

2.1 INVESTMENTS IN AND LOANS TO ASSOCIATES AND JOINT VENTURES

2.1.1 SUMMARY OF INVESTMENTS IN AND LOANS TO CELL C, OTHER ASSOCIATES AND OTHER JOINT VENTURES

CRITICAL ACCOUNTING JUDGEMENTS AND ASSUMPTIONS

(A) CLASSIFICATION OF SIGNIFICANT JOINT ARRANGEMENTS

The Group exercises judgement in determining the classification of its joint arrangements.

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

An investment in an associate or joint venture is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Group assesses at each reporting date whether such indicators exist. Similarly, the investment in an associate or joint venture is subsequently reassessed for indications of impairment loss previously recognised that may no longer exist. If there is an indication that an impairment loss has reversed, the Group is required to estimate the recoverable amount of the previously impaired investment. The impairment loss is reversed if the recoverable amount exceeds its carrying amount. The recoverable amounts of the investment in an associate or joint venture are determined based on value-in-use calculations. Where such calculations are performed, it would require the use of estimates.

(C) CLASSIFICATION OF SIGNIFICANT ASSOCIATES

The Group performs control assessments and determines the classification of its significant associates. Refer to note 2.2.

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

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

* Refer to note 8.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

CONTINUED

for the year ended 31 May 2026

2 GROUP COMPOSITION CONTINUED

2.1 INVESTMENTS IN AND LOANS TO ASSOCIATES AND JOINT VENTURES CONTINUED

2.1.1 SUMMARY OF INVESTMENTS IN AND LOANS TO CELL C, OTHER ASSOCIATES AND OTHER JOINT VENTURES CONTINUED

(C) CLASSIFICATION OF SIGNIFICANT ASSOCIATES CONTINUED

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

** The Group also has interests in a number of individually immaterial associates and joint ventures that are accounted for using the equity method which are aggregated under "other associates" and "other joint ventures".

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

² TPC's economic interest was deemed to be disposed of at its fair value yielding a gain of R84.1 million.

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

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