

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

CONTINUED

for the year ended 31 May 2026

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	SPV5 derivative liability R'000	Class B Preference Shares R'000	SPV1 Derivative asset* R'000	Gramercy Derivative asset* R'000	Escrow receivable R'000	Lesaka derivative liability R'000	Nedbank derivative liability R'000	Sisonke Derivative Liability R'000	Total R'000
BALANCE AS AT 1 JUNE 2024	131 870	(11 238)	(46 483)	-	-	25 063	-	-	-	99 212
Additions	-	-	-	-	-	37 136	-	-	-	37 136
Repayments	-	-	-	-	-	(21 087)	-	-	-	(21 087)
Derecognition	-	7 381	-	-	-	-	-	-	-	7 381
Fair value gain recognised in profit or loss	2 883	3 857	(196 154)	149 030	223 437	(8 737)	-	-	-	174 316
BALANCE AS AT 31 MAY 2025	134 753	-	(242 637)	149 030	223 437	32 375	-	-	-	296 958
Additions	-	-	-	-	-	16 913	-	-	-	16 913
Loss on initial recognition	-	-	-	-	-	-	(48 095)	(93 022)	(140 000)	(281 117)
Fair value gain/ (loss) recognised in profit or loss	2 200	-	242 637	(7 985)	(13 911)	-	-	-	-	222 941
Settlements	-	-	-	(141 045)	(209 526)	-	-	-	-	(350 571)
Repayments	(21 964)	-	-	-	-	(26 030)	-	-	-	(47 994)
Derecognition upon the disposal of Cell C (including CEC)	-	-	-	-	-	(23 258)	-	-	-	(23 258)
Derecognition	(114 989)	-	-	-	-	-	48 095	93 022	-	26 128
BALANCE AS AT 31 MAY 2026	-	-	-	-	-	-	-	-	(140 000)	(140 000)
Financial liabilities at fair value through profit or loss – included in non-current liabilities	-	-	-	-	-	-	-	-	(140 000)	(140 000)

* Refer to note 2.2.1.

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 was previously 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). Effectively on 1 December 2025, the loan was converted from USD into ZAR and bears interest at prime less 1.5%, payable annually each November, with the final instalment due on 30 November 2030. On the modification date, the loan was derecognised as a financial instrument at fair value and re-recognised as a loan receivable measured at amortised cost.

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 FVTPL. The preference shares are initially recognised by the Group at fair value and subsequently measured at FVTPL.

Prior to the pre-listing restructuring of Cell C, the fair value of Cell C was zero, resulting in the Class B Preference Shares being settled at zero.

ESCROW RECEIVABLE

A risk margin held in Escrow covered any shortfall on sold debtors, with the balance released to CEC once the subscription agreement matured. The receivable has been derecognised upon the disposal of Cell C (including CEC).

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.

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3 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

3.5 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS CONTINUED

LESAKA DERIVATIVE LIABILITY

Ahead of the pre-listing restructuring of Cell C, TPC entered into an agreement with Lesaka, giving Lesaka the right to require TPC to purchase its Cell C shares for R50 million. Lesaka's shareholding in Cell C after the restructuring was 0.025%.

Lesaka exercised its put option prior to 30 November 2025, giving rise to a financial liability.

The fair value of this financial liability was determined with reference to the fair value of R26.50 per Cell C share and the agreed purchase price.

On 11 December 2025, TPC paid R50 million to Lesaka for the purchase of 0.025% of Cell C ordinary shares, thereby settling the financial liability.

NEDBANK DERIVATIVE LIABILITY

Ahead of the pre-listing restructuring of Cell C, TPC entered into an agreement with Nedbank, giving Nedbank the right to require TPC to purchase its Cell C shares for R96 million. Nedbank's shareholding in Cell C after the restructuring was 0.035%.

Nedbank exercised its put option prior to 30 November 2025, giving rise to a financial liability.

The fair value of this financial liability was determined with reference to the fair value of R26.50 per Cell C share and the agreed purchase price.

On 4 December 2025, TPC paid R96 million to Nedbank for the purchase of 0.035% of Cell C ordinary shares, thereby settling the financial liability.

SISONKE DERIVATIVE LIABILITY

The loan account linked to the 15.95% stake in Cell C that was sold to Sisonke (refer to Note 2.2), has been accounted for as an 'in-substance' written call option (derivative liability). Its fair value has been determined using the Monte Carlo simulation of a Geometric Brownian Motion process. The variables include expected risk-free interest rates, and the anticipated volatility and dividend yield of the Cell C share. Since the loan account is taken into account in determining the fair value of the derivative liability, the loan is not separately accounted for as a loan receivable. TPC's economic interest in Cell C that is accounted for includes the 15.95% stake and Sisonke's right to retain 10% of any dividends accruing to them during the loan period is reflected in the fair value of the derivative liability. The initial fair value yielded a loss of R140 million which was recognised in other expenses in the statement of comprehensive income.

At 31 May 2026 there is no subsequent movement in the derivative value due to Cell C's share price being unchanged from exercise price and no dividends declared to date.

As there are significant unobservable inputs to this valuation, the derivative liability has been classified as level 3.

A sensitivity analysis was performed on the Sisonke derivative liability as illustrated below:

SIGNIFICANT UNOBSERVABLE INPUTS APPLIED	(NEGATIVE)/POSITIVE VARIANCE APPLIED TO PARAMETERS*	POTENTIAL EFFECT ON PROFIT OR LOSS AND EQUITY R'000
Cell C share price volatility	(2.28%) / 2.29%	25 000 / (26 000)
Cell C dividend yield	(0.43%) / 0.42%	1 000 / (1 000)
Risk-free interest rates	(0.66%) / 0.66%	12 000 / (12 000)

* A significant parameter has been deemed to be one which may result in a charge to profit or loss, or a change in the fair value of the asset or liability by more than 10% of the underlying value of the affected item.