BLUE LABEL
TELECOMS

Blue Label Telecoms Limited
Annual Financial Statements
2025

SAME GAME
NEW PLAY

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DISCLAIMER: This document contains certain statements that are "forward-looking" with respect to certain of the Company's plans, goals and expectations relating to its future performance, results, strategies and objectives. Words such as "may", "could", "will", "expect", "intend", "estimate", "anticipate", "aim", "outlook", "believe", "plan", "seek", "predict" or similar expressions typically identify forward looking statements. These forward looking statements are not statements of fact or guarantees of future performance, results, strategies and objectives, and by their nature involve risk and uncertainty because they relate to future events and circumstances which are difficult to predict and are beyond the Company's control, including but not limited to, domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing impact and other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of changes in domestic and global legislation and regulations in the jurisdictions in which the Company operates. The Company's actual future performance, results, strategies and objectives may differ materially from the plans, goals and expectations expressed or implied in the forward looking statements. The Company makes no representations or warranty, express or implied, that these forward looking statements will be achieved, and undue reliance should not be placed on such statements. The forward looking statements in this document are not reviewed and reported on by the Company's external assurance providers. The Company undertakes no obligation to update the historical information or forward looking statements in this document and does not assume responsibility for any loss or damage arising as a result of the reliance by any party thereon.

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Directors are responsible for the maintenance of adequate accounting records and the preparation, integrity and fair presentation of the financial statements of the Company.

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 the South African Institute of Chartered Accountants (SAICA) Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the Johannesburg Stock Exchange Limited (JSE) Listings Requirements and the requirements of the Companies Act of 2008.

The Directors consider that having applied IFRS Accounting Standards in preparing the Company 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 Company financial statements fairly presents the results of operations for the year and the financial position of the Company at year-end. The Directors prepared the other information included in the Company financial statements and are responsible for both its accuracy and its consistency.

In addition, the Directors are responsible for the Company'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 Company financial statements have been prepared on the going concern basis, since the Directors have every reason to believe that the Company has adequate resources in place to continue in operation for the foreseeable future, based on forecasts and available cash resources.

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 Company financial statements. The Directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The separate financial statements were produced and approved by the Board of Directors on 26 August 2025 and are signed on its behalf by:

BM Levy
Joint Chief Executive Officer

MS Levy
Joint Chief Executive Officer

Sandton

26 August 2025

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

In line with paragraph 3.84(k) of the JSE Listings Requirements, the Joint Chief Executive Officers and Financial Director hereby confirm that:

- the annual financial statements set out on pages 11 to 37, 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 have 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, having 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
26 August 2025

DECLARATION BY THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, No 71 of 2008 (the Act), I confirm that for the year ended 31 May 2025, Blue Label Telecoms 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 Act and that all such returns and notices are true, correct and up to date.

J van Eden
Company Secretary

Sandton
26 August 2025

DIRECTORS' REPORT

The Directors have pleasure in submitting their report on the annual financial statements of Blue Label Telecoms Limited (Blue Label, BLT or the Company) for the year ended 31 May 2025.

NATURE OF BUSINESS

The Company is incorporated and domiciled in the Republic of South Africa. The Company is an investment holding company.

Details of the Company's interests in subsidiaries, associates and joint ventures are presented in the annual financial statements in notes 3 and 4.

Blue Label Telecoms Limited and its subsidiaries, associates and joint ventures are referred to as the "Group". The consolidated annual financial statements of Blue Label Telecoms Limited are available from the Company's registered office and online from the Company's website.

PRINCIPAL ACTIVITIES AND STRATEGY

Blue Label Telecoms 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 AND PROPOSED RESTRUCTURE OF BLUE LABEL

Blue Label has been evaluating a range of strategic options and initiatives to unlock and enhance shareholder value. These strategic options include a potential restructuring of the Group's subsidiaries and associates, with the objective of facilitating the separation of Cell C Limited ("Cell C") and positioning it for a potential future listing on the Main Board of the Johannesburg Stock Exchange.

The proposed restructure is expected to include a series of related transactions designed to optimise Cell C's capital structure and balance sheet in preparation for such a listing. Implementation of the restructure and potential listing will remain subject to, inter alia, approval by the boards of Blue Label and Cell C, requisite shareholder and regulatory approvals, and prevailing market conditions.

If implemented, the restructure is anticipated to deliver significant benefits to Blue Label and its shareholders. It will enable the separation of Cell C from Blue Label's existing businesses, allowing investors to evaluate the value and strategic focus of Blue Label on a standalone basis.

The proposed restructure includes, among other transactions, the acquisition by Cell C of 100% of Comm Equipment Company Proprietary Limited ("CEC") – a wholly owned subsidiary of Blue Label – from The Prepaid Company Proprietary Limited, in exchange for additional shares in Cell C ("the proposed acquisition"). CEC is the subsidiary responsible for Cell C's postpaid offerings. Its internalisation will enable Cell C to assume full responsibility for its postpaid customer base, including oversight of the supply chain, commercial operations, marketing, billing, credit management, and collections. The proposed acquisition remains subject to the final agreement of terms and the fulfilment of customary conditions for a transaction of this nature, including standard conditions precedent. One such condition precedent is approval by the Competition Commission. In this regard, the Competition Tribunal has granted approval for the proposed acquisition, marking a significant milestone in the overall restructure of the Blue Label Group.

FINANCIAL RESULTS

The annual financial statements have been prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act, No 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

The operating results and state of affairs of the Company are fully set out in the attached annual financial statements and do not, in our opinion, require any further comment.

The Company recorded a total comprehensive profit for the year ended 31 May 2025 of R367.36 million (2024: loss of R5.93 million), after taxation of Rnil (2024: Rnil).

SHARE CAPITAL

Refer to note 9 of the annual financial statements for detail of the movement in authorised and issued share capital.

DIVIDENDS

No dividends were declared or paid to the shareholders during the year.

GOING CONCERN

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

The Directors reviewed the performance of the Company for the year ended 31 May 2025 including the net profit after tax of R367.36 million and the accumulated loss of R2.58 billion.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

DIRECTORATE

The Directors in office at the date of this report are as follows:

Directors	Office	Appointment date
Larry M Nestadt (Chairman)	Independent Non-Executive Director	5 October 2007
Brett M Levy	Chief Executive Director	1 February 2007
Mark S Levy	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
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

DIRECTORS' INTERESTS

The individual interests declared by Directors in the Company's share capital as at 31 May 2025, held directly or indirectly, were as follows:

Interests in shares

	Nature of interest			
	Direct beneficial		Indirect beneficial	
Director/officer	**2025**	2024	**2025**	2024
LM Nestadt (Chairman)	**—**	—	**10 000 000**	10 000 000
BM Levy[1]	**71 251 324**	71 251 324	**17 772 777**	17 772 777
MS Levy[1]	**63 843 916**	63 843 916	**19 120 980**	19 120 980
JS Mthimunye	**130 000**	130 000	**242 573**	242 573
DA Suntup[1]	**5 985 092**	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 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.

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

Director/officer	**2025**	2024
Beneficial	**188 532 640**	188 532 640

The beneficial interest held by Directors and officers of the Company constitutes 20.63% (2024: 20.63%) of the issued share capital of the Company. Details of Directors' emoluments are set out in note 22.

RESOLUTIONS

On 28 November 2024, the Company passed and filed with the Companies and Intellectual Property Commission the following special resolutions:

- approving the remuneration of Non-Executive Directors;
- granting a general authority to repurchase the Company's shares; and
- approval to grant financial assistance in terms of sections 44 and 45 of the Companies Act.

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.

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 Company were passed by the Company during the period covered at the date of signing these annual financial statements.

LETTERS OF SUPPORT

A letter of support was issued in respect of Blue Label Company Proprietary Limited amounting to R19 874 236 (2024: Rnil). In the prior year a letter of support was issued in respect of Gold Label Investments Proprietary Limited amounting to R269 930.

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.**

SUBSEQUENT EVENTS

On 11 August 2025, a general meeting of shareholders was held to approve the name change of the Company. The requisite additional administrative approvals are still in process at the date of this report. Following these approvals, the Company will be known as Blu Label Unlimited Group Limited ('BLU') effective 3 September 2025.

AUDITORS

SizweNtsalubaGobodo Grant Thornton Inc. (SNGGT) will continue in office in accordance with section 90(6) of the Companies Act.

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 2025.

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 Company'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 Compliance Officer;
- ensuring that Blue 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 co-ordinated approach to all assurance activities and appropriately address all the significant risks facing Blue Label;
- reviewing and satisfying itself of the expertise, resources, and experience of the Blue Label finance function;
- overseeing the 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 Blue 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;
- 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), Mr JS Mthimunye, Ms NP Mnxasana, Ms LE Mthimunye and Mr SJ Vilakazi were appointed to the Committee by shareholders at the AGM held on 28 November 2024 in the following positions:

- JS Mthimunye (Independent Non-Executive Chairman);
- NP Mnxasana (Independent Non-Executive Director);
- LE Mthimunye (Independent Non-Executive Director); and
- SJ Vilakazi (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 Blue Label. The external audit partner from SNG Grant Thornton (SNGGT) and a director from Deloitte South Africa (Deloitte), to whom Blue 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. 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 Company;
- 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 Blue 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 Chief Executive Officers 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 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 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 three 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 2025 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. No non-audit services have been rendered by the external auditors for the Company during the year ended 31 May 2025 (2024: Rnil).

The ARCC has nominated, for approval at the Annual General Meeting, the reappointment of SNGGT as registered auditors for the 2026 financial year. The Committee also satisfied itself in terms of paragraph 3.84(g)(ii) of the JSE Listings Requirements that SNGGT and the designated individual partner are suitable for appointment.

Internal audit and internal controls

Blue Label's internal audit was outsourced to Deloitte for the year and going forward 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 2024/25 audit plan;
- considered the combined/integrated assurance arrangements for the 2024/25 financial year;
- approved the risk-based internal audit plan for the 2024/25 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 3.84(g)(ii) of the JSE Listings Requirements.

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 Company grows.

AUDIT, RISK AND COMPLIANCE COMMITTEE'S REPORT
CONTINUED

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 Blue 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 IV Report on Corporate Governance for South Africa (King IV) principles;
- reviewed legal matters that could have a material impact on the Company in conjunction with Blue Label's legal adviser; and
- reviewed developments in corporate governance and best practice and considered their impact and implications with particular reference to the principles of King IV.

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 Company keeps abreast of matters affecting its regulatory environment; and
- identification and monitoring of key compliance risks.

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 the JSE Listings Requirements and governance best practice and has satisfied itself in terms of JSE Listings Requirement 3.84(g)(i) that the 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 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 annual financial statements of Blue Label Telecoms Limited for the year ended 31 May 2025 and based on the information provided to the Committee, the Committee recommends the adoption of the annual financial statements by the Board.

The ARCC is satisfied that it has complied with its legal, regulatory and other responsibilities as per its terms of reference.

On behalf of the Audit, Risk and Compliance Committee

JS Mthimunye
Chairman

26 August 2025

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BLUE LABEL TELECOMS LIMITED

OPINION

We have audited the financial statements of Blue Label Telecoms Limited set out on pages 11 to 37, which comprise the statement of financial position as at 31 May 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Blue Label Telecoms Limited as at 31 May 2025, and its financial performance and 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 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.

For the company, we determined materiality to be R50 774 000 which is 1% of Total Assets which is a key benchmark for investment holding companies. The main users of the financial statements will be investors, suppliers, banks, creditors, regulators and prospective investors. The materiality figure is determined for the principal users of the financial statements.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Blue Label Telecoms Limited Annual Financial Statements 2025", 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. The other information further comprises the Analysis of Shareholding note on pages 38 and 39. The other information does not include the financial statements and our audit report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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.

INDEPENDENT AUDITOR'S REPORT CONTINUED

TO THE SHAREHOLDERS OF BLUE LABEL TELECOMS LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 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 separate 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 Company'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 Company'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 separate 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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, actions taken to eliminate threats or safeguards applied.

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 Blue Label Telecoms Limited for three years.

Alex Philippou
SizweNtsalubaGobodo Grant Thornton Inc.
Engagement Director
Registered Auditor

27 August 2025

152 14th Road
Noordwyk
Midrand
Gauteng

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 May 2025

	Notes	2025 R'000	2024 R'000
ASSETS			
Non-current assets		**2 962 516**	4 772 558
Property, plant and equipment	2	**—**	—
Investments in subsidiaries	3	**2 940 649**	2 940 649
Investments in associates and joint ventures	4	**12 194**	12 046
Loans to group companies	6	**9 673**	1 819 863
Current assets		**2 114 847**	3 783
Loans to group companies	6	**2 112 963**	—
Other receivables	7	**494**	473
Cash and cash equivalents	8	**1 390**	3 310
Total assets		**5 077 363**	4 776 341
EQUITY AND LIABILITIES			
Capital and reserves		**5 036 901**	4 687 449
Share capital and premium	9	**7 686 524**	7 686 524
Treasury shares	9	**(66 621)**	(48 718)
Share-based payment reserve		**295**	295
Accumulated loss		**(2 583 297)**	(2 950 652)
Non-current liabilities			
Financial guarantee contracts	11	**39 060**	86 844
Current liabilities			
Trade and other payables	10	**1 402**	2 048
Total equity and liabilities		**5 077 363**	4 776 341

COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 May 2025

	Notes	**2025 R'000**	2024 R'000
Revenue	12	**109 911**	418 453
Expected credit loss	13	**272 241**	(418 541)
Depreciation and amortisation	13	**—**	(6)
Operating expenses		**(15 011)**	(7 658)
Operating profit/(loss)	13	**367 141**	(7 752)
Finance income	14	**214**	1 822
Profit/(loss) before taxation		**367 355**	(5 930)
Income tax expense	15	**—**	—
Profit/(loss) for the year		**367 355**	(5 930)
Total comprehensive profit/(loss) for the year		**367 355**	(5 930)

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 May 2025

	Issued share capital and premium R'000	Treasury shares R'000	Share-based payment reserve R'000	Accumulated loss R'000	Total equity R'000
Balance as at 1 June 2023	7 686 524	(47 088)	295	(2 944 722)	4 695 009
Loss for the year	—	—	—	(5 930)	(5 930)
Total comprehensive loss	—	—	—	(5 930)	(5 930)
Shares awarded to group companies as part of equity compensation scheme	—	3 606	—	—	3 606
Shares forfeited as part of equity compensation scheme	—	(5 236)	—	—	(5 236)
Balance as at 31 May 2024	**7 686 524**	**(48 718)**	**295**	**(2 950 652)**	**4 687 449**
Profit for the year	**—**	**—**	**—**	**367 355**	**367 355**
Total comprehensive profit	**—**	**—**	**—**	**367 355**	**367 355**
Shares awarded to group companies as part of equity compensation scheme	**—**	**—**	**—**	**—**	**—**
Shares forfeited as part of equity compensation scheme	**—**	**(17 903)**	**—**	**—**	**(17 903)**
Balance as at 31 May 2025	**7 686 524**	**(66 621)**	**295**	**(2 583 297)**	**5 036 901**
Note	9	9			

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 May 2025

	Notes	2025 R'000	2024 R'000
Cash flows from operating activities			
Cash (utilised by)/received from operations	16	**(15 679)**	11 972
Interest received	14	**214**	1 822
Taxation received		**—**	44
Dividends received		**34 372**	2 000
Net cash generated from operating activities		**18 907**	15 838
Cash flows from investing activities			
Loans to group companies repaid		**—**	9 136
Loans advanced to group companies		**(2 776)**	(22 118)
Additional investment in and acquisition of shares in associates		**(148)**	—
Net cash utilised in investing activities		**(2 924)**	(12 982)
Cash flows from financing activities			
Shares sold to subsidiaries and associates		**—**	1 277
Purchase of shares forfeited by subsidiaries and associates		**(17 903)**	(2 212)
Net cash utilised in financing activities		**(17 903)**	(935)
Net (decrease)/increase in cash and cash equivalents		**(1 920)**	1 921
Cash and cash equivalents at the beginning of the year		**3 310**	1 389
Cash and cash equivalents at the end of the year	8	**1 390**	3 310

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS

for the year ended 31 May 2025

1. MATERIAL ACCOUNTING POLICIES

1.1 Basis of preparation

These annual financial statements relate to the statutory entity Blue Label Telecoms Limited (Blue Label, BLT or the Company). The consolidated annual financial statements of the BLT Group are available from BLT's registered office and online from BLT's website.

The annual financial statements have been prepared on the going concern basis in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (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 South African Companies Act.

The annual financial statements are presented in South African rand (R), which is BLT's functional and presentation currency.

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

The annual financial statements have been prepared on the historic cost basis, except for certain financial instruments which are measured at fair value or at amortised cost.

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.

1.2 Going concern

BLT's forecasts and projections, taking account of reasonably possible changes in trading performance, show that BLT should be able to operate within its current funding levels into the foreseeable future. BLT is in a sound financial position and has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

After making enquiries, the Directors have a reasonable expectation that BLT has adequate resources to continue in operational existence for the foreseeable future. BLT therefore continues to adopt the going concern basis in preparing the financial statements.

2. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

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.

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.

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:

Furniture, fittings and office equipment	16.67% — 25%
Computer equipment	33.33%
Leasehold improvements	20%

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

	Furniture, fittings and office equipment R'000	Computer equipment R'000	Leasehold improvements R'000	Total R'000
Year ended 31 May 2025				
Opening carrying amount	—	—	—	—
Disposals	—	—	—	—
Closing carrying amount	—	—	—	—
At 31 May 2025				
Cost	**221**	**5**	**—**	**226**
Accumulated depreciation	**(221)**	**(5)**	**—**	**(226)**
Carrying amount	—	—	—	—
Year ended 31 May 2024				
Opening carrying amount	6	—	—	6
Depreciation charge	(6)	—	—	(6)
Closing carrying amount	—	—	—	—
At 31 May 2024				
Cost	1 342	15	41 231	42 588
Accumulated depreciation	(1 342)	(15)	(41 231)	(42 588)
Carrying amount	—	—	—	—

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

3. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are carried at cost less any accumulated impairment losses. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of investments.

Subsidiaries are all entities over which BLT has control. BLT controls an entity when BLT 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 to direct the activities of the entity.

Name of company	**% holding 2025**	% holding 2024	**Carrying amount 2025 R'000**	Carrying amount 2024 R'000
Blu Nova Proprietary Limited	**100.00**	100.00	**— ***	— *
Blue Label AltBureau Proprietary Limited	**100.00**	100.00	**— ***	— *
Blue Label Company Proprietary Limited	**100.00**	100.00	**— ***	— *
Blue Label Distribution Proprietary Limited	**100.00**	100.00	**194 000**	194 000
Blue Label One Proprietary Limited	**100.00**	100.00	**40 000**	40 000
Blue Label Ventures Proprietary Limited	**100.00**	100.00	**— ***	— *
Blue Moon Asset Company Proprietary Limited	**100.00**	100.00	**— ***	— *
Budding Trade 1170 Proprietary Limited	**100.00**	100.00	**6 000**	6 000
Datacel Direct Proprietary Limited	**100.00**	100.00	**150 000**	150 000
Glocell Retail Solutions Proprietary Limited	**100.00**	100.00	**— ***	— *
Gold Label Investments Proprietary Limited	**100.00**	100.00	**— ***	— *
One World Telecoms Proprietary Limited	**100.00**	100.00	**— ***	— *
Tech Nov8 Proprietary Limited#	**66.7**	—	**— ***	
The Prepaid Company Proprietary Limited	**100.00**	100.00	**2 433 048**	2 433 048
TicketPros Proprietary Limited	**100.00**	100.00	**14 700**	14 700
Transaction Junction Proprietary Limited	**60.00**	60.00	**4 200**	4 200
Ventury Group Proprietary Limited	**100.00**	100.00	**98 701**	98 701
WiConnect Proprietary Limited	**100.00**	100.00	**5 000**	5 000
Accumulated impairment of WiConnect Proprietary Limited			**(5 000)**	(5 000)
			2 940 649	2 940 649

All subsidiaries listed above are incorporated in South Africa.

* Less than R1 000.
\# BLT acquired 66.7% on 21 June 2024.

The Prepaid Company Proprietary Limited (TPC)

As at 31 May 2025, there was no indicator of an impairment, and as such, the Company did not estimate the recoverable amount of the investment in TPC. There was no indicator identified in the prior year.

WiConnect Proprietary Limited

BLT's investment in WiConnect Proprietary Limited was fully impaired in FY20. At year-end, WiConnect was in the process of deregistration. The company was deregistered effectively on 30 June 2025.

4. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Accounting policy

Investments in associates and joint ventures are carried at cost less any accumulated impairment losses.

The following table lists all of the associates and joint ventures of BLT:

Name of company	**Number of shares issued 2025**	Number of shares issued 2024	**% ownership interest 2025**	% ownership interest 2024	**Carrying amount 2025 R'000**	Carrying amount 2024 R'000
Utilities World Proprietary Limited	**1 000**	1 000	**25.10**	25.10	**12 046**	12 046
T3 Telecoms SA Proprietary Limited	**50**	50	**50.00**	50.00	**—***	—*
Blue Label Communications Proprietary Limited#	**11 389**	100	**20.25**	20.00	**148**	—*
Blu Train Group Proprietary Limited	**100**	100	**10.00**	10.00	**—***	—*
					12 194	12 046

* Less than R1 000.

\# BLT's shareholding increased to 20.25% in Blue Label Communications after additional shares were issued.

All entities listed above are incorporated in South Africa.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Accounting policy

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

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

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.

BLT had no investments in equity instruments during the current or prior year that were accounted for in accordance with IFRS 9. BLT did not classify any of its financial instruments to be measured at fair value through other comprehensive income during the current or prior year.

Subsequent measurement

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

BLT classifies financial assets on initial recognition as measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of BLT's business model for managing the financial asset and the cash flow characteristics of the financial asset.

Financial assets are not reclassified unless BLT changes its business model for managing those financial assets. Financial liabilities are not reclassified.

Financial liabilities are classified as measured at amortised cost or measured at fair value through profit or loss.

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. These financial assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses and impairments are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Where the amortised cost using the effective interest method is materially lower than the fair value, this is separately disclosed.
Fair value through profit or loss (FVPL)	The financial asset does not qualify for measurement at amortised cost or fair value through other comprehensive income. These financial assets are subsequently measured at fair value and changes therein (including any interest or dividend income) are recognised in profit or loss.
Financial liabilities	
Amortised cost	These financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Where the amortised cost using the effective interest method is materially more than the fair value, this is separately disclosed.
Fair value through profit or loss	These financial liabilities are subsequently measured at fair value with changes therein recognised in profit or loss.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and BLT has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligations specified in the contracts are discharged, cancelled or expire. On derecognition of a financial asset/liability, any difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

Impairment

BLT calculates its allowance for credit losses as expected credit losses (ECLs) for financial assets measured at amortised cost. ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to BLT in accordance with the contract and the cash flows that BLT expects to receive). ECLs are discounted at the original effective interest rate of the financial asset.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Categories of financial assets

	Notes	2025 R'000	2024 R'000
At amortised cost			
Loans to group companies	6	**2 122 636**	1 819 863
Cash and cash equivalents	8	**1 390**	3 310
		2 124 026	1 823 173

Categories of financial liabilities

	Notes	2025 R'000	2024 R'000
At amortised cost			
Trade and other payables	10	**1 402**	2 048

Capital risk management

BLT's objectives when managing capital are to safeguard BLT'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, BLT may issue new shares, adjust the amount of dividends paid to shareholders, return capital to shareholders or sell assets to reduce debt. BLT 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.

FINANCIAL RISK MANAGEMENT

Overview

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

BLT seeks to minimise potential adverse effects on financial performance of BLT. The Directors provide principles for overall risk management, interest rate risk, credit risk, and investing excess liquidity.

5.1 Credit risk

Credit risk, or the risk of financial loss to BLT due to customers or counterparties not meeting their contractual obligations, is managed through the application of credit approvals, limits and monitoring procedures. BLT is exposed to credit risk on financial assets mainly in respect of those assets detailed in the financial instruments table above. The carrying amounts of financial assets represent the maximum credit exposure.

Expected credit losses

BLT tracks significant increases in credit risk using information available to BLT 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.

BLT calculates its allowance for credit losses for financial assets measured at amortised cost using expected ECLs.

ECLs were determined by BLT 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 BLT.

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% (2023: 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, i.e. within 60 days of when payment is contractually due or payments are demanded for financial assets with no fixed repayment terms (payable on demand), and future payments are either suspended or unlikely.

Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.

Loans and financial guarantees are only granted to holders with an appropriate credit history, taking into account the holder's financial position and past experience.

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

Counterparties were categorised as follows:
- Group 1:Fully performing counterparties with a credit rating equivalent to a Moody's rating of B1 or higher. ECL range up to 8.25% (2024: up to 10.03%).
- Group 2:Fully performing counterparties with a credit rating equivalent to a Moody's rating of between B1 and B2. ECL range of 8.25% to 10.16% (2024: 10.03% to 12.31%).
- Group 3:Fully performing counterparties with a credit rating equivalent to a Moody's rating of between B2 and Ca. ECL range of 10.16% to 51.68% (2024: 12.31% to 53.76%).
- Group 4:Counterparties who are considered to be in default and have an equivalent Moody's rating of Ca or lower. ECL of 51.68% to 100% (2024: 53.76% 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.

The groupings mentioned above 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.

Refer to note 6 for further detail on the ECL process applied to loans to group companies.

Credit risk exposure arising on cash and cash equivalents is managed by BLT through dealing with well-established financial institutions with high credit ratings. Refer to note 8 for details on these financial institutions and their credit ratings.

The maximum exposure to credit risk is presented in the table below:

Categories of financial assets

2025	Notes	**Gross carrying amount R'000**	**Credit loss allowance R'000**	**Carrying amount R'000**
Loans to group companies	6	**3 126 175**	**(1 003 539)**	**2 122 636**
Cash and cash equivalents	8	**1 390**	**—**	**1 390**
		3 127 565	**(1 003 539)**	**2 124 026**
2024				
Loans to group companies	6	3 047 858	(1 227 995)	1 819 863
Cash and cash equivalents	8	3 310	—	3 310
		3 051 168	(1 227 995)	1 823 173

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

5.2 Liquidity risk

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

BLT's objective is to maintain prudent liquidity risk management by maintaining payment obligations and sufficient cash and marketable securities, as well as the availability of funding through an adequate amount of committed credit facilities. Company finance monitors rolling forecasts of BLT's liquidity requirements to ensure it has sufficient cash to meet operational needs. Due to the dynamic nature of the underlying businesses, BLT aims to maintain flexibility in funding by keeping committed credit lines available.

Refer to note 11 for details regarding pledges and guarantees issued by BLT.

The table below analyses the undiscounted cash flows for BLT's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. As the amounts included in the table are the contractual undiscounted cash flows, these amounts will not necessarily reconcile to the amounts disclosed on the statement of financial position.

	Notes	Less than one month or on demand R'000	More than one month but not exceeding one year R'000	More than 1 year but not exceeding 2 years R'000	More than 2 years but not exceeding 5 years R'000	Total R'000
2025						
Trade and other payables	10	**52**	**1 350**	**—**	**—**	**1 402**
Financial guarantee contracts	11	**—**	**1 924 000**	**75 000**	**—**	**1 999 000**
		52	**1 925 352**	**75 000**	**—**	**2 000 404**
2024						
Trade and other payables	10	17	2 031	—	—	2 048
Financial guarantee contracts	11	—	1 588 000*	100 000	75 000	1 763 000
		17	1 590 031	100 000	75 000	1 765 048

* Prior year financial guarantee contracts less than one year was revised from R1.877 billion to R1.588 billion as facilities for TPC was overstated by R289 million. The financial guarantees are not recognised and as such this correction does not change prior reported results.

In the unlikely event that the unrecognised portion of the financial guarantee is called upon, BLT will access funds from group companies to settle these.

5.3 Market risk

Market risk is the risk that changes in market prices (interest rate, currency risk and/or price risk) will affect BLT'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.

BLT is exposed to risks from movements in interest rates that affect its assets, liabilities and anticipated future transactions. BLT is not exposed to foreign currency risk as it does not have any transactions or balances in currencies other than BLT's functional currency. BLT is not exposed to significant levels of price risk as it does not own any investments that are classified as either at fair value through other comprehensive income or at fair value through profit or loss.

Interest rate risk

BLT's cash flow interest rate risk arises from cash and cash equivalents carrying interest at variable interest rates and hence exposed to changes in market interest rates. BLT is not exposed to fair value interest rate risk as BLT does not have any fixed interest-bearing instruments carried at fair value.

BLT's exposure to interest rate risk is reflected in the cash and cash equivalents note.

The interest rate sensitivity is based on the following assumptions:

- Changes in market interest rates affect the interest income and expense of variable interest financial instruments.
- Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognised at fair value.

Under these assumptions, a 1% increase or decrease in market interest rates at 31 May 2025 would increase or decrease profit or loss and equity by R13 905 (2024: R33 100).

6. LOANS TO GROUP COMPANIES

For details regarding the accounting policy refer to note 5.

Loans to group companies

Subsidiaries	2025 R'000	2024 R'000
Total loans to subsidiaries	**3 126 175**	3 047 858
Credit loss allowance	**(1 003 539)**	(1 227 995)
	2 122 636	1 819 863
Split between:		
Non-current assets	**9 673**	1 819 863
Current assets	**2 112 963**	—
	2 122 636	1 819 863

These loans are unsecured, interest free and are repayable on demand, unless subject to a subordination agreement.

Expected credit losses

ECLs for loans to group companies have been determined using the general impairment model in IFRS 9 (general approach). Under the general approach, an entity calculates ECLs for loans and receivables at initial recognition by considering the consequences and probabilities of possible defaults only for the next 12 months, rather than the life of the asset. It continues to apply this method until a significant increase in credit risk has occurred, at which point the loss allowance is measured based on lifetime ECLs.

BLT has applied the requirements of the general approach of IFRS 9 for counterparties where no external credit ratings are available, by way of the use of a management-determined credit risk rating model. The management of BLT performs a rigorous internal rating assessment process of all counterparty credit risk exposures and rate these exposures allocating them into the below mentioned four groups which are then aligned to equivalent Moody's sourced default ratings.

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below. BLT does not hold collateral or other credit enhancements against loans to group companies.

The ECLs (probability of default and loss given default) applied to these groupings are obtained from Moody's Analytics for a reference entity with similar credit risk characteristics to the counterparties to which BLT is exposed.

The table below discloses the credit quality of the loans to group companies 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 miss 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.

6. LOANS TO GROUP COMPANIES continued

Expected credit losses continued

2025 Loans to subsidiaries	Categorisation	Gross carrying amount R'000	Loss allowance R'000	Amortised cost R'000
Blue Label Ventures Proprietary Limited[1]	Group 3	**12 000**	**(2 327)**	**9 673**
Gold Label Investments Proprietary Limited[1, 2]	Group 4	**393 927**	**(393 927)**	**—**
The Prepaid Company Proprietary Limited	Group 3	**2 720 248**	**(607 285)**	**2 112 963**
		3 126 175	**(1 003 539)**	**2 122 636**
2024				
Blue Label Ventures Proprietary Limited	Group 3	12 000	(1 660)	10 340
Gold Label Investments Proprietary Limited[1, 2]	Group 4	391 150	(391 150)	—
The Prepaid Company Proprietary Limited[1]	Group 3	2 644 708	(835 185)	1 809 523
		3 047 858	(1 227 995)	1 819 863

[1] Subordination agreements have been issued by BLT in respect of these loans. BLT has agreed not to call upon these loans for the next 12 months.

[2] The loan to Gold Label Investments Proprietary Limited (GLI) is considered to be credit impaired due to the financial position and financial results of GLI. GLI's liabilities exceed its assets, it has a significant accumulated loss and limited liquid assets.

Reconciliation of loss allowances Loans to group companies: loss allowance	2025 R'000	2024 R'000
Opening balance	**(1 227 995)**	(856 060)
Increase in loss allowance recognised in profit or loss during the year	**(3 444)**	(372 547)
Loss allowances reversed through profit or loss during the year	**227 900**	612
Closing balance	**(1 003 539)**	(1 227 995)

The fair value of loans from related parties approximates their carrying amounts due to the market related discount factor that has been applied to the balances.

7. OTHER RECEIVABLES

For details regarding the accounting policy refer to note 5.

	2025 R'000	2024 R'000
Non-financial instruments		
Prepaid expenses	**494**	473

8. CASH AND CASH EQUIVALENTS

For details regarding the accounting policy refer to note 5.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand.

Cash and cash equivalents consist of:	2025 R'000	2024 R'000
Bank balances	**1 390**	3 310

For details of cross-surety securities provided, refer to note 11.

Credit quality of cash at bank, excluding cash on hand

The credit quality of cash at bank can be assessed by reference to external credit ratings. External credit ratings disclosed are the latest published credit ratings.

Credit rating (Moody's)	2025 R'000	2024 R'000
Ba2 (2024: Ba2)	**1 390**	3 310

The fair value of cash and cash equivalents approximates their carrying amounts due to being receivable on demand.

9. SHARE CAPITAL AND PREMIUM

Accounting policy

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Shares acquired by BLT for its own employees' equity compensation benefit scheme, including the shares procured on behalf of the subsidiaries in terms of this scheme, are accounted for as treasury shares in the statement of financial position.

AUTHORISED

2 000 000 000 ordinary shares with no par value

Reconciliation of shares issued (net of treasury shares)	Number of shares 2025	Number of shares 2024
Balance at the beginning of the year	**911 124 549**	910 820 275
Shares sold during the year[1]	**—**	1 126 728
Shares forfeited during the year[2]	**(2 803 660)**	(822 454)
	908 320 889	911 124 549
Total number of shares in issue	**913 655 874**	913 655 874
Treasury shares	**(5 334 985)**	(2 531 325)

[1] Shares sold to subsidiaries and associates in relation to the Blue Label Telecoms Limited Conditional Share Scheme.
[2] Purchase of shares that have been forfeited by subsidiaries and associates in relation to the Blue Label Telecoms Limited Conditional Share Scheme.

Issued	2025 R'000	2024 R'000
913 655 874 (2024: 913 655 874) ordinary shares	**7 686 524**	7 686 524
Treasury shares	**(66 621)**	(48 718)
	7 619 903	7 637 806

All shares issued are fully paid up.

10. TRADE AND OTHER PAYABLES

For details regarding the accounting policy refer to note 5.

These amounts represent liabilities for goods and services provided to BLT prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition.

	2025 R'000	2024 R'000
Financial instruments		
Trade payables	**52**	17
Accrued expenses	**1 350**	2 031
	1 402	2 048

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

11. FINANCIAL GUARANTEE CONTRACTS

Accounting policy

BLT elects on a contract by contract basis to apply IFRS 9 and IFRS 7 to financial guarantee contracts and not IFRS 17. Financial guarantee contracts are recognised at fair value on the date that BLT becomes a party to an irrevocable commitment. Financial guarantee contracts are subsequently stated at the higher of the amount determined by the ECL model and the amount initially recognised. Any difference between the redemption value guarantee obligation and the amount paid is recognised in the income statement. The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Any difference between the redemption value guarantee obligation and the amount paid is recognised in the statement of profit or loss.

FINANCIAL GUARANTEE CONTRACTS RECOGNISED	**2025 R'000**	2024 R'000
Financial guarantee to Dark Fibre Africa (SPV5)	**39 060**	86 844

The fair value of financial guarantee contracts approximates their carrying amount because the ECL takes into account a market related discount factor.

Pledges, guarantees and sureties

BLT has pledged securities to The Prepaid Company Proprietary Limited (TPC) in relation to TPC's General Banking Facility and Revolving Credit Facility (working capital loan facilities) and TPC's term Facility. At year-end the TPC working capital loan facility amounted to R1.160 billion (2024: R1.240 billion), of which R1.160 billion (2024: R1.161 billion) had been utilised. At year-end TPC's Term Facility amounted to R311 million (2024: Rnil).

- The balance of TPC's General Banking and Revolving Credit Facility are payable in March 2027. The balance of TPC's Term Facility is payable in September 2026.
- The following debt covenants applied to TPC's the General Banking Facility, Revolving Facility A and Term Facility with Investec Bank, Rand Merchant Bank and Future Growth:
  - Total consolidated debt to adjusted consolidated EBITDA ratio must be less than a stipulated decreasing ratio at each measurement period, from 2.75 times at 31 May 2025 to 2.5 times at 31 August 2025; and
  - BLT's market capitalisation must exceed R3 billion.

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

BLT and certain Group companies has pledged the following securities in respect of this facility:

- A general covering pledge, cession and security over the assets of BLT;
- A general notarial bond over all the moveable assets of BLT limited to R4.75 billion;
- Cession and Securitatem Debiti by certain Group companies of all of their incorporeal moveable assets and claims;
- A counter indemnity issued by certain Group companies indemnifying the lenders against any loss that they may suffer as a result of enforcing their rights;
- A Cession in Securitatem Debiti by certain Group companies in favour of the lenders as a result of the lenders invoking revisionary and/or principal rights which they may have against any entity guaranteeing the principal debt owed by TPC; and
- A Subordination by BLT and its subsidiaries of any and all inter-group claims which each may have against the other, in favour of debt and/or obligations owed by any of them to lenders.

BLT has issued a company cross-suretyship in favour of FirstRand Bank Limited amounting to R31.9 million (2024: R31.9 million) for the joint and several obligations of the following subsidiary companies to FirstRand Bank Limited:

- The Prepaid Company Proprietary Limited (TPC) – R20.6 million
- Cigicell Proprietary Limited – R5.5 million
- Blue Label Distribution Proprietary Limited – R5.125 million
- Blue Label Data Solutions Proprietary Limited – R175 000
- Blue Label Connect Proprietary Limited – R500 000

The cross-suretyship of R31.9 million (2024: R31.9 million) relates to an overdraft facility amounting to R19.85 million, credit card facilities of R1.050 million, R11 million for settlement payment facilities and R11 million pre-settlement payment facilities for FEC hedging. Management assessed the likelihood of the guarantees being called as remote, and therefore no liability was recognised in the current or prior year.

BLT issued guarantees to the value of R250 million (2024: R250 million) relating to Comm Equipment Company Proprietary Limited's (CEC) facility with African Bank, R75 million (2024: R75 million) relating to CEC's facility with a supplier and R28 million (2024: R2 million) to other Group suppliers. Management assessed the likelihood of the guarantees being called as remote, and therefore no liability was recognised in the current or prior year.

11. FINANCIAL GUARANTEE CONTRACTS continued

Accounting policy continued

Financial guarantee to Dark Fibre Africa (SPV5)

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

Exposure to credit risk

The financial guarantee contracts expose BLT to credit risk, being the risk that BLT will incur financial loss if guaranteed parties fail to make payments as they fall due.

The credit loss allowances for financial guarantee contracts are determined in accordance with the impairment provisions of 'IFRS 9 *Financial Instruments*', which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for financial guarantee contracts is calculated based on 12-month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime ECLs. The loss allowance is updated to either 12-month or lifetime ECLs at each reporting date based on changes in the credit risk since initial recognition. If an exposure is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if the underlying loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

In determining the amount of ECLs, BLT has taken into account any historic default experience, the financial positions of the counterparty as well as the future prospects in the industries in which the counterparty operates.

There has been no change in the estimation techniques or significant assumptions made during the current year.

The maximum exposure to credit risk is the carrying amount of the loans subject to guarantee as presented below.

Credit rating framework

For purposes of determining the credit loss allowances on the financial guarantee exposure to credit risk is linked to the credit risk of another counterparty (TPC).

SPV5 financial guarantee liability	**2025**	2024
Lifetime ECL% of TPC (%)	**22.32**	31.58
Carrying value (R'000)	**39 060**	86 844

Credit loss allowances

The following table sets out the loss allowance and measurement basis of ECLs for financial guarantee contracts by credit rating grade:

2025	Basis of loss allowance	Loss allowance R'000	Carrying amount of financial guarantee contract R'000
Financial guarantee to Dark Fibre Africa (SPV5)*	Lifetime ECL (credit impaired)	**39 060**	**39 060**
2024			
Financial guarantee to Dark Fibre Africa (SPV5)*	Lifetime ECL (credit impaired)	86 844	86 844

* The carrying amount represents the maximum exposure to credit risk which is linked to the credit risk of The Prepaid Company.

Reconciliation of loss allowances

The following table shows the movement in the loss allowance for financial guarantee contracts:

	2025 R'000	2024 R'000
Opening balance	**86 844**	40 238
(Reversal)/increase in loss allowance recognised in profit or loss during the year	**(47 784)**	46 606
Closing balance	**39 060**	86 844

12. REVENUE

Accounting policy

Revenue comprises dividends received from companies within the BLT Group. Dividends received is recognised in revenue in profit or loss when BLT's right to receive payment is established.

	2025 R'000	2024 R'000
Revenue other than from contracts with customers		
Dividends received	**109 911**	418 453

13. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is arrived at after including the following:

	Notes	2025 R'000	2024 R'000
The following has been charged/(credited) in arriving at operating profit/(loss):			
Audit fees		**354**	335
Consulting fees		**11 055**	5 509
Depreciation		**—**	6
Legal expenses		**1 807**	257
Secretarial fees		**1 771**	1 542
(Reversal)/increase in expected credit loss (ECL), arising from the application of IFRS 9, comprise the following:			
ECL movement on loans	6	**(224 457)**	371 935
ECL movement on financial guarantees	11	**(47 784)**	46 606
		(272 241)	418 541

14. FINANCE INCOME

Accounting policy

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

	2025 R'000	2024 R'000
Interest received		
Bank	**214**	138
South African Revenue Service	**—**	2
Deposits*	**—**	1 682
Total finance income	**214**	1 822

* The prior year interest was earned on funds deposited with Lombard Insurance Company Limited which was fully refunded in the 2024 year-end.

15. INCOME TAX

Accounting policy

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or different year, to other comprehensive income; or
- a business combination.

Critical accounting estimates and assumptions

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. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of BLT to realise net deferred tax assets recorded at the end of the reporting period could be impacted.

The Directors resolved at the end of the prior and current financial year not to recognise the deferred tax asset. No income tax charge was recognised in the current or prior year.

	2025 R'000	2024 R'000
Reconciliation between profit/(loss) and tax charge		
Profit/(loss) before taxation	**367 355**	(5 930)
Tax at the applicable tax rate of 27%	**99 186**	(1 601)
Tax effect of adjustments on taxable profit/(loss)		
Dividends received not taxable	**(29 676)**	(112 982)
ECL movement on financial assets and financial guarantees	**(73 505)**	113 006
Expenditure not deductible for tax purposes*	**3 343**	1 177
Tax effect of losses not recognised	**652**	400
	—	—

* Comprises of legal fees and consulting fees.

No provision has been made for current tax as BLT has no taxable income. The estimated tax loss available for set off against future taxable income is R183 309 285 (2024: R180 876 278).

16. CASH (UTILISED BY)/GENERATED FROM OPERATIONS

	Notes	2025 R'000	2024 R'000
Profit/(loss) before taxation		**367 355**	(5 930)
Adjustments for:			
Depreciation and amortisation		**—**	6
Dividends received	12	**(109 911)**	(418 453)
Finance income	14	**(214)**	(1 822)
Movement in ECL	13	**(272 241)**	418 541
Changes in working capital:			
Other receivables		**(21)**	19 985
Trade and other payables		**(647)**	(355)
		(15 679)	11 972

17. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities

	Opening balance R'000	Financial guarantee movements R'000	Closing balance R'000
2025			
Financial guarantee contracts	**86 844**	**(47 784)***	**39 060**
2024			
Financial guarantee contracts	40 238	46 606*	86 844

* Non-cash movements.

18. COMMITMENTS AND CONTINGENCIES

BLT has no commitments, contingent assets or liabilities that require disclosure.

19. RELATED PARTIES

Accounting policy

A related party is a person or an entity that is related to the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management.
- An entity is related to a reporting entity if, among other circumstances, it is a parent, subsidiary, fellow subsidiary, associate or joint venture of the reporting entity, or it is controlled, jointly controlled, or significantly influenced or managed by a person who is a related party.

The Executive Directors of BLT are regarded as key management of BLT. For details of emoluments to Directors, refer to note 22.

For details of the shareholdings in BLT, refer to the Directors' report.

For details regarding subsidiaries of the Company, refer to note 3 and for details of associates/joint ventures of the Company, refer to note 4.

Related party balances

For details regarding the loans to group companies, refer to note 6.

Dividends received from related parties (refer note 12)	**2025 R'000**	2024 R'000
Blue Label One Proprietary Limited	**—**	(20 000)
Ventury Group Proprietary Limited	**(56 980)**	(183 728)
Utilities World Proprietary Limited	**(13 371)**	—
Datacel Direct Proprietary Limited	**(39 560)**	(214 725)
	(109 911)	(418 453)

20. NEW STANDARDS AND INTERPRETATIONS

Standards and interpretations not yet effective

The standards, interpretations and amendments listed below will only be effective in future reporting periods. It is expected that BLT will adopt the pronouncements on their respective effective dates. The amendments are not expected to have a material impact on BLT, however the impact will continue to be assessed of the new standards as issued, but not yet effective. As it stands, our assessment indicates that the new standards are expected to affect the presentation and disclosure as it pertains to the financial statements, and not the recognition and measurement of any items included in the primary financial statements.

Standards, interpretations and amendments issued but not effective	Effective date
IAS 21 *(The effects of changes in foreign exchange rates)*	Year ending 31 May 2026
Lack of exchangeability, the amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and when it is not.	
IFRS 9 *(Financial Instruments)*	Year ending 31 May 2027
Amendments to the classification and measurement of the financial instruments. Clarifying the classification of financial assets and ESG and similar features. Clarifying the date on which a financial asset and financial liability is derecognised, when a liability is settled through electronic payment systems.	
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 confusions 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 dealing with lessee derecognition of lease liabilities and transaction price IFRS 10 dealing with Determination of a 'de facto agent'; and IFRS 7 dealing with the term 'cost method'.	
IFRS 18 *(Presentation and Disclosure in the Financial Statements)*	Year ending 31 May 2028
Improved comparability in the statement of profit or loss (income statement) through the introduction of three defined categories, operating, investing and financing but essentially does not change net profit. Introduces enhanced transparency of management defined performance measures which will be part of the audited financial statements. Further provides guidance on more useful grouping of information in the financial statements through enhanced guidance on how to organise information.	
IFRS 19 *(Subsidiaries Without Public Accountability Disclosures)*	Year ending 31 May 2028
Permits eligible subsidiaries to use the same recognition, measurement and presentation as IFRS Accounting Standards, but allows for specific reduced disclosure area. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent company applies IFRS Accounting Standards in their consolidated financial statements.	

21. SUBSEQUENT EVENTS

On 11 August 2025, a general meeting of shareholders was held to approve the name change of the company. The requisite additional administrative approvals are still in process at the date of this report. Following these approvals, the Company will be known as Blu Label Unlimited Group Limited ('BLU') effective 3 September 2025.

22. DIRECTORS' EMOLUMENTS

	Blue Label Services as Directors of Blue Label Telecoms Limited R'000	Services as Directors of subsidiaries of Blue Label Telecoms Limited R'000	Salary and allowances from subsidiaries R'000
For the year ended 31 May 2025			
Executive Directors			
BM Levy	**—**	**—**	**12 404**
MS Levy	**—**	**—**	**12 404**
DA Suntup	**—**	**—**	**6 569**
	—	**—**	**31 377**
Non-Executive Directors			
LM Nestadt	**2 635**	**—**	**—**
JS Mthimunye	**1 367**	**72**	**—**
SJ Vilakazi	**1 476**	**—**	**—**
H Masondo	**764**	**—**	**—**
NP Mnxasana	**958**	**48**	**—**
LE Mthimunye	**1 351**	**53**	**—**
	8 551	**173**	**—**
	8 551	**173**	**31 377**
For the year ended 31 May 2024			
Executive Directors			
BM Levy	—	—	11 701
MS Levy	—	—	11 701
DA Suntup	—	—	6 198
	—	—	29 600
Non-Executive Directors			
LM Nestadt	2 486	—	—
KM Ellerine*	—	—	—
JS Mthimunye	1 290	68	—
SJ Vilakazi	1 223	—	—
H Masondo	507	—	—
NP Mnxasana	790	45	—
LE Mthimunye	1 162	50	—
	7 458	163	—
	7 458	163	29 600

* Non-Executive Director, KM Ellerine, resigned on 5 June 2023.

Remuneration was paid by subsidiary companies.
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.

Bonuses and performance-related payments R'000	Other benefits from subsidiaries R'000	Total R'000	Fair value of conditional shares R'000
15 157	**—**	**27 561**	**38 754**
15 157	**—**	**27 561**	**38 754**
5 400	**—**	**11 969**	**20 526**
35 714	**—**	**67 091**	**98 034**
—	**—**	**2 635**	**—**
—	**—**	**1 439**	**—**
—	**—**	**1 476**	**—**
—	**—**	**764**	**—**
—	**—**	**1 006**	**—**
—	**—**	**1 404**	**—**
—	**—**	**8 724**	**—**
35 714	**—**	**75 815**	**98 034**
6 649	—	18 350	15 030
6 649	—	18 350	15 030
2 406	36	8 640	7 961
15 704	36	45 340	38 021
—	—	2 486	—
—	—	—	—
—	—	1 358	—
—	—	1 223	—
—	—	507	—
—	—	835	—
—	—	1 212	—
—	—	7 621	—
15 704	36	52 961	38 021

22. DIRECTORS' EMOLUMENTS continued

	Issue date	Issue price R	Vesting date	Awards outstanding as at the beginning of the year
CONDITIONAL SHARE PLAN				
For the year ended 31 May 2025				
Executive Directors				
BM Levy[1]	**6 April 2022**	**6.42**	**31 August 2024**	**803 501**
BM Levy	**1 September 2022**	**6.25**	**31 August 2025**	**874 878**
BM Levy	**23 October 2023**	**3.22**	**31 August 2026**	**1 817 001**
BM Levy[2]	**19 November 2024**	**4.93**	**31 August 2027**	**—**
				3 495 380
MS Levy[1]	**6 April 2022**	**6.42**	**31 August 2024**	**803 501**
MS Levy	**1 September 2022**	**6.25**	**31 August 2025**	**874 878**
MS Levy	**23 October 2023**	**3.22**	**31 August 2026**	**1 817 001**
MS Levy[2]	**19 November 2024**	**4.93**	**31 August 2027**	**—**
				3 495 380
DA Suntup[1]	**6 April 2022**	**6.42**	**31 August 2024**	**425 565**
DA Suntup	**1 September 2022**	**6.25**	**31 August 2025**	**463 369**
DA Suntup	**23 October 2023**	**3.22**	**31 August 2026**	**962 354**
DA Suntup[2]	**19 November 2024**	**4.93**	**31 August 2027**	**—**
				1 851 288
CONDITIONAL SHARE PLAN				
For the year ended 31 May 2024				
BM Levy	1 September 2020	3.20	31 August 2023	1 520 776
BM Levy	6 April 2022	6.42	31 August 2024	803 501
BM Levy	1 September 2022	6.25	31 August 2025	874 878
BM Levy	23 October 2023	3.22	31 August 2026	—
				3 199 155
MS Levy	1 September 2020	3.20	31 August 2023	1 520 776
MS Levy	6 April 2022	6.42	31 August 2024	803 501
MS Levy	1 September 2022	6.25	31 August 2025	874 878
MS Levy	23 October 2023	3.22	31 August 2026	—
				3 199 155
DA Suntup	1 September 2020	3.20	31 August 2023	805 462
DA Suntup	6 April 2022	6.42	31 August 2024	425 565
DA Suntup	1 September 2022	6.25	31 August 2025	463 369
DA Suntup	23 October 2023	3.22	31 August 2026	—
				1 694 396

[1] 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 whilst these rights are restricted.

[2] 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.

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
—	**(224 980)**	**—**	**578 521**
—	**—**	**—**	**874 878**
—	**—**	**—**	**1 817 001**
—	**—**	**—**	**—**
—	**(224 980)**	**—**	**3 270 400**
—	**(224 980)**	**—**	**578 521**
—	**—**	**—**	**874 878**
—	**—**	**—**	**1 817 001**
—	**—**	**—**	**—**
—	**(224 980)**	**—**	**3 270 400**
—	**(119 158)**	**—**	**306 407**
—	**—**	**—**	**463 369**
—	**—**	**—**	**962 354**
—	**—**	**—**	**—**
—	**(119 158)**	**—**	**1 732 130**
138 999	—	(1 659 775)	—
—	—	—	803 501
—	—	—	874 878
1 817 001	—	—	1 817 001
1 956 000	—	(1 659 775)	3 495 380
138 999	—	(1 659 775)	—
—	—	—	803 501
—	—	—	874 878
1 817 001	—	—	1 817 001
1 956 000	—	(1 659 775)	3 495 380
73 619	—	(879 081)	—
—	—	—	425 565
—	—	—	463 369
962 354	—	—	962 354
1 035 973	—	(879 081)	1 851 288

ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS

Shareholder spread	Number	%	Shares	%
1 – 1 000 shares	9 246	79.08	910 361	0.10
1 001 – 10 000 shares	1 541	13.18	6 058 880	0.66
10 001 – 100 000 shares	638	5.46	20 938 290	2.29
100 001 – 1 000 000 shares	187	1.60	62 602 565	6.86
1 000 001 shares and over	80	0.68	823 145 778	90.09
Total	11 692	100.00	913 655 874	100.00

Distribution of shareholders	Number	%	Shares	%
Private Investor	208	1.78	266 952 989	29.22
Mutual Fund	57	0.49	169 278 982	18.53
Corporate Holding	8	0.07	143 720 003	15.73
Trading Position	15	0.13	123 725 536	13.54
Pension Funds	47	0.40	67 998 113	7.44
Stock Brokers	1	0.01	13 204 033	1.45
Hedge Fund	2	0.02	11 918 547	1.30
Insurance Companies	8	0.07	11 338 611	1.24
University	6	0.05	2 430 154	0.27
Medical Aid Scheme	3	0.03	1 533 019	0.17
Custodians	3	0.03	1 158 000	0.13
Exchange-Traded Fund	4	0.03	650 002	0.07
Charity	1	0.01	334 154	0.04
American Depository Receipts	1	0.01	142 500	0.02
Sovereign Wealth	1	0.01	121 167	0.01
Unclassified	11 327	96.86	99 150 064	10.84
Total	11 692	100.00	913 655 874	100.00

Public/non-public shareholders	Number	%	Shares	%
Non-public shareholders	8	0.07	303 215 454	33.19
Strategic Holdings (more than 10%)	1	0.01	100 000 000	10.95
Treasury stock	1	0.01	14 682 814	1.61
Directors and associates	6	0.05	188 532 640	20.63
Public shareholders	11 684	99.93	610 440 420	66.81
Total	11 692	100.00	913 655 874	100.00

Beneficial shareholders holding 2% or more	Shares	%
Shotput Investments (Pty) Ltd	100 000 000	10.95
Levy B M	89 024 101	9.74
Levy M S	82 964 896	9.08
Peresec South Africa (Pty) Ltd	69 843 632	7.64
Allan Gray Balanced Fund	47 885 025	5.24
Zarclear Securities Lending (Pty) Ltd	34 648 095	3.79
ERZ Telecoms CC	26 943 510	2.95
Centriq Sasol Equity Portfolio	25 000 000	2.74
Basa Ventures (Pty) Ltd	24 636 817	2.70
Government Employees Pension Fund (PIC)	21 000 000	2.30
Allan Gray Equity Fund	19 853 077	2.17
Total	**541 799 153**	**59.30**

Shareholders holding 2% or more	Shares	%
Allan Gray (Pty) Ltd	122 445 116	13.40
Shotput Investments (Pty) Ltd	100 000 000	10.95
Levy B M	89 024 101	9.74
Levy M S	82 964 896	9.08
Peresec South Africa (Pty) Ltd	69 843 632	7.64
Sanlam Investment Management (Pty) Ltd	57 793 035	6.33
Zarclear Securities Lending (Pty) Ltd	34 648 095	3.79
Metal Industries Benefit Fund Administrators (Pty) Ltd	27 982 823	3.06
ERZ Telecoms CC	26 943 510	2.95
Basa Ventures (Pty) Ltd	24 636 817	2.70
Total	**636 282 025**	**69.64**

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE
South Africa

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES
Investment Holding company

DIRECTORS
LM Nestadt (Chairman), BM Levy, MS Levy, DA Suntup, NP Mnxasana, JS Mthimunye, SJ Vilakazi, LE Mthimunye, H Masondo

SECRETARY
J van Eden

REGISTERED OFFICE
75 Grayston Drive, Morningside Ext 05, Sandton, 2196

BUSINESS ADDRESS
75 Grayston Drive, Morningside Ext 05, Sandton, 2196

POSTAL ADDRESS
P.O. Box 652261, Benmore, 2010

BANKERS
First National Bank – division of FirstRand Bank Limited; Investec Bank Limited

AUDITORS
SizweNtsalubaGobodo Grant Thornton Inc.

COMPANY REGISTRATION NUMBER
2006/022679/06

LEVEL OF ASSURANCE
These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act, No 71 of 2008.

PREPARER
The annual financial statements were prepared under the supervision of DA Suntup CA(SA).

ISSUED
27 August 2025

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