

Summarised income statement of Cell C

	1 June 2024 to 31 May 2025 R'000	1 June 2023 to 31 May 2024* R'000
Statement of comprehensive income for the year ended		
Revenue	11 138 168	10 745 462***
Net profit/(loss) before taxation	264 465	(22 445)
Taxation	1 929 209	301 924
Current tax	(104 187)	301 924
Deferred tax	2 033 396	—
Net profit after taxation	2 193 674	279 479
Other comprehensive (loss)/income	—	—
Share of total comprehensive income	—	—
Effective economic percentage held (%)	70	63.19
Share of profits	1 507 904	176 603
Recognising the Group's share of historic accumulated losses	(1 606 557)	—
Net share of losses from Cell C**	(98 653)	—

* Special purpose accounts were prepared to coincide with the Group's reporting year. These special purpose accounts are adjusted for the Group's equity-accounted adjustments.

** The Group has resumed recognising its share of the profits as a result of all of its share of historic accumulated losses being recognised in the current year. The share of profits were offset against historic losses of R1.6 billion, resulting in a net loss recognised in the current year of R99 million.

*** Prior year revenue was revised from R11.1 billion to R10.8 billion to take into account discounts to customers that were incorrectly classified to cost of sales in the special purpose accounts provided by Cell C. The correction does not change the net loss before taxation as previously disclosed.

2.3 Bulk airtime purchases from Cell C

TPC was required to purchase, by way of four quarterly payments of R300 million (incl. VAT), additional prepaid airtime with a face value of R500 million (including VAT), with each such quarterly payment payable at the beginning of each calendar quarter. The first such quarterly payment was made at the beginning of the 13th month following the recapitalisation of Cell C and subsequent payments were made at the commencement of each quarter thereafter. The first payment of R300 million (Incl. VAT) was made in October 2023. As at May 2025, there are no remaining quarterly payments to take place.

In addition, TPC was required to make minimum monthly purchases of airtime vouchers from Cell C for a period of 24 months from the date of the Cell C recapitalisation. For each of the first 12 months, the minimum purchase was airtime with a face value of R427 million (including VAT), and for each of the second 12 months airtime with a face value of R378 million (including VAT). The cash purchase price payable is at a discount of 6% to the face value of the airtime up until January 2024 and 4% thereafter. The minimum monthly purchases had been reduced by R125 million (including VAT) per month until TPC's airtime repurchase obligation towards the funders has been settled. Furthermore, if in any calendar quarter following the effective date of the Cell C recapitalisation, Cell C's actual MVNO Revenue is in excess of the MVNO Revenue for the relevant period as stated in the Agreed Financial Base Case, then for the following quarter the minimum monthly purchase requirement will be reduced by one-third of such excess. As at year-end, there are no obligations to purchase airtime.

TPC borrowings – from lenders

Since the recapitalisation of Cell C, TPC has fully repurchased from the lenders, in 48 tranches, inventory with an aggregate face value of R2.115 billion (including VAT) for a cash consideration of R1.942 billion (including VAT). In addition, on 30 April 2024, TPC purchased inventory with an aggregate face value of R375 million (including VAT) from Cell C for a cash consideration of R300 million (including VAT). TPC sold this inventory to the lenders and was required to repurchase such inventory between April 2024 and February 2025. As a result of this obligation, the inventory that was sold to the lenders has continued to be recognised as TPC's inventory, and the repurchase obligation was recognised as borrowings.

As at year-end, 31 May 2025, TPC has fully repurchased in 11 tranches the inventory with an aggregate face value of R375 million (including VAT) for a cash consideration of R327 million (Including VAT). At year-end, there is no inventory remaining to be purchased nor restricted in relation to this respective airtime sale and repurchase agreement.