-party borrowings	6 254	11 521
Total borrowings	4 668 048	5 451 476

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for the year ended 31 May 2026

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

3.4 FINANCIAL LIABILITIES CONTINUED

3.4.2 BORROWINGS CONTINUED

	Class A Preference Share* R'000	Gramercy loan payable R'000	SPV5 R'000
OPENING BALANCE AS AT 1 JUNE 2025	208 079	303 573	155 941
Long-term borrowings raised	21 468	–	–
Interest expense	17 332	18 135	9 275
Loss on modification of financial liability	(43 238)	15 792	–
Gain on derecognition of financial liability	–	–	(165 216)
Repayments	(203 641)	(337 500)	–
CLOSING BALANCE AS AT 31 MAY 2026	–	–	–
Amounts included in current portion of borrowings	–	–	–
Amounts included in non-current portion of borrowings	–	–	–
Effective interest rate (%)	11.53	12.00	11.61

* *The preference dividends are indexed to 15% of the 'upside' realised by TPC on the debt funding to Cell C (refer to "Loans to Cell C" in note 2.1.1). The liability has been modified for the change in expectations of the future dividends payable based on the updated expectation of the future cash flows related to the debt funding.*

CREDIT FACILITIES

	Facility utilised*	
FACILITY	2026 R'000	2025 R'000
General banking facility – Investec	349 132	349 050
General banking facility – RMB	152 000	152 467
Revolving Facility A – Investec, RMB, Futuregrowth Asset Management	660 624	660 425
African Bank	–	1 699 270
Bridge loan – Investec	580 524	–
Bridge loan – RMB	930 841	–
Transaction Facility – RMB	1 900 000	1 600 000
Investec term facility	69 176	276 622
TOTAL BORROWINGS	4 642 297	4 737 834

* *Includes interest accrued not yet settled.*

For terms of these facilities, refer to note 3.2.2

The Group did not default on any loans or breach any terms of the underlying agreements during the year.

The fair value of the borrowings approximates their carrying amounts due to these balances bearing interest at market-related rates.

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CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Borrowings due within one year R'000	Borrowings due after one year R'000	Total R'000
OPENING BALANCE AS AT 1 JUNE 2024	1 166 190	2 910 060	4 076 250
Movement between current and non-current	274 536	(274 536)	–
Loan modification	–	18 769	18 769
Borrowings raised*	2 111 824	55 464	2 167 288
Interest accrued on borrowings	803 453	34 091	837 544
Borrowings capital repaid	(860 160)	–	(860 160)
Borrowings interest repaid	(788 215)	–	(788 215)
CLOSING BALANCE AS AT 31 MAY 2025	2 707 628	2 743 848	5 451 476
Movement between current and non-current	(1 181 893)	1 181 893	–
Acquisition of subsidiary's (Cell C) borrowings	461 439	–	461 439
Disposal of subsidiaries' (Cell C and CEC) borrowings	(571 838)	(868 591)	(1 440 429)
Loan modification	(192 662)	–	(192 662)
Loan forgiveness	(719)	–	(719)
Borrowings raised	309 626	1 535 468	1 845 094
Interest accrued on borrowings	811 809	–	811 809
Borrowings capital repaid	(1 468 297)	–	(1 468 297)
Borrowings interest repaid	(799 663)	–	(799 663)
CLOSING BALANCE AS AT 31 MAY 2026	75 430	4 592 618	4 668 048

* *Borrowings raised are reflected in cash flows from financing activities (refer to the Group Statement of Cash Flows) with the exception of R408 million in the prior year relating to the Gramercy obligation, for which the Group received a claim of the same amount against Cell C Limited, and R148 million relating to TPC's funding obligations to SPV5, for which the Group received an effective interest in Cell C (refer to note 2.1).*

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for the year ended 31 May 2026

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

3.5 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Changes in the instruments are as follows:

	Surety loan receivable R'000	SPV5 derivative liability R'000	Class B Preference Shares R'000	SPV1 Derivative asset* R'000	Gramercy Derivative asset* R'000	Escrow receivable R'000	Lesaka derivative liability R'000	Nedbank derivative liability R'000	Sisonke Derivative Liability R'000	Total R'000
BALANCE AS AT 1 JUNE 2024	131 870	(11 238)	(46 483)	–	–	25 063	–	–	–	99 212
Additions	–	–	–	–	–	37 136	–	–	–	37 136
Repayments	–	–	–	–	–	(21 087)	–	–	–	(21 087)
Derecognition	–	7 381	–	–	–	–	–	–	–	7 381
Fair value gain recognised in profit or loss	2 883	3 857	(196 154)	149 030	223 437	(8 737)	–	–	–	174 316
BALANCE AS AT 31 MAY 2025	**134 753**	**–**	**(242 637)**	**149 030**	**223 437**	**32 375**	**–**	**–**	**–**	**296 958**
Additions	–	–	–	–	–	16 913	-	-	–	16 913
Loss on initial recognition	–	–	–	–	–	–	(48 095)	(93 022)	(140 000)	(281 117)
Fair value gain/(loss) recognised in profit or loss	2 200	–	242 637	(7 985)	(13 911)	–	–	–	–	222 941
Settlements	–	–	–	(141 045)	(209 526)	–	–	–	–	(350 571)
Repayments	(21 964)	–	–	–	–	(26 030)	–	–	–	(47 994)
Derecognition upon the disposal of Cell C (including CEC)	–	–	–	–	–	(23 258)	–	–	–	(23 258)
Derecognition	(114 989)	–	–	–	–	–	48 095	93 022	–	26 128
BALANCE AS AT 31 MAY 2026	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(140 000)**	**(140 000)**
Financial liabilities at fair value through profit or loss – included in non-current liabilities	–	–	–	–	–	–	–	–	(140 000)	(140 000)

* *Refer to note 2.2.1.*

SURETY LOANS RECEIVABLE

Surety loans relate to the personal sureties that B Levy and M Levy signed for the US dollar denominated loan owed by 2DFine Holdings Mauritius to Gold Label Investments Proprietary Limited. Their liability was previously limited to the difference between the loan owing to Gold Label Investments Proprietary Limited and the value of 16.95% of the shares in Oxigen Services India Private Limited ("Oxigen Services") and 17.29% of the shares in Oxigen Online Services India Private Limited (Oxigen Online). Effectively on 1 December 2025, the loan was converted from USD into ZAR and bears interest at prime less 1.5%, payable annually each November, with the final instalment due on 30 November 2030. On the modification date, the loan was derecognised as a financial instrument at fair value and re-recognised as a loan receivable measured at amortised cost.

CLASS B PREFERENCE SHARES

TPC issued Class B Preference Shares to the funders for a nominal issue price.

Given that the indexation of the cash flows under the Class B Preference Shares to a 5% shareholding in Cell C results in them containing an embedded derivative which would otherwise need to be stripped out and accounted for separately, the Class B Preference Shares have been designated to be financial liabilities at FVTPL. The preference shares are initially recognised by the Group at fair value and subsequently measured at FVTPL.

Prior to the pre-listing restructuring of Cell C, the fair value of Cell C was zero, resulting in the Class B Preference Shares being settled at zero.

ESCROW RECEIVABLE

A risk margin held in Escrow covered any shortfall on sold debtors, with the balance released to CEC once the subscription agreement matured. The receivable has been derecognised upon the disposal of Cell C (including CEC).

Any gains or losses arising from changes in fair value will be included in profit or loss.

The fair value of this financial asset was determined through the discounting of post churn cash flows after taking into account the credit risk of the books sold.

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for the year ended 31 May 2026

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

3.5 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS CONTINUED

LESAKA DERIVATIVE LIABILITY

Ahead of the pre-listing restructuring of Cell C, TPC entered into an agreement with Lesaka, giving Lesaka the right to require TPC to purchase its Cell C shares for R50 million. Lesaka's shareholding in Cell C after the restructuring was 0.025%.

Lesaka exercised its put option prior to 30 November 2025, giving rise to a financial liability.

The fair value of this financial liability was determined with reference to the fair value of R26.50 per Cell C share and the agreed purchase price.

On 11 December 2025, TPC paid R50 million to Lesaka for the purchase of 0.025% of Cell C ordinary shares, thereby settling the financial liability.

NEDBANK DERIVATIVE LIABILITY

Ahead of the pre-listing restructuring of Cell C, TPC entered into an agreement with Nedbank, giving Nedbank the right to require TPC to purchase its Cell C shares for R96 million. Nedbank's shareholding in Cell C after the restructuring was 0.035%.

Nedbank exercised its put option prior to 30 November 2025, giving rise to a financial liability.

The fair value of this financial liability was determined with reference to the fair value of R26.50 per Cell C share and the agreed purchase price.

On 4 December 2025, TPC paid R96 million to Nedbank for the purchase of 0.035% of Cell C ordinary shares, thereby settling the financial liability.

SISONKE DERIVATIVE LIABILITY

The loan account linked to the 15.95% stake in Cell C that was sold to Sisonke (refer to Note 2.2), has been accounted for as an 'in-substance' written call option (derivative liability). Its fair value has been determined using the Monte Carlo simulation of a Geometric Brownian Motion process. The variables include expected risk-free interest rates, and the anticipated volatility and dividend yield of the Cell C share. Since the loan account is taken into account in determining the fair value of the derivative liability, the loan is not separately accounted for as a loan receivable. TPC's economic interest in Cell C that is accounted for includes the 15.95% stake and Sisonke's right to retain 10% of any dividends accruing to them during the loan period is reflected in the fair value of the derivative liability. The initial fair value yielded a loss of R140 million which was recognised in other expenses in the statement of comprehensive income.

At 31 May 2026 there is no subsequent movement in the derivative value due to Cell C's share price being unchanged from exercise price and no dividends declared to date.

As there are significant unobservable inputs to this valuation, the derivative liability has been classified as level 3.

A sensitivity analysis was performed on the Sisonke derivative liability as illustrated below:

SIGNIFICANT UNOBSERVABLE INPUTS APPLIED	(NEGATIVE)/POSITIVE VARIANCE APPLIED TO PARAMETERS*	POTENTIAL EFFECT ON PROFIT OR LOSS AND EQUITY R'000
Cell C share price volatility	(2.28%) / 2.29%	25 000 / (26 000)
Cell C dividend yield	(0.43%) / 0.42%	1 000 / (1 000)
Risk-free interest rates	(0.66%) / 0.66%	12 000 / (12 000)

* *A significant parameter has been deemed to be one which may result in a charge to profit or loss, or a change in the fair value of the asset or liability by more than 10% of the underlying value of the affected item.*

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3.6 LEASES

The Group leases various offices and warehouses. Rental contracts are typically concluded for fixed periods of one to five years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. Lease payments include fixed payments and variable lease payments that depend on an index or rate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. To determine this rate, the Group, where possible, uses recent third-party financing received, adjusted to reflect changes in circumstances and financing conditions since financing was obtained.

Payments associated with short-term leases (12 months or less) and leases of low-value assets (less than R50 000) are recognised on a straight-line basis as an expense in profit or loss.

The fair value of the lease liabilities approximates their carrying amounts as they are calculated using market-related inputs

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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for the year ended 31 May 2026

3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

3.6 LEASES CONTINUED

CRITICAL ACCOUNTING JUDGEMENTS AND ASSUMPTIONS

The term of a lease includes periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option. The Group did not take into account renewals in the majority of leases as there is material uncertainty as to whether the option to renew will be exercised. Material uncertainty arises in cases where BLU is not locked into renewals, alternative leasing arrangements are available and there is no firm commitment or formal decision to renew.

	Retail space R'000	Office space R'000	Warehouse space R'000	Motor vehicles R'000	Cell C Network assets R'000	Total R'000
LEASE LIABILITIES						
YEAR ENDED 31 MAY 2026						
Opening balance	–	43 973	2 971	–	–	46 944
Increase in liabilities	8 937	6 363	–	2 039	64 295	81 634
Acquisition of subsidiary	61 263	357 748	–	3 070	1 693 108	2 115 189
Interest expense	3 613	26 065	263	239	66 639	96 819
Repayments	(11 197)	(44 657)	(2 134)	(652)	(803 455)	(862 095)
Disposal of subsidiary	(60 552)	(358 144)	–	(4 696)	(693 168)	(1 116 560)
Lease modifications	–	–	–	–	(326 303)	(326 303)
Termination of leases	(2 064)	–	(1 100)	–	(1 116)	(4 280)
Closing balance	–	31 348	–	–	–	31 348
Included in non-current liabilities	–	19 527	–	–	–	19 527
Included in current liabilities	–	11 821	–	–	–	11 821
YEAR ENDED 31 MAY 2025						
Opening balance	–	46 570	4 325	–	–	50 895
Increase in liabilities	–	23 986	–	–	–	23 986
Interest expense	–	5 524	439	–	–	5 963
Repayments	–	(28 567)	(1 793)	–	–	(30 360)
Termination of leases	–	(3 540)	–	–	–	(3 540)
Closing balance	–	43 973	2 971	–	–	46 944
Included in non-current liabilities	–	35 253	1 298	–	–	36 551
Included in current liabilities	–	8 720	1 673	–	–	10 393

Blu Label Unlimited Group Consolidated Financial Statements 2026

4 NON-FINANCIAL INSTRUMENTS

NON-FINANCIAL ASSETS COMPRISE:

- goodwill;
- intangible assets;
- property, plant and equipment;
- right-of-use assets;
- inventories; and
- deferred revenue.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group evaluates the carrying value of assets with indefinite useful lives when events and circumstances indicate that the carrying value may not be recoverable and when there are indicators of impairment. These assets are tested annually for impairment and more frequently when events or circumstances indicate that there may be impairment.

An impairment loss is recognised in the income statement when the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of the fair value less cost of disposal (the amount obtainable from the sale of an asset in an arm's-length transaction between knowledgeable willing parties), or its value-in-use. Value-in-use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An impairment loss recognised for an asset, other than goodwill, in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the recoverable amount exceeds the new carrying amount. The reversal of the impairment is limited to the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years. The reversal of such an impairment loss is recognised in the income statement in the same line item as the original impairment charge.

4.1 GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is attributable to synergies that the Group expects to derive from the transaction. If the cost of acquisition is less than the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. Goodwill on the acquisition of subsidiaries is included in "Goodwill" in the statement of financial position. Goodwill on the acquisition of associates and joint ventures is included in "Investments in associates and joint ventures".

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment is recognised.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

ASSESSMENT OF GOODWILL FOR IMPAIRMENT

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

for the year ended 31 May 2026

4 NON-FINANCIAL INSTRUMENTS CONTINUED

4.1 GOODWILL CONTINUED

ASSESSMENT OF GOODWILL FOR IMPAIRMENT CONTINUED

These calculations require the use of estimates.

	Notes	2026 R'000	2025 R'000
YEAR ENDED 31 MAY			
Opening carrying amount	2.2.1	**717 475**	717 475
Acquisition of subsidiary		**6 660 955**	–
Disposal of subsidiaries		**(6 996 423)**	–
Impairment of goodwill		**(200 592)**	–
Closing carrying amount		**181 415**	717 475
AT 31 MAY			
Cost		**772 090**	1 113 173
Accumulated impairments		**(590 675)**	(395 698)
Carrying amount		**181 415**	717 475

The carrying amount of goodwill and intangible assets is reduced to their recoverable amounts through recognition of an impairment loss when required.

The cash-generating units to which goodwill is allocated are presented below:

	2026 R'000	2025 R'000
Aligned Partnered Solutions Proprietary Limited	**4 091**	4 091
Blu Label Distribution Proprietary Limited	**34 714**	36 364
CEC Proprietary Limited	**–[1]**	335 468
Datacel Group	**79 854**	79 854
Glocell Distribution Proprietary Limited	**–[2]**	161 697
Heroticket Proprietary Limited	**–**	511
Lipa Payments Proprietary Limited	**–**	31 630
The Prepaid Company Proprietary Limited	**62 113**	62 113
TicketPro Proprietary Limited	**–**	5 104
Visual Revenue Management Proprietary Limited	**643**	643
	181 415	717 475

[1] *TPC disposed of its 100% shareholding in CEC to Cell C in exchange for additional Cell C shares upon the listing of Cell C on the Johannesburg Stock Exchange.*

[2] *Due to the Glocell Retail Solutions restructuring and the consequential impact on Glocell Distribution, the goodwill was fully impaired.*

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

The recoverable amount has been determined based on value-in-use calculations. These calculations utilise cash flow projections derived from budget information for the forthcoming financial year that are approved by the Board of Directors, as well as management forecasts for an extended four-year period, which are based on assumptions of the business, industry, and economic growth. Cash flows beyond this period are extrapolated using terminal growth rates, which do not exceed the expected long-term economic growth rate.

The key assumptions used for the value-in-use calculations are as follows:

	2026			2025		
	Average EBITDA margin %	Terminal growth rate %	Pre-tax discount rate %	Average EBITDA margin %	Terminal growth rate %	Pre-tax discount rate %
Blu Label Distribution Proprietary Limited	**8.04**	**4.5**	**24.58**	8.17	4.5	26.44
CEC Proprietary Limited	**–**	**–**	**–**	15.56	4.5	21.97
Datacel Group	**18.84**	**4.5**	**23.38**	18.60	4.5	27.87
Glocell Distribution Proprietary Limited	**28.17[1]**	**0.0[2]**	**24.61**	85.29	2.5	23.34
The Prepaid Company Proprietary Limited	**8.31[3]**	**4.5**	**19.37**	4.65	4.5	19.79

[1] *Due to the Glocell Retail Solutions restructuring and the consequential impact on Glocell Distribution, the average EBITDA margin declined, while the long-term growth outlook for the business was revised downwards.*

[2] *The decrease in terminal growth rate % is primarily attributable to the restructuring of Glocell Distribution.*

[3] *TPC's EBITDA margin increased primarily due to a shift in customer behaviour resulting in the recognition of revenue changing from principal to agent.*

The discount rates used are pre-tax and reflect specific risks relating to the relevant associates and subsidiaries. The growth rate is used to extrapolate cash flows beyond the forecast period. The growth rates were consistent with publicly available information relating to long-term average growth rates for each of the markets in which the companies/cash-generating units operate. The Group's target debt-to-equity ratio is applied in the calculation of the weighted average cost of capital.

For all significant goodwill balances, if one or more of the inputs were changed to a reasonable possible alternative assumption, there would be no impairments that would have to be recognised.

The carrying amount of goodwill was reduced by R536.1 million during the current financial year, comprising impairment losses of R200.6 million and a further reduction of R335.5 million arising from the disposal of CEC.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

for the year ended 31 May 2026

4 NON-FINANCIAL INSTRUMENTS CONTINUED

4.2 INTANGIBLE ASSETS

Intangible assets acquired through business combinations are initially carried at fair value as determined in accordance with IFRS 3 – *Business Combinations*. Intangible assets purchased are initially carried at cost.

Intangible assets have a finite life (unless indicated otherwise) and are stated at cost, less accumulated amortisation and accumulated impairment losses, if any. Useful lives are reviewed on an annual basis, and adjusted if appropriate.

Amortisation is calculated using the straight-line method to allocate the cost of the intangible asset over its estimated useful life.

(A) DISTRIBUTION AGREEMENTS

Distribution agreements are amortised over their estimated useful lives of up to 13 years.

(B) COMPUTER SOFTWARE

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Amortisation is calculated for computer software over its estimated useful life of three to 10 years.

Costs associated with the maintenance of existing computer software programs are expensed as incurred.

(C) INTERNALLY GENERATED SOFTWARE DEVELOPMENT

Costs incurred on development projects are recognised as intangible assets when the recognition criteria as set out in IAS 38 is met, which includes when there is an ability to use or sell the intangible asset and that it can be demonstrated how the intangible asset will generate probable future economic benefits.

Research expenditure and other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised internally generated software development costs are recorded as intangible assets and amortised from the point at which the asset is available for use (i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management) over its useful life of five to 10 years. Direct costs include the product development employee costs and an appropriate portion of relevant overheads. Costs associated with the maintenance of existing products are expensed as incurred.

(D) PURCHASED STARTER PACK BASES AND POSTPAID BASES

Starter packs capitalised represent customer relationships that the Group has contractually acquired. The purchased starter pack base asset is identifiable as it arises from a contract. The contract provides the Group with control over the customer base. The customer base is intangible as it does not have physical substance and is non-monetary. This asset provides the Group with the ability to generate future economic benefits if the Group provides connection, upgrade and sales services to the customer base.

Purchased postpaid bases represent the right to share in the revenue of the cellular network in respect of contracts forming part of the acquired base, which comprises identifiable subscribers.

Amortisation of purchased and postpaid bases is calculated over their estimated useful lives of 10 years.

(E) SUBSCRIPTION INCOME-SHARING ARRANGEMENT

During the 2021 financial year, the Group, through CEC which was a subsidiary until 24 November 2025, entered into an arrangement with Cell C to facilitate Cell C's operation of its postpaid mobile telecommunication business.

The Group was entitled to receive a share of the subscription income generated by Cell C from a subset of postpaid subscribers plus certain fixed and variable payments. In return, the Group undertook to bear the operating costs in respect of Cell C's postpaid subscriber business for the duration of the arrangement. The operating costs of the postpaid base borne by the Group that were not associated with the subscribers from which the Group benefitted, were recognised as the cost of obtaining the subscription income-sharing arrangement. The Group selected the cost accumulation model to capitalise these costs to the intangible asset as and when they are incurred, net of the variable payments from Cell C, which were considered to be Cell C's contribution towards those operating costs. Capitalisation of costs to the intangible asset ceased at 31 October 2022.

The intangible asset was carried at cost less accumulated amortisation and accumulated impairment. Amortisation was calculated over the life of the arrangement, which was expected to be nine years.

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Upon acquiring control of Cell C during September 2025, the subscription income-sharing arrangement was effectively settled from a financial reporting perspective because Cell C became part of the Group. This resulted in the derecognition of the intangible asset.

(F) SUBSCRIBER ACQUISITION COSTS

Under the subscription income-sharing arrangement with Cell C, the Group agreed to bear the commissions that Cell C pays to third parties involved in signing up or upgrading the particular Cell C postpaid subscribers from which the Group benefitted. Since these costs were incremental costs that would otherwise not have been incurred had the particular subscribers not signed up with Cell C, and because they were costs borne by the Group in order to share in the subscription income generated by Cell C from these subscribers, these costs were capitalised by the Group, when incurred by Cell C, and amortised over the expected life of the related subscriber contracts between Cell C and the subscribers, which was anticipated to be up to 36 months.

This intangible asset was also derecognised upon acquiring control of Cell C during September 2025 as a result of the effective settlement of the subscription income-sharing arrangement from a financial reporting perspective.

(G) CELL C SPECTRUM AND BRAND

Upon Cell C becoming a subsidiary during September 2025, Cell C's spectrum licence and brand were recognised as intangible assets at their fair values. The spectrum licence was considered to have an indefinite useful life and the brand an estimated useful life of 20 years. Both intangible assets were derecognised when control of Cell C was lost during November 2025.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

SUBSCRIPTION INCOME-SHARING ARRANGEMENT

Management applied significant judgement in determining the appropriate accounting treatment for the subscription income-sharing arrangement with Cell C. Since the substance of the agreement with Cell C, before it was effectively settled upon acquiring control of Cell C, was that of a right to a future net income stream, not to fund Cell C, management determined that this right should be accounted for as an intangible asset. Although the Group had a contractual right to receive (net) cash flows from Cell C, these (net) cash flows only originated from Cell C as and when it provided mobile telecommunication services to the particular postpaid subscribers from which the Group benefitted. Thus, Cell C did not have an unconditional obligation to make these payments to the Group before it had a contractual right to receive such payments from these subscribers, which meant that Cell C did not have a financial liability at the commencement of the arrangement with the Group.

Accordingly, management believed that the Group's right to future cash flows under the arrangement was not a financial asset, but rather an intangible asset. Significant judgement was also applied in determining the cost of obtaining the right to the future net income stream.

Since the Group is prepared to bear Cell C's costs that do not relate to the income generated by Cell C from the new and upgrade postpaid subscribers from which the Group benefits, it was determined that such costs constitute the cost of obtaining the subscription income-sharing arrangement. The Group's share of the subscription income, net of the related operating costs borne by the Group, from the new and upgrade postpaid subscribers, until control of Cell C was acquired, is recognised as revenue refer to (note 1.2).

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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for the year ended 31 May 2026

4 NON-FINANCIAL INSTRUMENTS CONTINUED

4.2 INTANGIBLE ASSETS CONTINUED

	Distribution agreement R'000	Computer software R'000	Internally generated software development R'000	Purchased starter pack bases and postpaid bases R'000	Subscription income-sharing arrangement R'000	Subscriber acquisition costs R'000	Cell C Spectrum and brand Total R'000	Total R'000
YEAR ENDED 31 MAY 2026								
Opening carrying amount	**149 478**	**51 945**	**358 480**	**87 272**	**728 939**	**133 741**	**–**	**1 509 855**
Additions	**–**	**154 177**	**169 565**	**–**	**–**	**150 425**	**–**	**474 167**
Acquisition of subsidiary (Cell C)	**–**	**1 376 325**	**–**	**24 990**	**–**	**20 521**	**10 266 000**	**11 687 836**
Derecognition	**–**	**–**	**–**	**–**	**(687 677)***	**(140 133)***	**–**	**(827 810)**
Amortisation charge	**(14 466)**	**(99 718)**	**(31 870)**	**(11 855)**	**(41 262)**	**(66 471)**	**(20 575)**	**(286 217)**
Amortisation charged to depreciation and amortisation	**(14 466)**	**(99 718)**	**(31 870)**	**(294)**	**–**	**(6 436)**	**(20 575)**	**(173 359)**
Amortisation charged to direct operating costs	**–**	**–**	**–**	**(11 561)**	**(41 262)**	**(60 035)**	**–**	**(112 858)**
Impairments	**–**	**–**	**(144 381)****	**–**	**–**	**–**	**–**	**(144 381)**
Disposals	**–**	**(20 609)**	**(16 483)**	**–**	**–**	**–**	**–**	**(37 092)**
Disposal of subsidiaries	**(135 012)**	**(1 441 512)**	**(5 781)**	**(24 696)**	**–**	**(77 750)**	**(10 245 425)**	**(11 930 176)**
Closing carrying amount	**–**	**20 608**	**329 530**	**75 711**	**–**	**20 333**	**–**	**446 182**
AT 31 MAY 2026								
Cost	**–**	**90 855**	**512 419**	**432 974**	**–**	**63 911**	**–**	**1 100 159**
Accumulated amortisation	**–**	**(70 247)**	**(66 460)**	**(357 263)**	**–**	**(43 578)**	**–**	**(537 548)**
Accumulated impairments	**–**	**–**	**(116 429)**	**–**	**–**	**–**	**–**	**(116 429)**
Carrying amount	**–**	**20 608**	**329 530**	**75 711**	**–**	**20 333**	**–**	**446 182**
YEAR ENDED 31 MAY 2025								
Opening carrying amount	178 409	48 874	199 265	24 621	893 982	120 573	–	1 465 724
Additions	–	16 832	192 774	75 937	–	157 787	–	443 330
Amortisation charge	(28 931)	(13 745)	(33 559)	(13 286)	(165 043)	(144 619)	–	(399 183)
Amortisation charged to depreciation and amortisation	(28 931)	(13 745)	(33 559)	–	–	–	–	(76 235)
Amortisation charged to direct operating costs	–	–	–	(13 286)	(165 043)	(144 619)	–	(322 948)
Disposals	–	(16)	–	–	–	–	–	(16)
Closing carrying amount	149 478	51 945	358 480	87 272	728 939	133 741	–	1 509 855
AT 31 MAY 2025								
Cost	557 055	129 629	445 589	432 974	1 355 789	695 608	–	3 616 644
Accumulated amortisation	(407 577)	(77 684)	(87 109)	(345 702)	(626 850)	(561 867)	–	(2 106 789)
Carrying amount	149 478	51 945	358 480	87 272	728 939	133 741	–	1 509 855

* *Effective settlement of pre-existing relationships upon obtaining control of Cell C (refer to note 2.2.1).*

** *The software with a carrying value of R144 million was fully impaired as it has no future operational use, cannot be repurposed and is no longer expected to generate future economic benefits. In assessing the recoverable amount the fair value less costs of disposal and the value in use was determined to be Rnil.*

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4 NON-FINANCIAL INSTRUMENTS CONTINUED

4.3 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, and subsequent costs that may be capitalised.

Repairs and maintenance costs are charged to profit and loss as incurred.

The asset's residual values and useful lives are reviewed, and adjusted if applicable, at year-end. Where the asset's residual value is higher than the carrying value, no depreciation is provided.

Gains and losses on disposal of property, plant and equipment are determined as the difference between the carrying amount and the fair value of the sale proceeds, and are included in operating profit.

Leasehold improvements are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

	Computer equipment R'000	Media equipment R'000	Furniture, fittings and office equipment R'000	Motor vehicles R'000	Leasehold improvements R'000	Terminals and vending machines R'000	Cell C network assets R'000	Total R'000
YEAR ENDED 31 MAY 2026								
Opening carrying amount	**34 436**	**33 703**	**13 078**	**12 898**	**20 725**	**44 927**	**–**	**159 767**
Additions	**44 309**	**6 028**	**6 676**	**7 297**	**38 696**	**19 338**	**18 901**	**141 245**
Acquisition of subsidiaries	**29 169**	**–**	**2 077**	**–**	**78 892**	**–**	**104 880**	**215 018**
Disposals	**(298)**	**(472)**	**–**	**(3 573)**	**(90)**	**(832)**	**–**	**(5 265)**
Disposal of subsidiaries	**(45 114)**	**–**	**(2 652)**	**(1 839)**	**(107 164)**	**(5 347)**	**(116 882)**	**(278 998)**
Depreciation charge	**(19 028)**	**(5 314)**	**(5 307)**	**(4 655)**	**(12 285)**	**(19 076)**	**(6 899)**	**(72 564)**
Impairments*	**–**	**–**	**–**	**–**	**–**	**(14 248)**	**–**	**(14 248)**
Closing carrying amount	**43 474**	**33 945**	**13 872**	**10 128**	**18 774**	**24 762**	**–**	**144 955**
AT 31 MAY 2026								
Cost	**123 503**	**55 876**	**30 073**	**28 489**	**31 439**	**82 460**	**–**	**351 840**
Accumulated depreciation	**(80 029)**	**(21 931)**	**(16 201)**	**(18 361)**	**(12 665)**	**(31 098)**	**–**	**(180 285)**
Accumulated impairments	**–**	**–**	**–**	**–**	**–**	**(26 600)**	**–**	**(26 600)**
Carrying amount	**43 474**	**33 945**	**13 872**	**10 128**	**18 774**	**24 762**	**–**	**144 955**
YEAR ENDED 31 MAY 2025								
Opening carrying amount	42 318	34 303	16 565	15 865	13 345	92 849	–	215 245
Additions	13 141	4 590	2 089	6 177	15 913	6 639	–	48 549
Disposals	(289)	–	(732)	(3 560)	(2 785)	(4 425)	–	(11 791)
Depreciation charge	(20 734)	(5 190)	(4 844)	(5 584)	(5 748)	(27 986)	–	(70 086)
Impairments*	–	–	–	–	–	(22 150)	–	(22 150)
Closing carrying amount	34 436	33 703	13 078	12 898	20 725	44 927	–	159 767
AT 31 MAY 2025								
Cost	106 596	50 847	28 899	37 082	28 658	124 093	–	376 175
Accumulated depreciation	(72 160)	(17 144)	(15 821)	(24 184)	(7 933)	(63 948)	–	(201 190)
Accumulated impairments	–	–	–	–	–	(15 218)	–	(15 218)
Carrying amount	34 436	33 703	13 078	12 898	20 725	44 927	–	159 767

* *Impairments of property, plant and equipment are included in depreciation and amortisation in profit or loss.*

There are no property, plant and equipment assets that are encumbered.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Depreciation is calculated on the straight-line basis to write off the cost of the assets to their residual values over their estimated useful lives as follows:

Computer equipment	25% – 33.3%
Media equipment	10% – 20%
Furniture, fittings and office equipment	16.67% – 25%
Motor vehicles	20% – 25%
Terminals and vending machines	16.67% – 33.3%
Cell C network assets	5% - 33.3%

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4 NON-FINANCIAL INSTRUMENTS CONTINUED

4.4 RIGHT-OF-USE ASSETS

Right-of-use assets are stated at cost less accumulated depreciation. Right-of-use assets are recognised at the date at which the leased asset is available for use by the Group. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Right-of-use assets are measured at cost, which includes 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 restoration costs, less any lease incentives received.

	Retail space R'000	Office space R'000	Warehouse space R'000	Motor vehicles R'000	Cell C network assets R'000	Total R'000
LEASE ASSETS						
YEAR ENDED 31 MAY 2026						
Opening balance	**–**	**36 530**	**2 389**	**–**	**–**	**38 919**
Additions	**9 687**	**6 991**	**–**	**2 306**	**73 050**	**92 034**
Acquisition of subsidiary	**55 559**	**319 457**	**–**	**2 814**	**158 964**	**536 794**
Depreciation	**(8 714)**	**(29 222)**	**(1 434)**	**(712)**	**(15 957)**	**(56 039)**
Disposal of subsidiary	**(54 468)**	**(309 542)**	**–**	**(4 408)**	**(214 941)**	**(583 359)**
Termination of leases	**(2 064)**	**–**	**(955)**	**–**	**(1 116)**	**(4 135)**
Closing balance	**–**	**24 214**	**–**	**–**	**–**	**24 214**
YEAR ENDED 31 MAY 2025						
Opening balance	–	38 669	3 823	–	–	42 492
Additions	–	23 986	–	–	–	23 986
Depreciation	–	(22 869)	(1 434)	–	–	(24 303)
Termination of leases	–	(3 256)	–	–	–	(3 256)
Closing balance	–	36 530	2 389	–	–	38 919

4.5 INVENTORIES

Inventories comprise prepaid airtime, handsets and other related products.

Inventories are stated at the lower of cost (net of rebates and discounts) or net realisable value. The cost of inventory is based on the weighted average cost basis. Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses. Provisions are made for obsolete, unusable and unsaleable inventory and for latent damage first revealed when inventory items are taken into use or offered for sale. Where unused PINs have been recycled and included in inventory for resale, the Group recognises the inventory at no value.

	2026 R'000	2025 R'000
FINISHED GOODS		
Prepaid airtime	**1 085 445**	4 285 569
Handsets	**178 897**	305 513
Other*	**41 445**	74 138
	1 305 787	4 665 220

* *Other inventory mainly consists of accessories, starter packs, consumables and gym equipment.*

Inventories with a cost of R9.5 billion (2025: R10.4 billion) were sold during the year and have been charged to the income statement.

A general notarial bond is held by the Group's bankers over airtime up to R1.2 billion (2025: R3.6 billion) as security for facilities utilised.

4.6 DEFERRED REVENUE

Deferred revenue represents a prepayment by customers in relation to performance obligations which have not yet been satisfied.

Deferred revenue is recognised as earned revenue as the good or service is delivered to the customer which is expected to occur within the next reporting period and therefore is disclosed as current.

	2026 R'000	2025 R'000
AT 31 MAY	**254 925**	173 436
Amounts included in non-current portion of deferred revenue	**–**	–
Amounts included in current portion of deferred revenue	**254 925**	173 436
AT 31 MAY – BY CATEGORY	**254 925**	173 436
Ringas	**163 723**	96 858
Other	**91 202**	76 578
RINGAS[1]		
Opening balance	**96 858**	77 249
Amounts paid to network providers and commission revenue recognised in the current year relating to unredeemed Ringas voucher sales in prior years	**(20 763)**	(41 395)
Gross sales of unredeemed Ringas vouchers in the current year	**87 628**	61 004
Closing balance	**163 723**	96 858
OTHER		
Opening balance	**76 578**	41 261
Revenue recognised during the year relating to prior years	**(61 480)**	(18 403)
Gross sales of unredeemed vouchers in the current year	**76 104**	53 720
Closing balance	**91 202**	76 578

[1] *Ringas vouchers are PINless vouchers and are therefore recognised as agent. Ringas vouchers are universal, single use, prepaid airtime vouchers that allow you to top-up your number with any of the four major South African mobile networks. The balance of the vouchers becomes payable to the network providers with a portion being recognised as commission revenue once the Ringas vouchers are redeemed.*

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5 EMPLOYEES

5.1 EQUITY COMPENSATION BENEFIT

During the year, 10 031 219 (2025: 6 674 989) conditional shares were granted to qualifying employees (participant). The participant will forfeit the conditional shares if he/she ceases to be an employee of an employer company before the vesting date or if the specified performance conditions have not been met, unless otherwise specified by the rules or determined by the Board. In the event that the participant is not in the employ of the Group, or the performance conditions are not met, the shares allocated to the participant will be forfeited and will either be sold on the open market by the Escrow agent and the proceeds will be returned to the participating employer, or may be retained by the Group for future awards.

Dividends declared in respect of conditional shares are held in Escrow until such time as the performance conditions are met and the shares have vested. Shares forfeited during the vesting period will forfeit any dividends pertaining to such shares. A dividend of 43.56 cents per ordinary share was declared on 24 February 2026.

The performance conditions as at 31 May 2026 for the 15th award grant vested on 24 November 2025 were as follows:

		Group long-term incentive ("LTI") metrics*		
		Threshold	Target	Stretch
Core HEPS (30%) (compounded cumulatively over three years)			CPI + 2%	CPI + 4%
	Vesting %		30.0%	45.0%
Total shareholder return ("TSR") (30%) (performance against long bond compounded over three years plus spread)			Performance equal to three to five-year SARB nominal long bond rate +7.5%**)	125% of target
	Vesting %		30.0%	45.0%
Return on capital employed ("ROCE")*** (20%) (compared to weighted average cost of capital (WACC) over the three-year period not compounded)			ROCE greater than or equal to WACC +1% over three years	ROCE greater than or equal to WACC +2% over three years
	Vesting %		20.0%	30.0%
Environmental, social and governance ("ESG") (20%) (specific ESG metrics****)			Specific	No stretch
	Vesting %		20.0%	20.0%
ESG and Individual performance measures		Specific ESGs selected and KPIs		
	Vesting %	72.0%		

* *The Remuneration Committee ("Remco", "Committee")" may review metrics and targets post-FY2026 for new awards to ensure that they are relevant. The LTIP is calculated per metric. Values awarded will be a weighted average of scores attained versus target. All metrics will be assessed and vest on a pro rata basis applying linear interpolation basis, save for the ESG metric which will be assessed on a binary basis.*

** *In setting the TSR target, consideration was given to utilise a risk-free rate that is aligned with a typical vesting and performance period of the award, consequently a 3-5 SARB nominal long bond rate was applied as the anchor in setting TSR targets, with an appropriate spread applied to this anchor in order to set realistic but stretching targets. In addition, TSR will be assessed based on growth in market cap as well as dividends distributed to shareholders over the performance period.*

*** *ROCE is calculated using the following formula:*
ROCE = Net operating profit (EBIT)/Capital employed. Capital employed = total assets - current liabilities (excluding interest-bearing borrowings). Remco will review any prior year impairments to assess if adverse outcomes have occurred, and if so, make the necessary adjustments to the capital employed number such that the average performance is a more accurate indication to shareholders over the measurement period.

**** *Remco removed the stretch component of the ESG KPIs in the LTIP as these measures are assessed on a binary basis and only provide for the achievement of target performance, with threshold performance being assessed on a pro rata basis relative to target.*

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The performance conditions as at 31 May 2026 for the 16th and 17th award grants vesting on 31 August 2026 and 31 August 2027 respectively are as follows:

		Group LTI metrics*		
		Threshold	Target	Stretch
Core HEPS (30%) (compounded cumulatively over three years)		CPI	CPI + 2%	CPI + 4%
	Vesting %	21.6%	30.0%	45.0%
ROCE** (20%) (compared to WACC over the three-year period not compounded)		ROCE greater than or equal to WACC over three years	ROCE greater than or equal to WACC +1% over three years	ROCE greater than or equal to WACC +2% over three years
	Vesting %	21.6%	30.0%	45.0%
Strategic performance scorecard (20%)		Linked to strategic milestones	Linked to strategic milestones	Linked to strategic milestones
	Vesting %	14.4%	20.0%	30.0%
ESG (10%) (specific ESG metrics***)		Pro rata of target	Specific	No stretch
	Vesting %	7.2%	10.0%	10.00%
Personal performance (10%) (specific individual metrics***)		Pro rata of target	Specific	No stretch
	Vesting %	7.2%	10.0%	10.0%

* *Remco may review metrics and targets post-FY2026 for new awards to ensure that they are relevant. The LTIP is calculated per metric. Values awarded will be a weighted average of scores attained versus target. All metrics will be assessed and vest on a pro rata basis applying linear interpolation basis save for the ESG, strategic and individual metrics which will be assessed on a binary basis.*

** *ROCE is calculated using the following formula:*
ROCE = Net operating profit (EBIT)/Capital employed. Capital employed = total assets - current liabilities (excluding interest-bearing borrowings). The Remco will review any prior-year impairments to assess if adverse outcomes have occurred, and if so, make the necessary adjustments to the capital employed number such that the average performance is a more accurate indication to shareholders over the measurement period.

*** *The stretch component of the ESG and Individual KPIs in the LTIP are assessed on a binary basis and only provide for the achievement of target performance, with threshold performance being assessed on a pro rata basis relative to target.*

Blu Label Unlimited Group Consolidated Financial Statements 2026

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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for the year ended 31 May 2026

5 EMPLOYEES CONTINUED

5.1 EQUITY COMPENSATION BENEFIT CONTINUED

The performance conditions as at 31 May 2026 for the 18th award grants vesting on 31 August 2028 are as follows:

		Group LTI metrics*		
		Threshold	Target	Stretch
Core HEPS (30%) (compounded cumulatively over three years)		CPI	CPI + 2%	CPI + 4%
	Vesting %	21.6%	30.0%	60.0%
ROCE** (20%) (compared to WACC over the three-year period not compounded)		ROCE greater than or equal to WACC over three years	ROCE greater than or equal to WACC +1% over three years	ROCE greater than or equal to WACC +2% over three years
	Vesting %	21.6%	30.0%	60.0%
TSR – relative TSR to JSE mid-cap index (J201)*** (10%)		= J201 (mid cap index)	= J201 Average + 3%	= J201 Average + 6%
	Vesting %	7.2%	10.0%	20.0%
TSR – absolute vs. CoE**** (10%)		TSR = CAGR vs CoE	TSR = CAGR vs CoE +1%	TSR = CAGR vs CoE +2%
	Vesting %	7.2%	10.0%	20.0%
Strategy and ESG-focused balanced scorecard***** (20%)		Rating of 2 (Threshold)	Rating of 3 (Target)	Rating of 5 (Exceptional)
	Vesting %	14.4%	20.0%	40.0%

* *The Committee may review metrics and targets post-2026 for new awards to ensure they are relevant. The LTIP is calculated per metric All metrics will be assessed and vest on a pro rata basis applying linear interpolation basis.*

** *ROCE is calculated using the following formula:*
ROCE = (Net operating profit (EBIT) + associate earnings)/Capital employed. Capital employed = total assets – current liabilities (excluding interest-bearing borrowings). The Committee will review any prior year impairments to assess if adverse outcomes have occurred, and if so, make the necessary adjustments to the capital employed number such that the average performance is a more accurate indication to shareholders over the measurement period.

*** *Performance against the index:*
i. If BLU achieves a TSR CAGR equal to the CAGR of the index over the measurement period, a threshold vesting is achieved.
ii. If BLU achieves a TSR CAGR equal to the CAGR of the index + 3% over the measurement period, target vesting is achieved.
iii. If BLU achieves a TSR CAGR equal to the CAGR of the index + 6% over the measurement period, max vesting is achieved.

**** *Cost of Equity (COE):*
i. If BLU achieves a TSR CAGR equal to the average COE over the measurement period, a threshold vesting is achieved.
ii. If BLU achieves a TSR CAGR equal to their average COE + 1% over the measurement period, target vesting is achieved.
iii. If BLU achieves a TSR CAGR equal to their average COE + 2% over the measurement period, maximum vesting is achieved.

***** *Strategy and ESG-focused balanced scorecard.*

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In determining the number of conditional shares that will vest due to performance conditions being met, management assesses the attrition rates of staff based on the grades of staff that have been granted awards as well as the historic staff turnover.

Movements in the number of conditional shares outstanding during the year are as follows:

	Grant date	Vesting date	Number of shares	Fair value of grant R'000
AT 1 JUNE 2024			31 792 293	148 435
13th award			7 313 969	46 956
14th award			7 478 010	46 738
15th award			17 000 314	54 741
GRANTED DURING THE YEAR			6 674 989	32 908
17th award	29 November 2024	31 August 2027	6 674 989	32 908
SHARES FORFEITED DURING THE YEAR			(4 172 301)	(21 722)
14th award			(2 175 761)	(13 969)
15th award			(437 134)	(2 732)
16th award			(1 559 406)	(5 021)
SHARES VESTED DURING THE YEAR			(3 014 702)	(19 332)
14th award		31 August 2024	(2 882 727)	(18 507)
15th award		19 December 2024	(107 352)	(671)
15th award		22 May 2025	(24 623)	(154)
AT 31 MAY 2025			**31 280 279**	**140 289**
14th award*			**2 255 481**	**14 480**
15th award			**6 908 901**	**43 181**
16th award			**15 440 908**	**49 720**
17th award			**6 674 989**	**32 908**
GRANTED DURING THE YEAR			**10 031 219**	**84 206**
17th award**	27 November 2025	31 August 2027	**5 347 539**	**26 363**
18th award	28 November 2025	31 August 2028	**4 683 680**	**57 843**
SHARES FORFEITED DURING THE YEAR			**(2 906 441)**	**(12 649)**
15th award			**(382 143)**	**(2 389)**
16th award			**(1 277 934)**	**(4 115)**
17th award			**(1 246 364)**	**(6 145)**
SHARES VESTED DURING THE YEAR			**(8 782 239)**	**(55 272)**
14th award*		25 November 2025	**(2 255 481)**	**(14 480)**
15th award		24 November 2025	**(6 526 758)**	**(40 792)**
AT 31 MAY 2026			**29 622 818**	**156 574**
16th award			**14 162 974**	**45 605**
17th award			**10 776 164**	**53 126**
18th award			**4 683 680**	**57 843**

* *Although 2 255 481 shares vested to certain employees during the prior year in terms of the 14th scheme, the transfer and/or sale of these shares were restricted due to a closed period in terms of the JSE Listings Requirements. The shares were transferred on 25 November 2025 once the closed period had expired. The shares were included in treasury shares and management concluded that no agency relationship existed over the shares while the rights were restricted.*

** *Shares totalling 5 347 539 relating to the 17th award were not allocated to certain employees in the prior year because they were placed in a closed period. These shares were awarded on 27 November 2025 once the closed period had expired.*

Refer to note 5.2 for the expense recognised in the income statement relating to the equity compensation benefits.

The fair value of the shares is based on the open market closing price at grant date. The total number of conditional shares awarded to Executive Directors during the period is 4 503 326 (2025: Rnil). The share-based payment expense in relation to these Executive Directors is R14.0 million (2025: R13.4 million). Refer to note 5.3 for details of awards per Director.

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5 EMPLOYEES CONTINUED

5.2 EMPLOYEE COMPENSATION BENEFIT EXPENSE

(A) EQUITY COMPENSATION BENEFIT

The Group operates an equity-settled conditional share plan, under which the entity receives services from employees as consideration for equity instruments of the Group. The fair value of the services received in exchange for the grant of conditional shares is recognised as an expense. The total amount to be expensed is determined by the fair value of the conditional shares granted. The total amount expensed is recognised over the vesting period, which is the period over which all of the vesting conditions are to be satisfied. At each reporting date, the entity recognises the impact of any shares that have been forfeited prior to the end of the vesting period, if any, in the income statement with a corresponding adjustment to equity.

(B) BONUS PLANS

The Group recognises a liability and an expense for bonuses. A liability is recognised where the Group is contractually obliged or where there is a past practice that has created a constructive obligation.

The bonus expense is determined based on individual subsidiary CEO recommendation of an employee and Remuneration Committee approval as well as other non-financial measures.

In terms of the Group remuneration policy, the Joint Chief Executive Officers may earn an annual incentive bonus of up to 150% of annualised fixed remuneration and the Financial Director up to 100%. Senior Management may earn up to 75% of their annualised fixed remuneration.

	2026 R'000	2025 R'000
Salaries and wages[1]	988 644	817 535
Bonuses[2]	233 930	158 105
Equity compensation benefit	32 913	69 391
Other[3]	11 306	7 673
	1 266 793	1 052 704

[1] *Included in 2026 is R187.9 million incurred by Cell C for the 3-month period consolidated September to November 2025.*
[2] *Included in 2026 is R61 million incurred by Cell C for the 3-month period consolidated September to November 2025.*
[3] *Included in 2026 is R2.7 million incurred by Cell C for the 3-month period consolidated September to November 2025.*

5.3 DIRECTORS' EMOLUMENTS

	Services as Directors of Blu Label Unlimited Group Limited R'000	Services as Directors of subsidiaries of Blu Label Unlimited Group Limited R'000	Salary and allowances from subsidiaries R'000	Bonuses and performance-related payments R'000	Total R'000	Fair value of conditional shares R'000
FOR THE YEAR ENDED 31 MAY 2026						
EXECUTIVE DIRECTORS						
BM Levy	–	–	12 900	7 730	20 630	33 059
MS Levy	–	–	12 900	7 730	20 630	33 059
DA Suntup[1]	–	–	6 832	5 364[1]	12 196	17 509
	–	–	32 632	20 824	53 456	83 627
NON-EXECUTIVE DIRECTORS						
LM Nestadt****	3 115	–	–	–	3 115	–
JS Mthimunye*	356	74	–	–	430	–
SJ Vilakazi	1 584	–	–	–	1 584	–
H Masondo	1 075	–	–	–	1 075	–
NP Mnxasana	1 072	50	–	–	1 122	–
LE Mthimunye	1 531	28	–	–	1 559	–
RD Mokhobo**	897	–	–	–	897	–
LP Ralphs***	723	–	–	–	723	–
	10 353	152	–	–	10 505	–
	10 353	152	32 632	20 824	63 961	83 627

[1] *Included in DA Suntup's bonuses and performance-related payments is a once-off amount of R2.5 million, awarded in recognition of his involvement in the Pre-Listing Restructuring transactions and the subsequent listing of Cell C Holdings Limited on the JSE in November 2025.*
* *Resigned on 29 August 2025.*
** *Appointed on 1 October 2025.*
*** *Appointed on 24 February 2026.*
**** *Resigned effective 26 August 2026.*

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for the year ended 31 May 2026

5 EMPLOYEES CONTINUED

5.3 DIRECTORS' EMOLUMENTS CONTINUED

	Services as Directors of Blu Label Unlimited Group Limited R'000	Services as Directors of subsidiaries of Blu Label Unlimited Group Limited R'000	Salary and allowances from subsidiaries R'000	Bonuses and performance-related payments R'000	Other benefits from subsidiaries R'000	Accrued termination/ separation benefit from subsidiaries R'000	Total R'000	Fair value of conditional shares R'000
FOR THE YEAR ENDED 31 MAY 2025								
EXECUTIVE DIRECTORS								
BM Levy	–	–	12 404	15 157	–	—	27 561	38 754
MS Levy	–	–	12 404	15 157	–	—	27 561	38 754
DA Suntup	–	–	6 569	5 400	–	—	11 969	20 526
	–	–	31 377	35 714	–	—	67 091	98 034
NON-EXECUTIVE DIRECTORS								
LM Nestadt	2 635	–	–	–	–	—	2 635	–
JS Mthimunye	1 367	72	–	–	–	—	1 439	–
SJ Vilakazi	1 476	–	–	–	–	—	1 476	–
H Masondo	764	–	–	–	–	—	764	–
NP Mnxasana	958	48	–	–	–	—	1 006	–
LE Mthimunye	1 351	53	–	–	–	—	1 404	–
	8 551	173	–	–	–	—	8 724	–
	8 551	173	31 377	35 714	–	—	75 815	98 034
PRESCRIBED OFFICERS								
GB Levin[2]	–	–	2 819	–	128	4 108	7 055	–
JS Newman[2]	–	–	1 371	–	–	3 403	4 774	–
	–	–	4 190	–	128	7 511	11 829	–
	8 551	173	35 567	35 714	128	7 511	87 644	98 034

[2] *Agreements were reached wherein it was resolved that GB Levin and JS Newman would exit the Group on 30 November 2024 and 26 August 2024 respectively. Salary and allowances from subsidiaries include their respective settlement payments.*

The fair value of conditional shares per Director has been included.

No Director has a notice period of more than one year.

No Director's service contract includes predetermined compensation as a result of termination that would exceed one year's salary and benefits.

	Issue date	Issue price R	Vesting date	Awards outstanding as at the beginning of the year	Number of shares awarded during the year	Awards forfeited during the year	Awards vested during the year	Balance as at the end of the year
CONDITIONAL SHARE PLAN								
FOR THE YEAR ENDED 31 MAY 2026								
EXECUTIVE DIRECTORS								
BM Levy[3]	6 April 2022	6.42	24 November 2025	578 521	–	–	(578 521)	–
BM Levy[3]	1 September 2022	6.25	24 November 2025	874 878	–	(43 744)	(831 134)	–
BM Levy	23 October 2023	3.22	31 August 2026	1 817 001	–	–	–	1 817 001
BM Levy[4]	27 November 2025	4.93	31 August 2027	–	1 257 969	–	–	1 257 969
BM Levy[4]	28 November 2025	12.35	31 August 2028	–	522 256	–	–	522 256
				3 270 400	1 780 225	(43 744)	(1 409 655)	3 597 226
MS Levy[3]	6 April 2022	6.42	24 November 2025	578 521	–	-	(578 521)	–
MS Levy[3]	1 September 2022	6.25	24 November 2025	874 878	–	(43 744)	(831 134)	–
MS Levy	23 October 2023	3.22	31 August 2026	1 817 001	–	–	–	1 817 001
MS Levy[4]	27 November 2025	4.93	31 August 2027	–	1 257 969	–	–	1 257 969
MS Levy[4]	28 November 2025	12.35	31 August 2028	–	522 256	–	–	522 256
				3 270 400	1 780 225	(43 744)	(1 409 655)	3 597 226
DA Suntup[3]	6 April 2022	6.42	24 November 2025	306 407	–	-	(306 407)	–
DA Suntup[3]	1 September 2022	6.25	24 November 2025	463 369	–	(23 169)	(440 200)	–
DA Suntup	23 October 2023	3.22	31 August 2026	962 354	–	–	–	962 354
DA Suntup[4]	27 November 2025	4.93	31 August 2027	–	666 269	–	–	666 269
DA Suntup[4]	28 November 2025	12.35	31 August 2028	–	276 607	–	–	276 607
				1 732 130	942 876	(23 169)	(746 607)	1 905 230

[3] *As reported in the prior year, the vesting, transfer and/or sale of certain share awards to BM Levy, MS Levy and DA Suntup had been restricted by a closed period in terms of the JSE Listings Requirements. This closed period expired on 24 November 2025. Following its expiry, the shares awarded on 6 April 2022 and 1 September 2022 vested on 24 November 2025 and were transferred to the respective Directors. These shares are accordingly no longer restricted or included in treasury shares at year-end.*

[4] *The 2024 and 2025 share awards, which had not previously been allocated to BM Levy, MS Levy and DA Suntup as a consequence of the closed period referred to above, were awarded following its expiry – the 2024 awards on 27 November 2025 and the 2025 awards on 28 November 2025.*

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5 EMPLOYEES CONTINUED

5.3 DIRECTORS' EMOLUMENTS CONTINUED

	Issue date	Issue price R	Vesting date	Awards outstanding as at the beginning of the year	Number of shares awarded during the year	Awards forfeited during the year	Awards vested during the year	Balance as at the end of the year
CONDITIONAL SHARE PLAN								
FOR THE YEAR ENDED 31 MAY 2025								
EXECUTIVE DIRECTORS								
BM Levy[5]	6 April 2022	6.42	31 August 2024	803 501	–	(224 980)	–	578 521
BM Levy	1 September 2022	6.25	31 August 2025	874 878	–	–	–	874 878
BM Levy	23 October 2023	3.22	31 August 2026	1 817 001	–	–	–	1 817 001
BM Levy[6]	19 November 2024	4.93	31 August 2027	–	–	–	–	–
				3 495 380	–	(224 980)	–	3 270 400
MS Levy[5]	6 April 2022	6.42	31 August 2024	803 501	–	(224 980)	–	578 521
MS Levy	1 September 2022	6.25	31 August 2025	874 878	–	–	–	874 878
MS Levy	23 October 2023	3.22	31 August 2026	1 817 001	–	–	–	1 817 001
MS Levy[6]	19 November 2024	4.93	31 August 2027	–	–	–	–	–
				3 495 380	–	(224 980)	–	3 270 400
DA Suntup[5]	6 April 2022	6.42	31 August 2024	425 565	–	(119 158)	–	306 407
DA Suntup	1 September 2022	6.25	31 August 2025	463 369	–	–	–	463 369
DA Suntup	23 October 2023	3.22	31 August 2026	962 354	–	–	–	962 354
DA Suntup[6]	19 November 2024	4.93	31 August 2027	–	–	–	–	–
				1 851 288	–	(119 158)	–	1 732 130
PRESCRIBED OFFICERS								
GB Levin	6 April 2022	6.42	31 August 2024	615 300	–	(172 284)	(443 016)	–
GB Levin[7]	1 September 2022	6.25	31 August 2025	198 801	–	(91 449)	(107 352)	–
GB Levin[8]	23 October 2023	3.22	31 August 2026	412 882	–	(412 882)	–	–
				1 226 983	–	(676 615)	(550 368)	–
JS Newman[8]	6 April 2022	6.42	31 August 2024	177 570	–	(177 570)	–	–
JS Newman[8]	1 September 2022	6.25	31 August 2025	193 344	–	(193 344)	–	–
JS Newman[8]	23 October 2023	3.22	31 August 2026	401 549	–	(401 549)	–	–
				772 463	–	(772 463)	–	–

[5] *Although 578 521 shares vested to BM Levy and MS Levy and 306 407 shares vested to DA Suntup during the year, the transfer and/or sale of these shares were restricted due to a closed period in terms of the JSE Listings Requirements. The shares will be transferred once the closed period expires. The shares are included in treasury shares and management has concluded that no agency relationship exists over the shares while these rights are restricted.*

[6] *The 2024 share awards were not allocated to BM Levy, MS Levy and DA Suntup due to them being placed in a closed period. The shares will be awarded once the closed period expires.*

[7] *The vesting of 107 352 shares formed part of GB Levin's Accrued Termination/Separation Benefits.*

[8] *These awards lapsed on exit.*

6 EQUITY

6.1 SHARE CAPITAL

Ordinary shares are classified as equity and the shares are fully paid up.

Shares acquired by Blu Label Unlimited Group Limited for its own employees' equity compensation benefit scheme, as well as the shares procured by the subsidiaries in terms of this scheme, are accounted for as treasury shares in the Group statement of financial position.

	2026 Number of shares	2025 Number of shares
AUTHORISED		
Total authorised share capital of ordinary shares (no par value)	**2 000 000 000**	2 000 000 000
ISSUED		
BALANCE AT THE BEGINNING OF THE YEAR	**899 156 506**	896 332 570
Shares acquired during the year	**(9 057)**	(190 765)
Shares vested during the year	**8 782 239**	3 014 702
Balance at the end of the year	**907 929 688**	899 156 506
Total number of shares in issue	**913 655 873**	913 655 873
Treasury shares	**(5 726 185)**	(14 499 367)

The Group acquired 9 057 shares from associate companies for R57k in the current year that were forfeited in terms of the equity-settled conditional share plan, at which point the shares became treasury shares of the Group. In the prior year, the Group acquired 190 765 shares from associate companies for R1.2 million that were forfeited in terms of the equity-settled conditional share plan, at which point the shares became treasury shares of the Group.

Refer to note 5.1 for details on the conditional shares.

6.2 OTHER RESERVES

	2026 R'000	2025 R'000
BALANCE AT THE BEGINNING OF THE YEAR	**(2 835 093)**	(2 883 438)
Exchange differences on translation of foreign operations	**(2 836)**	538
Equity compensation benefit scheme shares vested	**(53 500)**	(17 812)
Equity compensation benefit movement	**20 242**	65 619
Transaction with non-controlling interest reserve movement*	**(414 128)**	–
BALANCE AT THE END OF THE YEAR	**(3 285 315)**	(2 835 093)
Consisting of:		
Restructuring reserve	**(1 843 913)**	(1 843 913)
Foreign currency translation reserve	**33 089**	35 925
Non-distributable reserve	**7 771**	7 771
Transactions with non-controlling interest reserve	**(1 559 328)**	(1 145 200)
Equity compensation benefit reserve	**77 066**	110 324
	(3 285 315)	(2 835 093)

* *The movement in transactions with NCI reserve related mainly to TPC transferring a 4.5% stake in Cell C to Cell C Executive Management involved in the turn-around of Cell C, for no consideration. The shares were sold while TPC had control of Cell C, which meant that the transaction was with equity participants and was therefore accounted for within equity as an allocation between the transaction with NCI reserve and NCI of the fair value of the shares of R405 million.*

The restructuring reserve arose as a result of the restatement of Group comparatives, as required in terms of the principles of predecessor accounting. This reserve represents the difference between the fair value of the entities under the Group's control and their respective net asset values, as at the assumed restructure date of 1 June 2006.

The non-distributable reserve arose as a result of BLU's share of share premium issued by associate companies pre-2010.

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for the year ended 31 May 2026

7 TAXATION

7.1 INCOME TAX EXPENSE

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at year-end in the countries where the Company's subsidiaries, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Uncertain tax positions are considered by the Group at the level of the individual uncertainty or group of related uncertainties.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Amounts accrued are based on management's interpretation of country specific tax law and the likelihood of settlement. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised to the extent that it is probable that taxable income will be available in the future against which these can be utilised. Future taxable income is estimated based on business plans which include estimates and assumptions regarding economic growth, interest rates, inflation and competitive forces.

	2026 R'000	2025 R'000
CURRENT TAX	**76 777**	337 776
Current year	**81 158**	308 905
Adjustment in respect of prior years	**(4 381)**	28 871
DEFERRED TAX	**(124 203)**	(193 971)
Current year	**(126 341)**	(156 297)
Adjustment in respect of prior years	**2 138**	(37 674)
Income tax (credit)/expense	**(47 426)**	143 805

	2026 R'000	%	2025 R'000	%
PROFIT BEFORE TAX	**(4 733 086)**		2 624 525	
Tax at 27%	**(1 277 933)**	**27.0**	708 622	27.0
Expenditure of a capital nature	**3 937**	**(0.1)**	3 140	0.1
Tax arising from the Cell C Recapitalisation transaction	**303 802**	**(6.4)**	(81 347)	(3.1)
Loss on disposal of subsidiaries	**1 546 307**	**(32.7)**	–	–
Gain on deemed disposal of Cell C associates	**(227 091)**	**4.8**	–	–
Reversal of impairment of investment in associate	**–**	**–**	(419 861)	(16.0)
Impairment of goodwill	**54 160**	**(1.1)**	–	–
Loss/gain on modification of financial instrument	**197**	**0.0**	5 068	0.2
Loss on derecognition of financial asset	**–**	**–**	9 208	0.4
ECL movement on loans receivable	**(4 384)**	**0.1**	(82 154)	(3.1)
Learnership allowances	**(56 667)**	**1.2**	(61 365)	(2.3)
Employment tax incentive	**(15 355)**	**0.3**	(11 267)	(0.4)
Surety loan fair value adjustment	**(594)**	**0.0**	(779)	0.0
Other income not subject to tax	**(238 667)**	**5.0**	(10 668)	(0.4)
Other expenses not deductible for tax purposes	**294 580**	**(6.2)**	66 652	2.5
Tax effect of assessed losses not recognised	**683 326**	**(14.4)**	11 726	0.4
Utilisation of previously unrecognised assessed losses	**(1 040 885)**	**22.0**	(50)	0.0
Share of losses/(profits) from associates and joint ventures (refer to note 2.1.1)	**(101 204)**	**2.1**	14 951	0.6
Adjustment in respect of prior years	**(2 243)**	**0.0**	(8 803)	(0.3)
Tax effect of capital gains	**31 288**	**(0.7)**	732	0.0
Tax charge	**(47 426)**	**1.0**	143 805	5.5
Effective tax rate	**1.0%**		5.5%	

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7 TAXATION CONTINUED

7.2 DEFERRED TAXATION

Deferred taxation is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by year-end and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

	Capital allowances R'000	PPAs and fair value gains* R'000	Provisions R'000	Tax losses R'000	Prepayments R'000	Unrealised foreign exchange differences R'000	Share Scheme R'000	Other** R'000	Total R'000
AT 31 MAY 2024	280 151	49 678	(33 995)	(102 834)	5 066	8 466	(3 590)	9 825	212 767
Charged/ (credited) to the income statement	(37 953)	(8 406)	(33 681)	3 236	683	(3 365)	(25 673)	(88 812)	(193 971)
AT 31 MAY 2025	**242 198**	**41 272**	**(67 676)**	**(99 598)**	**5 749**	**5 101**	**(29 263)**	**(78 987)**	**18 796**
Charged/ (credited) to the income statement	**(45 657)**	**9 949**	**(59 296)**	**(61 095)**	**(2 431)**	**(8 098)**	**(9 993)**	**52 418**	**(124 203)**
Charged to equity compensation benefit reserve	–	–	–	–	–	–	**(7 310)**	–	**(7 310)**
Acquisition of subsidiary	–	**2 771 820**	**(537 084)**	**(2 024 752)**	–	–	–	–	**209 984**
Disposal of subsidiary	**(219 409)**	**(2 822 596)**	**588 993**	**2 096 754**	**165**	–	**2 166**	**16 150**	**(337 777)**
AT 31 MAY 2026	**(22 868)**	**445**	**(75 063)**	**(88 691)**	**3 483**	**(2 997)**	**(44 400)**	**(10 419)**	**(240 510)**

* *These relate to intangible assets included in note 4.2.*

** *Other deferred tax included the following:*

– R21.2 million (2025: R28.6 million) deferred taxation liability in respect of contract revenue recognised in advance; and

– R29.3 million (2025: R20.6 million) deferred taxation asset in respect of income received in advance.

	2026 R'000	2025 R'000
DEFERRED TAX ASSET COMPRISES:		
Capital allowances	**(40 481)**	(292)
Purchase price allocations and fair value gains	**–**	(302)
Provisions	**(77 813)**	(109 414)
Tax losses	**(88 691)**	(99 598)
Prepayments	**–**	(214)
Unrealised foreign exchange differences	**(2 997)**	(1 883)
Share scheme	**(44 400)**	(29 263)
Other	**(33 585)**	(107 599)
Total deferred tax asset	**(287 967)**	(348 565)
DEFERRED TAX LIABILITY COMPRISES:		
Capital allowances	**17 613**	242 490
Purchase price allocations and fair value gains	**445**	41 574
Provisions	**2 750**	41 738
Prepayments	**3 483**	5 963
Unrealised foreign exchange differences	**–**	6 984
Other	**23 166**	28 612
Total deferred tax liability	**47 457**	367 361
The analysis of deferred tax assets and deferred tax liabilities is as follows:		
Deferred tax assets		
Deferred tax assets to be recovered after more than 12 months	**(97 549)**	(58 681)
Deferred tax assets to be recovered within 12 months	**(161 907)**	(145 871)
Net deferred tax asset	**(259 456)**	(204 552)
Deferred tax liabilities		
Deferred tax liabilities to be recovered after more than 12 months	**18 654**	39 861
Deferred tax liabilities to be recovered within 12 months	**292**	183 487
Net deferred tax liability	**18 946**	223 348

Where deferred tax assets have been recognised in respect of entities which have incurred losses in the current or prior years, a formal process of assessment of the future profitability of the entity has been performed based on detailed budgets and cash flow forecasts. As a result, management believes that the current tax losses will be utilised within one to five years.

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of R734.6 million (2025: R59.6 million) in respect of losses amounting to R2.7 billion (2025: R224.1 million) that can be carried forward against future taxable income.

There is no withholding tax that would be payable on any dividends received from the Group's equity-accounted associates and joint ventures and therefore no deferred tax has been raised in this regard.

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8 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	2026 Assets R'000
Cell C shares held for sale	**1 437 095**
	1 437 095

CELL C SHARES HELD FOR SALE

The 15.95% stake in Cell C that was sold to Sisonke, but which continues to be recognised as part of TPC's economic interest in Cell C (refer to note 2.2) has been classified as a non-current asset held for sale at 31 May 2026. The Cell C shares held for sale are not equity accounted. They are recognised at the lower of carrying value and fair value less costs to sell. The carrying value was determined as of the date that Cell C became an associate during November 2025. The Group has committed to an active and formal programme to effect the disposal (derecognition of the shares) and has initiated discussions with prospective funders. Management expects the transaction to be completed within the next six months. The proposed restructure is expected to enable TPC to redeploy capital more efficiently and to align funding resources with the Group's broader strategic and operational priorities.

The Cell C shares form part of the Africa Distribution segment.

9 RELATED PARTIES

TRANSACTIONS AND BALANCES WITH RELATED PARTIES

All entities are associates/joint ventures of BLU, except for Trust Blu Foundation. For further details in this regard, refer to note 2.1.

Certain related party disclosure is required as a result of common directorships.

For details of emoluments to Directors, refer to note 5.3. For details of equity compensation benefit expense in respect of Directors, refer to note 5.1. The Executive Directors of the Company are regarded as key management of the Group.

For details of Directors interests in the Company, refer to the Directors' report.

	Sales to related parties		Purchases from related parties	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Blu Train Proprietary Limited	**13 318**	12 310	**51 393**	57 719
Blu Label Communications Proprietary Limited	**7 747**	1 582	**5 287**	1 331
Comm Equipment Company Proprietary Limited	**46 268***	–**	**152 371***	–**
Cell C Limited	**19 570*****	31 267	**–*****	–
Cell C Service Provider Proprietary Limited	**892 114*****	3 933 175	**2 885 055*****	4 699 129
T3 Telecoms SA Proprietary Limited	**79 582**	52 608	**26 727**	29 654
Utilities World Proprietary Limited	**1 664**	4 248	**18 499**	29 037
	1 060 263	4 035 191	**3 139 332**	4 816 870

Income received from related parties	2026 R'000	2025 R'000
OTHER INCOME RECEIVED FROM RELATED PARTIES		
Cell C Limited	**3 500*****	–
T3 Telecoms SA Proprietary Limited	**1**	11 350
Trust Blu Foundation	**–**	162
DIVIDENDS RECEIVED FROM RELATED PARTIES		
Blu Train Proprietary Limited	**2 780**	–
Blu Label Communications Proprietary Limited	**5 062**	–
Datacision Proprietary Limited	**186**	–
Utilities World Proprietary Limited	**–**	13 372
INTEREST RECEIVED FROM RELATED PARTIES		
Blu Train Proprietary Limited	**–**	489
Cell C Service Provider Proprietary Limited#	**223 607*****	756 789
Mobile Macs Proprietary Limited	**–**	79
T3 Telecoms SA Proprietary Limited	**–**	601
MANAGEMENT FEES RECEIVED FROM RELATED PARTIES		
Blu Train Proprietary Limited	**10 636**	2 729
Blu Label Communications Proprietary Limited	**3 738**	30
Comm Equipment Company Proprietary Limited	**5 378***	–**
T3 Telecoms SA Proprietary Limited	**6 142**	1 543
RENT RECEIVED FROM RELATED PARTIES		
Blu Label Communications Proprietary Limited	**698**	129
T3 Telecoms SA Proprietary Limited	**–**	2 698
	261 728	789 971

Expenses paid to related parties	2026 R'000	2025 R'000
INTEREST PAID TO RELATED PARTIES		
Blu Train Proprietary Limited	**932**	427
Blu Label Communications Proprietary Limited	**1 224**	272
T3 Telecoms SA Proprietary Limited	**244**	56
MANAGEMENT FEES PAID TO RELATED PARTIES		
Comm Equipment Company Proprietary Limited	**831***	–**
SOCIAL ECONOMIC DEVELOPMENT		
Trust Blu Foundation	**11 802**	5 736
	15 033	6 491

* *These transactions occurred during the periods 1 December 2025 to 31 May 2026 while CEC was equity-accounted as an associate.*

** *CEC was a subsidiary of BLU in prior periods.*

*** *These transactions occurred during the periods 1 June 2025 to 31 August 2025 and 1 December 2025 to 31 May 2026 while Cell C was equity-accounted as an associate.*

\# *Includes interest received on loans receivable and trade accounts.*

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9 RELATED PARTIES CONTINUED

TRANSACTIONS AND BALANCES WITH RELATED PARTIES CONTINUED

Once-off transactions relating to Cell C before obtaining control

	Note	2026 R'000
Gain on effective settlement of pre-existing relationships upon obtaining control of Cell C	2.2.1	**480 707**

	Loans to related parties	
	2026 R'000	2025 R'000
LOANS TO ASSOCIATES AND JOINT VENTURES		
Cell C Service Provider Proprietary Limited	**–**	3 118 907
Loss allowance on loans to Cell C	**–**	127 002
Mobii Systems Proprietary Limited and its related entities	**3 995**	4 206
Total loss allowance on loans to related parties (excluding Cell C)	**(527)**	(347)
SURETY LOANS		
Brett Levy[1]	**57 495**	67 377
Mark Levy[1]	**57 495**	67 377
	118 458	3 384 522

[1] *Refer to note 3.5 for details on the surety loans.*

	Amounts due from related parties included in trade receivables		Amounts due to related parties included in trade payables	
	2026 R'000	2025 R'000	**2026 R'000**	2025 R'000
Blu Train Proprietary Limited	**40 064**	12 661	**2 951**	8 464
Blu Label Communications Proprietary Limited	**2 985**	8 118	**73 483**	22 345
Comm Equipment Company Proprietary Limited	**18 180***	–**	**40***	–**
Cell C Limited	**4 783**	7 999	**–**	–
Cell C Service Provider Proprietary Limited	**501**	734 325	**302 016**	129 730
T3 Telecoms SA Proprietary Limited	**16 626**	5 736	**4 650**	3 190
Utilities World Proprietary Limited	**687**	819	**3 678**	1 867
Total loss allowance on trade receivables to related parties	**(1 059)**	(216)		
	82 767	769 442	**386 818**	165 596

	Amounts due from related parties included in trade receivables		Amounts due to related parties included in trade payables	
	2026 R'000	2025 R'000	**2026 R'000**	2025 R'000
Cell C Service Provider Proprietary Limited	**–**	–	**–**	15 064
TPC trade claim (included in sundry receivables)#	**–**	53 375	**–**	–
Total loss allowance on other receivables to related parties	**–**	(53 375)	**–**	–
	–	–	**–**	15 064

\# *This amount has been fully provided for both in the current and prior year and is included as part of the total loss allowance.*
* *These transactions occurred during the periods 1 December 2025 to 31 May 2026 while CEC was equity accounted as an associate.*
** *CEC was a subsidiary of BLU in prior periods.*

10 ACCOUNTING FRAMEWORK

10.1 BASIS OF PREPARATION

The material accounting policies applied in the preparation of the Group annual financial statements are in the related notes and are consistent with those adopted in the prior year, unless otherwise specified.

The Group annual financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB and comply with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the South African Companies Act, as amended.

The Group annual financial statements are prepared under the historical cost convention, adjusted for financial instruments measured at fair value through profit or loss. Amounts are rounded to the nearest thousand with the exception of earnings per share, ordinary share capital and equity compensation benefit. The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the notes to which they relate.

10.2 GOING CONCERN

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within its current funding levels into the foreseeable future.

Refer to note 3.2.2 for a description of the Group's facilities and covenants.

The Directors have a reasonable expectation that the Group has adequate resources and facilities to continue in operational existence for the foreseeable future and is not at risk of breaching its covenants. The Group therefore continues to adopt the going concern basis in preparing the financial statements.

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10 ACCOUNTING FRAMEWORK CONTINUED

10.3 STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

The standards, interpretations and amendments listed below will only be effective in future reporting periods. The Group expects to adopt these pronouncements on their respective effective dates. Impact of amendments and new standards as issued, but not yet effective, are not expected to have a material impact on the recognition and measurement of items included in the financial statements, however the impact will continue to be assessed. The assessment of the impact of IFRS 18 is in progress and will be concluded in due course.

Standards, interpretations and amendments issued but not effective	Effective date
IFRS 9 – *Financial Instruments*	Year ending 31 May 2027
The amendments deal with the uncertainty regarding whether financial assets with ESG-linked features (such as a loan with an interest rate that decreases if the borrower meets an ESG goal) meet the 'solely payments of principal and interest' criterion when classifying the financial asset. The amendments address the recognition and derecognition of financial assets and financial liabilities, including an exception relating to the derecognition of financial liabilities that are settled using an electronic payment system.	
IFRS 7 – *Financial Instruments: Disclosures*	Year ending 31 May 2027
Amendments to the classification and measurement of the financial instruments. IFRS 7 introduces the 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.	
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)	Year ending 31 May 2027
The amendments were made to address potential inconsistencies and potential confusion in the standards relating to: IFRS 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: - amended to clarify that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss and - amended to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15. IFRS 10 dealing with Determination of a 'de facto agent'; and IAS 7 dealing with the term 'cost method'.	
IFRS 18 – *Presentation and Disclosure in the Financial Statements*	Year ending 31 May 2028
IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements. IFRS 18 requires entities to classify all income and expenses into one of five categories in the statement of profit or loss (namely operating, investing, financing, income tax and discontinued operations) but essentially does not change net profit. Classification of income and expenses depends on the main business activities of an entity. The Group is assessing if there are any specified main business activities of investing in assets or providing finance to customers that would result in the reclassification to the operating category. Under IFRS 18, operating expenses are classified and presented by nature, function or using a mixed presentation. For the Group, classification and presentation by nature is considered most appropriate to provide the most useful, structured summary of operating expenses. Management-defined performance measures ("MPMs") are subtotals of income and expenses, other than those required by IFRS 18 or another applicable IFRS, used in public communications outside the financial statements that communicate to users management's view of an aspect of the financial performance of the entity as a whole. The Group will be required to disclose specific information about MPMs in a single note in the financial statements. MPMs relate to the same reporting period as the financial statements, therefore MPMs disclosed following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the 2028 reporting period. IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes. The aggregation and disaggregation of items on the basis of similar and dissimilar characteristics will need to be assessed to present line items in the primary financial statements that provide useful, structured summaries and disclose additional material information in the notes. In addition, line items currently labelled as 'other' will be assessed so that more informative labels are used. IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses 'operating profit' as the starting point of the reconciliation to cash flows from operating activities and is assessing which adjusting items may change in the reconciliation to determine 'Cash generated by operations'. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. If the Group does not have a specified main business activity of investing in assets or providing finance to customers, the Group would have to classify interest paid as financing activities, and interest and dividends received as cash flows from investing activities. IFRS 18 introduces consequential amendments to IAS 8 by relocating requirements from IAS 1 to IAS 8 in order to improve the organisation of the IFRS accounting standards and to provide users with all the relevant topical content in one standard. The requirements moved are: (a) The concepts of fair presentation and compliance with IFRS accounting standards, (b) Whether an entity is a going concern, (c) The accrual basis of accounting, (d) Disclosure of an entity's selection and application of accounting policies and (e) Disclosure of judgements and sources of estimation uncertainty. Furthermore, the title of the amended IAS 8 will be changed to Basis of Preparation of Financial Statements to better reflect the updated content of IAS 8. Since these requirements are carried over from IAS 1 mostly unchanged, we do not expect any significant impact for the Group.	
IFRS 20 - *Regulatory Assets and Regulatory Liabilities*	Year ending 31 May 2030
IFRS 20 introduces a new accounting model under which a company subject to rate regulation that meets the scope criteria recognises regulatory assets and regulatory liabilities. The impact of IFRS 20 is still being assessed. However, it is not expected to be applicable to the Group because Blu Energy plans to enter into customer agreements that are priced on a per-unit basis, based on the energy consumed, instead of agreements that specify fixed total consideration for the contract period which could result in timing differences.	

10.4 OTHER ACCOUNTING POLICIES

FOREIGN CURRENCIES

(A) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Group financial statements are presented in South African rand (R), which is the functional and presentation currency of the parent company.

(B) GROUP COMPANIES

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency in accordance with the requirements of IAS 21.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as the foreign entity's assets and liabilities and are translated at the closing rate.

DIVIDEND TAX

Dividend tax is provided for at 20% of the amount of any dividend paid, subject to certain exemptions. The dividend tax is a tax borne by the beneficial owner of the dividend and will be withheld by either the issuer of the dividend or by regulated intermediaries.

DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which they are approved by the shareholders.

Distributions of non-cash assets received from subsidiary companies are recognised as a dividend at the fair value of the non-cash assets received.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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for the year ended 31 May 2026

11 SUBSEQUENT EVENTS

DIVIDEND DECLARATION

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

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

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

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

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

DIVIDEND POLICY

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

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

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

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

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

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

SHARE REPURCHASE PROGRAMME

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

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

CHANGES TO THE BOARD AND ITS COMMITTEES

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

SHAREHOLDER ANALYSIS

SHAREHOLDER SPREAD	Number	%	Shares	%
1 – 1000 shares	11 316	79.48	1 148 119	0.13
1001 – 10000 shares	1 876	13.18	7 360 509	0.81
10001 – 100000 shares	750	5.27	23 738 873	2.60
100001 – 1000000 shares	214	1.50	63 154 187	6.91
1000001 shares and over	81	0.57	818 254 185	89.55
TOTALS	14 237	100.00	913 655 873	100.00

DISTRIBUTION OF SHAREHOLDERS	Number	%	Shares	%
Private Investors	260	1.83	284 280 187	31.11
Mutual Funds	87	0.61	183 902 083	20.13
Corporate Holdings	9	0.06	128 676 387	14.08
Trading Positions	15	0.11	98 469 846	10.78
Pension Funds	59	0.41	51 433 659	5.63
Hedge Funds	10	0.07	15 670 452	1.72
Stock Brokers	1	0.01	13 204 033	1.45
Insurance Companies	9	0.06	9 453 498	1.03
Investment Trusts	1	0.01	2 919 047	0.32
Universities	7	0.05	2 547 442	0.28
Exchange-Traded Funds	10	0.07	2 478 783	0.27
Sovereign Wealth Funds	2	0.01	1 918 950	0.21
Medical Aid Schemes	3	0.02	1 535 730	0.17
Charities	5	0.04	1 168 335	0.13
Custodians	4	0.03	1 104 402	0.12
Local Authorities	1	0.01	170 000	0.02
Unclassified	13 754	96.60	114 723 039	12.55
TOTALS	14 237	100.00	913 655 873	100.00

PUBLIC / NON-PUBLIC SHAREHOLDERS	Number	%	Shares	%
Non-public shareholders	9	0.07	318 382 159	34.86
Strategic Holdings (more than 10%)	1	0.01	100 000 000	10.95
Treasury Stock	1	0.01	5 726 185	0.63
Directors & Associates	7	0.05	212 655 974	23.28
Public shareholders	14 228	99.93	595 273 714	65.14
TOTALS	14 237	100.00	913 655 873	100.00

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BENEFICIAL SHAREHOLDERS HOLDING 2% OR MORE	Shares	%
Levy B M	100 433 757	10.99
Shotput Investments Proprietary Limited	100 000 000	10.95
Levy M S	94 374 551	10.33
Peresec South Africa Proprietary Limited	81 541 658	8.92
Allan Gray Balanced Fund	47 255 383	5.17
Basa Ventures Proprietary Limited	36 380 326	3.98
Government Employees Pension Fund ("PIC")	27 905 517	3.05
Centriq Sasol Equity Portfolio	25 000 000	2.74
TOTALS	512 891 192	56.13

SHAREHOLDERS HOLDING 2% OR MORE	Shares	%
Allan Gray Proprietary Limited	115 435 442	12.63
Levy B M	100 433 757	10.99
Shotput Investments Proprietary Limited	100 000 000	10.95
Levy M S	94 374 551	10.33
Peresec South Africa Proprietary Limited	81 541 658	8.92
Sanlam Investment Management Proprietary Limited	65 946 513	7.22
Basa Ventures Proprietary Limited	36 380 326	3.98
TOTALS	594 112 247	65.02

GLOSSARY

WORD	DEFINITION
AGM	Annual General Meeting
ARCC	Audit, Risk and Compliance Committee
BLD	Blu Label Distribution Proprietary Limited
BLDS	Blu Label Data Solutions Proprietary Limited
Blu Label, BLU	Blu Label Unlimited Group Limited
CEC	Comm Equipment Company Proprietary Limited
Cell C	Cell C Limited and Cell C Holdings Limited
CEO	Chief Executive Officer
The Companies Act	Companies Act, No 71 of 2008, as amended from time to time
CPI	Consumer Price Index
Deloitte	Deloitte South Africa
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
ECL	Expected Credit Losses
EIR	Effective Interest Rate
ESG	Environmental, Social and Governance
FD	Financial Director
FNB	First National Bank Limited
Futuregrowth	Futuregrowth Asset Management
FVTPL	Fair Value Through Profit or Loss
GCorr	Moody's Analytics Global Correlation Model
Group	Blu Label Unlimited Group Limited and its subsidiaries, associates and joint ventures
HEPS	Headline Earnings Per Share
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
Investec	Investec Bank Limited
IRBA	Independent Regulatory Board for Auditors
ISAs	International Standard on Auditing
ISAE	International Standard on Assurance Engagements
IT	Information Technology

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WORD	DEFINITION
JSE	Johannesburg Stock Exchange Limited
LTI	Long-term Incentive
LTIP	Long-term Incentive Plan
NCI	Non-controlling interest
NERSA	National Energy Regulator of South Africa
OCI	Other Comprehensive Income
PD	Probability of Default
Remco	Remuneration Committee
RMB	Rand Merchant Bank
ROCE	Return On Capital Employed
SAICA	South African Institute of Chartered Accountants
SARB	South African Reserve Bank
SIM card	Subscriber Identity Module
SMS	Short Message Service
SNGGT	SizweNtsalubaGobodo Grant Thornton Inc.
SPV	Special Purpose Vehicle
TJ	Transaction Junction Proprietary Limited
TSR	Total Shareholder Return
TPC	The Prepaid Company Proprietary Limited
USD	United States Dollar
VAT	Value-Added Tax
WACC	Weighted Average Cost of Capital
ZAR	South African Rand

ADMINISTRATION

DIRECTORS

LM Nestadt (Chairman)*[4], BM Levy, MS Levy, H Masondo*, NP Mnxasana*, JS Mthimunye*[1], LE Mthimunye*, DA Suntup, SJ Vilakazi*, RD Mokhobo*[2], LP Ralphs[3]

* *Independent Non-Executive.*
[1] *Resigned 29 August 2025.*
[2] *Appointed 1 October 2025.*
[3] *Appointed 24 February 2026, appointed Chairman effective 26 August 2026.*
[4] *Resigned effective 26 August 2026*

COMPANY SECRETARY

J van Eden

SPONSOR

Investec Bank Limited

AUDITORS

SizweNtsalubaGobodo Grant Thornton Inc.

BLU LABEL UNLIMITED GROUP LIMITED

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

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FACEBOOK:	www.facebook.com/BlueLabelTelecoms
INSTAGRAM:	https://www.instagram.com/blulabelunlimited/
YOUTUBE:	https://www.youtube.com/@BlulabelUnlimited
JSE SHARE CODE:	BLU
ISIN:	ZAE000109088

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