

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

CONTINUED

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	Facility utilised*	
	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.

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).