

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

CONTINUED

for the year ended 31 May 2025

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

3.5 Financial instruments at fair value through profit or loss

Changes in the instruments are as follows:

	Surety loan receivable R'000	Loans receivable carried at fair value R'000	SPV5 derivative liability R'000
Balance as at 1 June 2023	129 315	44 864	(11 050)
Additions	—	—	—
Repayments	—	(45 419)	—
Fair value gain recognised in profit or loss	2 555	555	(188)
Balance as at 31 May 2024	131 870	—	(11 238)
Additions	—	—	—
Repayments	—	—	—
Derecognition	—	—	7 381
Fair value gain/(loss) recognised in profit or loss	2 883	—	3 857
Balance as at 31 May 2025	134 753	—	—
Financial assets at fair value through profit or loss – included in current assets	22 458	—	—
Financial assets at fair value through profit or loss – included in non-current assets	112 295	—	—
Financial liabilities at fair value through profit or loss – included in non-current liabilities	—	—	—
	134 753	—	—
Unrealised gains/(losses)	2 883	—	—

* Additions at zero value were recognised to the SPV1 and Gramercy derivative assets. Refer to related notes below.

Class B Preference Shares R'000	SPV1 Derivative asset R'000	Gramercy Derivative asset R'000	Escrow receivable R'000	Total R'000
(50 774)	—	—	—	112 355
—	—	—	25 063	25 063
—	—	—	—	(45 419)
4 291	—	—	—	7 213
(46 483)	—	—	25 063	99 212
—	—*	—*	37 136	37 136
—	—	—	(21 087)	(21 087)
—	—	—	—	7 381
(196 154)	149 030	223 437	(8 737)	174 316
(242 637)	149 030	223 437	32 375	296 958
—	149 030	223 437	16 149	411 074
—	—	—	16 226	128 521
(242 637)	—	—	—	(242 637)
(242 637)	149 030	223 437	32 375	296 958
(196 154)	149 030	223 437	—	179 196

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

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for the year ended 31 May 2025

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

3.5 Financial instruments at fair value through profit or loss continued

Surety loans receivable

Surety loans relate to the personal sureties that B Levy and M Levy signed for the US dollar denominated loan owed by 2DFine Holdings Mauritius to Gold Label Investments Proprietary Limited. Their liability is limited to the difference between the loan owing to Gold Label Investments Proprietary Limited and the value of 16.95% of the shares in Oxigen Services India Private Limited (Oxigen Services) and 17.29% of the shares in Oxigen Online Services India Private Limited (Oxigen Online). In February 2024 the payment terms for the surety loans were renegotiated, with the payments being agreed as instalments payable annually commencing on 30 September 2025 and ending on 30 September 2030.

SPV5 derivative liability

TPC's loan commitment to SPV5, which has previously been accounted for as a derivative liability as a result of TPC's loan commitment being, in substance, a written put option over the economic interest of SPV5's shareholding in Cell C, was derecognised on 31 December 2024 and reclassified as part of the acquisition cost of the additional investment in Cell C.

Class B Preference Shares

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

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

SPV1 derivative asset

There is currently an agreement in place whereby TPC will be purchasing 4.04% of Cell C ordinary shares from an external party for \$110K, with the only outstanding components being Competition Commission and other conditions precedent. On initial recognition at 1 December 2024 the fair value of the derivative was R31 million and the transaction price was zero. Due to a lack of market-observable inputs to the valuation, no day one gain has been recognised.

On 31 May 2025 the fair value of the derivative was R180 million, giving rise to the fair value movement of R149 million.

The fair value of this financial asset was determined by a combination of the share value, applying the current internal valuation of Cell C, and the present value of the anticipated future payment. A probability factor is then applied to take the risk of approval being denied into account.

Gramercy derivative asset

There is currently an agreement in place whereby TPC will be purchasing 6.09% of Cell C ordinary shares from an external party for R6 million, with the only outstanding components being Competition Commission and other conditions precedent. On initial recognition at 1 December 2024 the fair value of the derivative was R46 million and the transaction price was zero. Due to a lack of market-observable inputs to the valuation, no day one gain has been recognised.

On 31 May 2025 the fair value of the derivative was R269 million, giving rise to the fair value movement of R223 million.

The fair value of this financial asset was determined by a combination of the share value, applying the current internal valuation of Cell C, and the present value of the anticipated future payment. A probability factor is then applied to take the risk of approval being denied into account.

Escrow receivable

A risk margin held in an Escrow account was recognised as part of Book Sale Two and Four. The value of the receivable fluctuates based on the collections experience of advances over the subscription period. The Escrow account will be utilised as follows:

- any amounts not collected from subscribers in respect of sold debtors when due will be drawn by the financial institution from the Escrow account; and
- on the maturity date of the subscription agreements in respect of the sold receivables, any remaining amount in the Escrow account will be released back to CEC.

Refer to note 3.3.3 for further details.

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

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