

BLUE LABEL
TELECOMS

Integrated Annual Report
2024



CONTENTS

- 1 About this report
- 2 Highlights

ABOUT US

- 4 What we do and why we do it
- 5 Our purpose, vision and mission
- 7 Our values system
- 8 Our business model
- 13 Board of Directors
- 18 Operating structure
- 19 Executive Committee
- 20 Chairman's report
- 22 Material risks and opportunities
- 29 Stakeholder relations
- 34 The RITE strategy

STRATEGY AND PERFORMANCE

- 38 Joint Chief Executive Officers' report
- 41 Financial Director's report
- 48 Ten-year review
- 49 Value added statement
- 50 Operational reviews
- 55 Leveraging technology
- 57 Social impact: Human capital
- 68 Social impact: Customer and supply chain responsibility
- 71 Social impact: Corporate social responsibility and community development

CORPORATE GOVERNANCE

- 74 Governance philosophy and approach
- 75 Effective and ethical leadership
- 78 Board composition, structure and report back

- 87 King IV functional areas
- 88 Governance of risk
- 89 Governance of sustainability
- 91 Information and technology governance
- 95 Compliance report
- 97 Audit, Risk and Compliance Committee's report
- 101 Social, Ethics and Transformation Committee's report
- 103 Remuneration report

SHAREHOLDER INFORMATION AND ADMINISTRATION

- 124 ESG Reporting Index
- 136 Notice of virtual Annual General Meeting
- 142 Form of proxy
- 143 Notes to the form of proxy
- 144 Glossary
- 147 Administration

HOW TO NAVIGATE THIS REPORT

This interactive and electronic format of our report provides readers with links to content within the report and to external content on other websites, where additional information is considered. The navigation tool for this report is located at the top of each page, and can be used to move to any report section that is of interest to the reader.



OUR REPORTING SUITE

2024 Annual Financial Statements

2024 Notice of Annual General Meeting



The following tools will assist you to navigate the report:
Further information is available on our website at www.bluelabeltelecoms.co.za

FEEDBACK ON INTEGRATED ANNUAL REPORT

We welcome your feedback on this IAR. Please e-mail your comments to investor relations at investors@blts.co.za

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ABOUT THIS REPORT

BLUEPRINT FOR SUCCESS

Blue Label Telecoms' (Blue Label) integrated annual report offers a comprehensive overview of the Company's unique sustainable value creation model and its integrated approach to strategy implementation across the Group.

The report covers Blue Label's business segments, financial and operational performance for the financial year ended 31 May 2024. It aims to enable stakeholders to assess the Company's ability to create and sustain value in the short, medium and long term.

By linking material information to strategy, governance, performance, remuneration, risk, opportunities and prospects, Blue Label provides stakeholders with a holistic understanding of the commercial, social and environmental context in which it operates.

REPORTING STANDARDS AND COMPREHENSIVE DISCLOSURE

This report has been compiled in line with prominent local and international frameworks, including:

- the King IV Report on Corporate Governance™ for South Africa, 2016* (King IV™*);
- JSE Listings Requirements; and
- the International Integrated Reporting Framework (<IR> Framework).

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The report offers a balanced view of the material matters the Company is addressing and how these are managed in accordance with the six capitals defined by the <IR> Framework. Material matters are defined as those that significantly impact the Company's ability to create shared value over the short, medium and long term. To determine the report's material content, Blue Label applies a risk-based model that considers risks, opportunities and stakeholder issues.

The annual financial statements are prepared in accordance with:

- IFRS® Accounting Standards as issued by the International Standards Accounting Board;
- JSE Listings Requirements; and
- the Companies Act of South Africa.

Furthermore, Blue Label is aligning its environmental, social and governance (ESG) disclosures with the JSE Sustainability Disclosure Guidelines. This ensures the report keeps pace with evolving international reporting trends and stakeholder disclosure requirements.

TRANSPARENCY AND ACCOUNTABILITY

Blue Label is committed to the highest standards of disclosure and providing meaningful, accurate, complete, transparent and balanced information to its stakeholders.

The annual financial statements are independently assured by Blue Label's external auditor. The Board of Directors acknowledges its responsibility for the integrity of this integrated annual report, with the Audit, Risk and Compliance Committee (ARCC) providing oversight.

The integrated annual report was approved by the Board on 30 September 2024, reflecting its collective commitment to transparent and accountable reporting.

DISCLAIMER

This document contains certain statements that are "forward-looking" with respect to certain of the Group'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 Group'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 Group and its affiliates operate.

The Group'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 Group 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 Group's external assurance providers. The Group 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.



LM NESTADT
Chairman

30 September 2024

HIGHLIGHTS

A snapshot overview of Blue Label's performance for the year ended 31 May 2024

Revenue of

R14.6 billion *

Increase in gross profit margin from

18.41% to 22.57%

Decrease in gross profit of 5% to

R3.3 billion

(2023: R3.48 billion)

Core headline earnings of

76.08 cents per share**

(2023: 45.55 cents per share)

* On inclusion of the gross amount generated on "PINless top-ups", prepaid electricity, ticketing and universal vouchers, the effective increase equated to 16% from R76.8 billion to R89.3 billion.

** Excluding the positive contributions of R66 million in the current year and the negative contributions of R523 million in the prior year, primarily resulting from the recapitalisation transaction of Cell C, core headline earnings per share declined by 34% to 68.66 cents per share compared to 104.83 cents per share in the prior year.





About us

- 4 What we do and why we do it
- 5 Our purpose, vision and mission
- 7 Our values system
- 8 Our business model
- 13 Board of Directors
- 18 Operating structure
- 19 Executive Committee
- 20 Chairman's report
- 22 Material risks and opportunities
- 29 Stakeholder relations
- 34 The RITE strategy

WHAT WE DO AND WHY WE DO IT

EMPOWERING THE MASS MARKET THROUGH DIGITAL DISTRIBUTION

Blue Label is a leading digital distribution company, seamlessly connecting people with essential products and services. We specialise in prepaid solutions, virtual goods and value-added offerings, making them readily available to the mass market.

Our impact: bridging the digital divide

Listed on the JSE since 2007, our strength lies in our vast network and long-standing partnerships. We leverage technology and entrepreneurial spirit to champion financial inclusion. This means bringing essential services directly to those who might be geographically or economically disadvantaged.

Creating opportunities, one transaction at a time

Blue Label fosters job creation, empowers small businesses and bridges the digital divide by offering secure fintech solutions, including:

- Scalable and adaptable technology;
- Universally compatible hardware;
- Expertise-driven products and services;
- Consistent customer experience across channels;
- Always-on, time-saving transactions;
- Payment options for everyone, with reduced capital costs for businesses; and
- Data-driven insights for targeted marketing and sales

Empowering our partners with technology

Mobile networks, utilities, banks, retailers and others leverage our proprietary platforms for efficient consumer engagement and rapid product launches, all backed by robust and secure systems.

More than just distribution

Blue Label goes beyond distribution. We offer a virtual platform, or what we refer to as a virtual mall, for merchants, eliminating inventory management and reducing the risk of obsolescence.

The Blu Approved promise

Our Blu Approved logo signifies trust, quality and market leadership. It reflects our values-driven approach, where the customer comes first.

Learn more:

 Visit www.bluelabeltelecoms.co.za for a comprehensive list of our products and services.



OUR PURPOSE, VISION AND MISSION

Blue Label is an innovative, entrepreneurial and governed business and this is deeply embedded in our operations and corporate culture. Our strategy to grow shareholder value is supported by our inclusive leadership commitment, with our RITE strategy serving as our north star across operations.



WHAT DOES FINANCIAL INCLUSION MEAN TO US?

In the South African mass market where we operate, a significant proportion of our communities are traditionally unable to access formal financial services in a way that is convenient and cost-effective. With the rise of technology, we can provide consumers and the informal trade sector with access to e-commerce solutions that opens a new world of economic opportunity.

OUR PURPOSE, VISION AND MISSION CONTINUED

OUR STRATEGY



OUR TARGETS

TARGET 1:
GROWTH AND SCALE



TARGET 2:
INNOVATION AND
RESILIENCE



TARGET 3:
PRODUCTS AND
SERVICES



TARGET 4:
CUSTOMER
EXPERIENCE

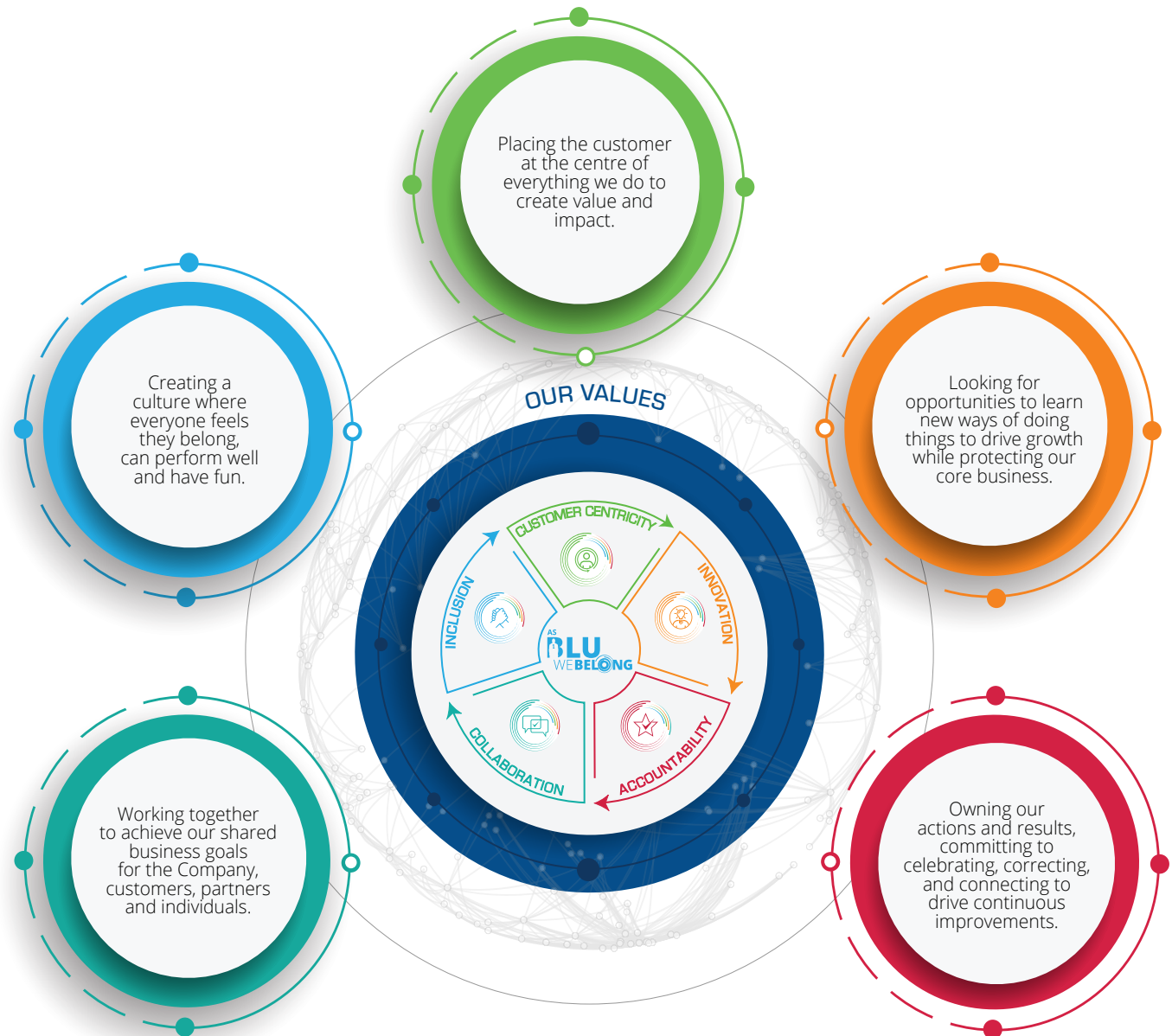


OUR VALUES SYSTEM

Blue Label's purpose and strategy rely on the unity and purpose of our people. It is important that each of our employees feel part of an inclusive Company culture with a clear vision of the future.

In 2024, Blue Label re-examined how this vision ties into our approach to leadership and the work environment it creates. This led to the further development of our leadership mantra, “#AsBluWeBelong.” The goal is to ensure that every employee feels valued and respected.

We refreshed our values to reflect this in everything we do.



OUR BUSINESS MODEL

Blue Label's resources are divided into six capitals by the <IR> Framework, which considers how an organisation's operations and results impact or change these resources. We weigh the trade-offs between the various value drivers and every choice we make aims to maximise benefits and minimise drawbacks.

CAPITALS

INPUTS

	Financial capital	- Equity capital - Debt capital - Working capital - Capital expenditure: R88 million
	Manufactured capital	Property, plant and equipment to the value of R88 million , including: - R21 million vending machines and terminal devices; - R32 million computer equipment; and - R16 million media equipment.
	Intellectual capital	- Additions to intangible assets: R165 million - Software development spend: R117 million - Market insight and data - Entrepreneurial culture and agile practices - Operating systems, policies, processes and procedures - Reporting and communication - Proprietary technology, software and IT systems - Targeted analytical processes, machine learning and artificial intelligence (AI)
	Human capital	- Employees: 1 150 - Salaries and benefits spend: R962 million - Experienced Board, executive and senior management - Performance management system - Leadership development programme
	Social and relationship capital	- Relationships with all stakeholder groups, including: - Employees, customers, shareholders, government and regulators, partners and suppliers and media. - SED spend: R11.6 million

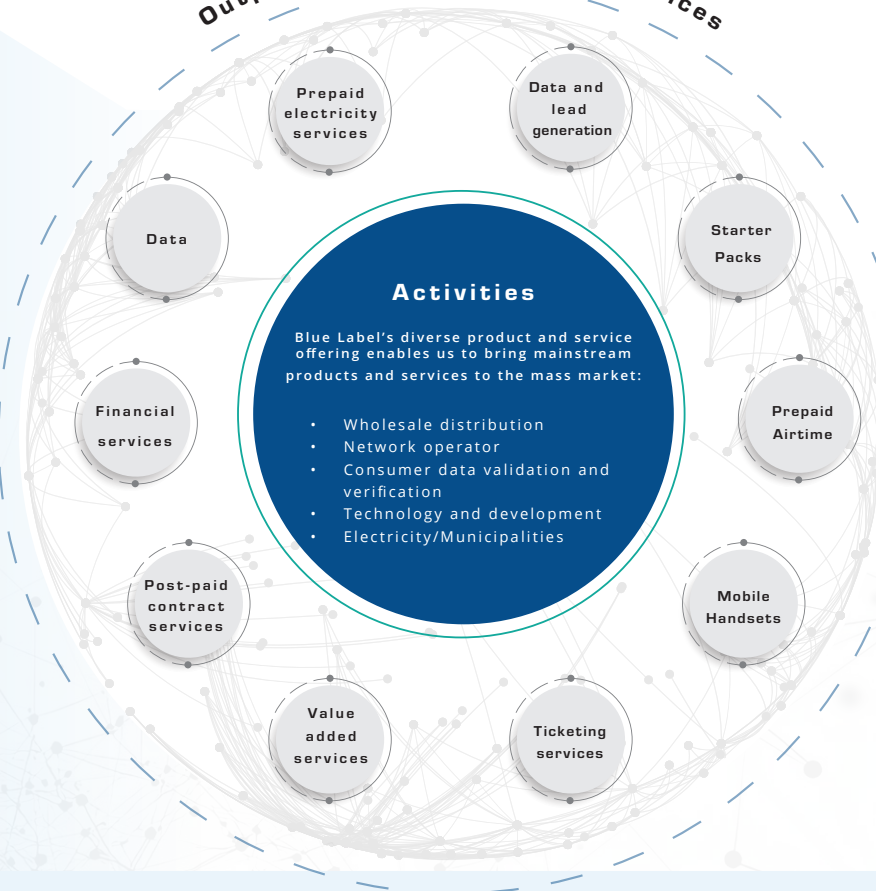
Natural capital:

Includes continuing subsidiary operations. Excluding offshore, discontinued and sold operations, as well as associate and joint ventures.

	2024		2023*		% increase/ (decrease) in spend	% increase/ (decrease) in usage
	R'000	Usage	R'000	Usage		
Electricity	4 372	1 827 047 kWh	4 017	2 038 978 kWh	9	(10)
Water	696	12 420 KL	552	11 356 KL	26	9
Petrol	9 459	401 950 L	13 664	584 780 L	(31)	(31)
Diesel	2 358	95 924 L	2 671	104 763 L	(12)	(8)
Paper	205	7 390 kg	195	7 255 kg	5	2

* The comparative numbers have been restated for the cessation of operations of Mobile Macs Proprietary Limited.

Outputs: our products and services



In line with Blue Label Distribution's cost optimisation objectives, the closure of several regional offices and fleet reductions led to a reduction in their consumption of electricity, water and fuel. The head office canteen and car wash resumed full function midway through the 2023 financial year resulting in an increase in water consumption in 2024. The reduction in load shedding experienced in the 2024 financial year, resulted in savings on generator diesel consumption. Continued efforts to transition to a paperless environment confined paper consumption to acceptable levels.

OUR BUSINESS MODEL CONTINUED

OUTCOMES

A strong balance sheet and sufficient working capital to fund the operations that support long-term sustainability

- Revenue: R14.6 billion
- Gross profit: R3.3 billion

Economic benefits for stakeholders:

- Finance activities: R45 million outflow
- Lease payments: R17 million
- Taxes paid: R187 million
- Employee salaries and benefits: R962 million

- Ability to deliver valuable services and solutions in response to changing consumer demands
- Strategically located outlets offering convenient customer access to products and services

- Proprietary systems/solutions add value and secure sophisticated contracts
- Accelerating our digitisation projects to fast-track our ability to be responsive to our new environment
- Improved responses to changing consumer needs
- Brand reinforcement and market communication
- Accelerated deployment of new technologies
- Effective controls and processes
- Creative solutions increase productivity, cost savings and synergies

- Building an organisation that is future fit, inclusive business with a growth mindset
- Employee well-being is part of our strategy to succeed
- Employee engagement is more centred around creating meaningful jobs and creating an environment that creates purpose
- A vibrant, diverse and flexible workforce committed to the long-term success of Blue Label:
 - 45% of Blue Label's workforce is female;
 - 82% of new recruits are black; and
 - 76% of the people appointed in managerial roles are black.
- Inclusive leadership that promotes innovation, teamwork and job satisfaction

- Building sustainability programmes that impact communities and youth development
- Initiatives aimed to build entrepreneurs and SMMEs
- Supporting flagship beneficiaries that align with our shared socio-economic values through the Trust Blu Foundation
- Business efficiency through collaboration with producers and suppliers
- Building trust and respect
- Social relevance in the communities we operate in
- Brand reinforcement and market communication
- Sustained confidence from shareholders and investors

- We are aware of the environmental impacts of our operations and activities. We pursue the responsible management of waste and emissions, with a focus on the sustainable use of our resources
- Blue Label views digital products and services as having significant potential to deliver positive environmental outcomes

Our business model and the use of the capitals to create value for all our stakeholders are underpinned by robust corporate governance, as outlined on page 124

TRADE-OFFS

Short-term investment vs long-term benefit

There is an important trade-off between short and long-term investment associated with financial capital. It is important to balance the interest of short-term benefits with those of long-term sustainable growth objectives. While both are important for different stakeholders at different times, it is a key focus in our strategic decision-making process.

Automation and human capital

Automation of routine tasks through technology may in the long term reduce human capital. Blue Label's approach is to find value-creating opportunities in new and evolving technologies that support our employees and our communities in their work.

Fast-paced innovation

Our technical innovation and entrepreneurial drive are central to effectively serving the unbanked market segment and those without access to technology. The adoption of new technologies, as well as processes and systems that are faster and more efficient, requires effective change management with employees and subsidiaries.

Responding to social and environmental issues

Climate change is increasingly in the spotlight as the effects of global warming start to show up in severe weather events across the world. At the same time, social challenges and inequality are thrown into sharp relief, especially in developing countries. In choosing where best to allocate Blue Label's financial resources to make the world a better place, we consider solving social issues as central to our purpose and vision and therefore more material.

OUR BUSINESS MODEL CONTINUED

OUR DIVISIONS AND OFFERINGS

Blue Label's varied product and service offering enables us to provide mainstream products and services to a broader clientele. Blue Label's divisions are illustrated below. (Unless otherwise stated, all entities are wholly owned by Blue Label).

AFRICA DISTRIBUTION

Blue Label Distribution (BLD) is a specialist in prepaid products and the electronic distribution of virtual merchandise across South Africa. They have an extensive distribution network that includes banks, retailers, spaza shops, informal traders and petroleum forecourts.



TicketPro allows customers access to exclusive transport services, travel services, sporting events and entertainment.



BluAdvance provides qualified customers the opportunity to take out a prepaid electricity advance on their meter, with the ability to pay it back at a later stage.



Comm Equipment Company (CEC) is a business unit responsible for Cell C postpaid offerings.



T3 Telecoms SA (50% shareholding) is a mobile value-added services and product distribution company.



Blue Label Connect (BLC) distributes tailor-made hybrid top-up airtime and data contracts.



BluNOVA has become one of the leading practitioners of data and decision science in South Africa. They have deployed a state-of-the-art decision engine that supplies intelligent data leads and assists in securing new business.



Aligned Partnered Solutions (APS) (50% shareholding) provides operational and IT consulting services to Blue Label Connect.



Blue Label One is engaged in media advertising.



AltBureau is a data bureau based on API marketplace technology, serving as a platform to provide services to both external and internal clients.



The Prepaid Company (TPC): As the premier distributor of prepaid airtime and starter pcks for all the major South African network operators, TPC leverages trusted proprietary technology to ensure purchasing efficiency and robust inventory control.



GloCell Distribution: GloCell Distribution's core strategy centres around the distribution of starter packs through its well-established channels.



Robtronics Service Solutions (51% shareholding): specialises in repairing mobile devices and managing the reverse logistics process to support the repair operations.



GloCell Retail Solutions (GCRS): is a distributor of prepaid products and value-added services for all major network operators. It supplies these offerings to various retailers, including national chains and petroleum forecourts.



Dunoworx (25.79% shareholding): provides mobile handset repair services to the Cell C customer base and sells and distributes second-hand mobile handsets.



OUR BUSINESS MODEL CONTINUED

OUR DIVISIONS AND OFFERINGS continued

SOLUTIONS

Blue Label Data Solutions (BLDS) (81% shareholding): is a market leader in consumer data, big data, validation and verification, data cleansing and lead creation.



Blu Train Group (64.57% shareholding): offers learnerships, training, recruitment and payroll services.



Blue Label Communications (50.3% shareholding): provides three business verticals: data, SMS and reverse data billing.



MOBILE NETWORK OPERATOR

Cell C Limited (Cell C) (49.53% shareholding): is a mobile operator in South Africa.



OUR BUSINESS MODEL CONTINUED

OUR DIVISIONS AND OFFERINGS continued

TECHNOLOGY AND DEVELOPMENT

Transaction Junction (60% shareholding):

a business enablement platform offering tailored digital payment solutions for companies across a wide range of markets.



LIPA Payments (36% shareholding): is a payment software solution designed for banks and fintechs, enabling small merchants to process digital transactions through NFC and Bluetooth technology.



ELECTRICITY/MUNICIPALITIES

Cigicell (74% shareholding): collaborates with municipalities to enhance their revenue streams by offering prepaid electricity and water services.



ReWare provides smart meters that accurately track electricity usage, helping to monitor, verify and manage energy consumption.



Utilities World (25.1% shareholding): primarily focuses on designing prepayment revenue management software. In addition to this, the company handles the design, manufacturing and installation of prepaid electricity meters. Their systems have been utilised by local municipalities in South Africa and abroad for several years.



VISUAL Revenue Management (VRM) (74% shareholding): is a crucial partner and strategic player in South Africa's municipal sector. VRM is focused on revenue management, spatial data solutions and infrastructure development.



VENTURES

iCrypto (14.29% shareholding):

enables organisations to eliminate cyber risks such as identity theft, access breaches, data breaches and ransom attacks, while enforcing compliance through technology-leveraging biometrics and tokenised identity.



Mobii Systems Group (29.9% shareholding):

specialises in game analytics and offers products powered by Internet of Things (IoT) technology.



BOARD OF DIRECTORS



LAURENCE (LARRY) NESTADT

Independent Non-Executive Chairman

Age: 73

Joined the Board:
October 2007

(Chair of Nomination Committee)



NOMAVUSO MNXASANA

Independent Non-Executive Director

Age: 68

Joined the Board:
September 2020

BCompt (Hons), CA (SA)



MARK LEVY

Joint Chief Executive Officer

Age: 53

Joined the Board:
February 2007

BCompt (Unisa)



HAPPY MASONDO

Independent Non-Executive Director

Age: 56

Joined the Board:
August 2023

BA (Wits), LLB (Wits),
LLM (Duke)



BRETT LEVY

Joint Chief Executive Officer

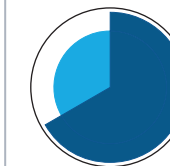
Age: 49

Joined the Board:
February 2007



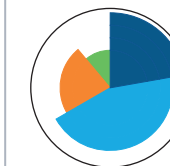
Committee key

- Investment Committee
- Remuneration and Nomination Committee
- Social, Ethics and Transformation Committee
- Audit, Risk and Compliance Committee



Independence

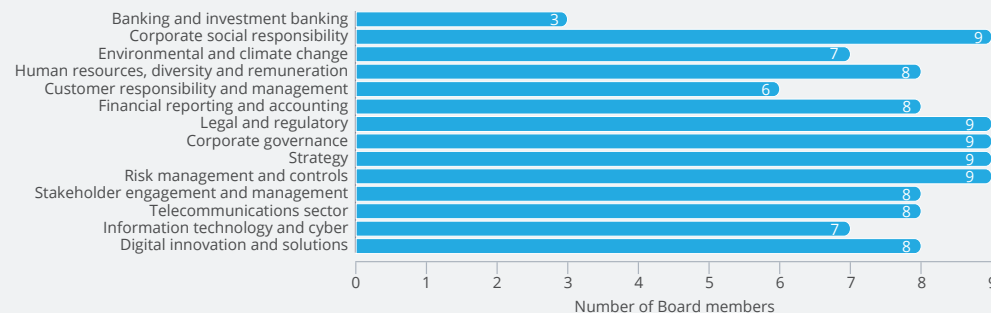
- Independent Non-Executive Directors 6
- Executive Directors 3



Age

- 40 – 49 years 2
- 50 – 59 years 4
- 60 – 69 years 2
- 70 – 79 years 1

Board skills and experience



BOARD OF DIRECTORS CONTINUED



JOE MTHIMUNYE

Independent Non-Executive Director

Age: 59
Joined the Board:
October 2007

(Chair of Audit, Risk and Compliance Committee)
BCompt (Hons), CTA (Unisa), CA (SA)



LINDIWE MTHIMUNYE

Independent Non-Executive Director

Age: 50
Joined the Board:
November 2022

(Chair of Investment Committee)
BCom (UCT), Postgraduate Diploma in Accounting (UCT), Postgraduate Diploma in Tax Law (Wits), MCom (UCT), CA (SA)



JERRY VILAKAZI

Independent Non-Executive Director

Age: 63
Joined the Board:
October 2011

(Chair of Remuneration Committee and Social, Ethics and Transformation Committee)
BA (Unisa), MA (Thames Valley), MA (London), MBA (California Coast University)

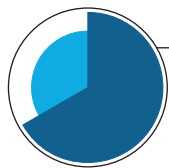


DEAN SUNTUP

Financial Director

Age: 47
Joined the Board:
November 2013

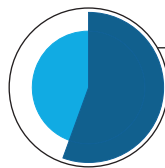
(Alternate to Brett Levy on Social, Ethics and Transformation Committee)
BCom (Wits), BCom Hons (Unisa), CA (SA)



Gender

● Male
● Female

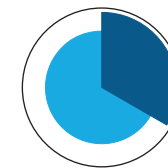
6
3



Race

● Black
● White

5
4



Tenure

● 0 – 5 years
● >10 years

3
6

BOARD OF DIRECTORS CONTINUED

LAURENCE (LARRY) NESTADT (73)

Independent Non-Executive Chairman

Larry is a co-founder and former executive director of Investec Bank Limited and has been instrumental in the creation and strategic development of a number of listed companies including Capital Alliance Holdings Limited (Capital Alliance Life – acquired by Liberty Life; Capital Alliance Bank – now Brait), Super Group Limited, Hosken Consolidated Investments Limited, SIB Holdings Limited, CorpGro Limited and Global Capital Limited. He also served as past Chairman on the boards of these companies. Previously, Larry sat on the boards of Softline Limited, JCI Limited and Abacus Technologies Holdings Limited and is a former Chairman of a number of non-listed company boards both in South Africa and abroad, including Stenham Limited (UK) and Prefsure Life Limited (AUS).

Larry is the current Executive Chairman of Global Capital Proprietary Limited and the current Chairman of Blue Label Telecoms Limited, Dis-Chem Pharmacies Limited, Morecorp Group and Selldirect Marketing Proprietary Limited. He also serves as Non-Executive Deputy Chairman of Cell C Limited. Larry is a life member of the World Presidents' Organisation, Lloyds of London, since 1983.

BRETT LEVY (49)

Joint Chief Executive Officer

Brett has an impressive entrepreneurial record of founding and operating many small businesses across a wide range of industries. These include distributing fast-moving consumer goods and the provision of replacements for electronic goods to insurance companies.

He currently serves as a Director of various Blue Label companies and plays a key role in developing Blue Label's strategy and its commercial negotiations.

His achievements have earned him a number of prestigious nominations, accolades and awards. These include the Absa Bank Jewish Entrepreneur of the Year Award (2003) and the Absa Jewish Business Achiever Non-Listed Company Award (2007), which he won jointly with his brother Mark. Brett was nominated as an Ernst & Young World Entrepreneur SA finalist for 2007.

In 2010, he received the Liberty Life Award for a Remarkable Success Story in the David Awards and was a finalist in the Top Young Entrepreneur category of the African Access National Business Awards. In 2011, he shared the Top Entrepreneur accolade in the African Access National Business Awards with Mark.

MARK LEVY (53)

Joint Chief Executive Officer

After years as a successful commodities trader, Mark became an entrepreneur, operating various small businesses across different industries.

Serving as a Director of various Blue Label companies, Mark is also integral in spearheading the execution of Blue Label's growth strategy, integration of acquisitions and development of the IT architecture.

His leadership stature is frequently recognised. Together with Brett, Mark received the Absa Jewish Business Achiever Non-Listed Company Award (2007). He was an Ernst & Young World Entrepreneur SA finalist for 2007.

In 2010, Mark was voted Top IT Personality of the Year by ITWeb and was a finalist in the Top Young Entrepreneur category of the African Access National Business Awards. In 2011, he shared the Top Entrepreneur accolade in the African Access National Business Awards with Brett.

Committee key

Investment Committee Remuneration and Nomination Committee Social, Ethics and Transformation Committee Audit, Risk and Compliance Committee

BOARD OF DIRECTORS CONTINUED

HAPPY MASONDO (56)

Independent Non-Executive Director

Happy is a senior corporate lawyer with over 25-years' experience, offering specialist skills in public interest law, constitutional law, renewable energy projects, information technology, corporate governance, regulatory advisory services and public private partnerships. She has advised a wide range of clients including private and public companies, state-owned entities, energy companies, financial institutions, construction and engineering firms, listed organisations, telecommunications companies, and information and technology firms.

Happy was a partner for nearly 10 years at Werksmans Attorneys. She currently serves in a non-executive capacity on several boards, including Bright Light Solar VCC, ProfitShare Partners, Dis-Chem Pharmacies Limited and as a Trustee for the Investec Entrepreneurship Development Trust. As a member of these boards, she also sits on various subcommittees such as the Remuneration, Audit and Risk, Nomination, Social and Ethics Committees. She also serves as a Senior Consultant in the energy, infrastructure and corporate departments at CMS-RM Partners.

NOMAVUSO MNXASANA (68)

Independent Non-Executive Director

Nomavuso is a Chartered Accountant (SA). She spent one year at Deloitte before joining SizweNtsaluba VSP (formerly Nkonki Sizwe Ntsaluba).

During her tenure at SizweNtsaluba, she specialised in consulting, internal auditing and attest functions. Following the introduction of the Public Finance Management Act, Nomavuso identified an opportunity and then started the corporate governance division which housed the internal audit services. Nomavuso was also involved in staff development and training in her capacity as staff partner for five years. She later joined the Imperial Group as the Group Audit and Risk Executive. While there, she introduced Training Outside Public Practice (TOPP). When Nomavuso left Imperial, her 11 TOPP trainees were spread across the group. She continued consulting for Imperial to ensure they receive adequate training.

Nomavuso was appointed to serve on the board of Imperial Bank as a Non-Executive Director representing Imperial until the bank surrendered its banking licence in September 2010. Nomavuso sits on a number of boards of both listed and unlisted companies.

JOE MTHIMUNYE (59)

Independent Non-Executive Director

Joe qualified as a Chartered Accountant (SA) in 1993.

In 1996, he co-founded Gobodo Incorporated, an accounting practice with eight other partners which later became SizweNtsalubaGobodo Grant Thornton Inc.

In 1999, he led a management buy-out of Gobodo Corporate Finance from the accounting firm and rebranded it aloeCap Proprietary Limited, of which he is currently the Executive Chairman.

He serves on the board of directors of various non-listed companies where aloeCap is invested. Joe is an Independent Non-Executive Director of Dis-Chem Pharmacies Limited, the Chairman of Cell C Limited and also serves as a Director of various Group companies. He is also Chairman of Dis-Chem's Audit Committee.

Committee key

Investment Committee Remuneration and Nomination Committee Social, Ethics and Transformation Committee Audit, Risk and Compliance Committee

BOARD OF DIRECTORS CONTINUED

LINDIWE MTHIMUNYE (50)

Independent Non-Executive Director



Lindiwe is a Chartered Accountant (SA) and has extensive governance, finance and business experience. Having worked in investment banking – property and infrastructure finance – and also as Chief Financial Officer, she is an experienced Non-Executive Director having previously served on the boards of various listed and unlisted companies including Woolworths, Massmart, Group 5, Torre, Sea Harvest, Cell C Limited and PetroSA.

JERRY VILAKAZI (63)

Independent Non-Executive Director



Jerry has held various executive positions in government and the business sector, including that of Director for Commerce and Industry at SAICA and Managing Director of the Black Management Forum (BMF), where he also served on the board of the BMF investment company. He was later appointed as the CEO of Business Unity South Africa (BUSA) and has also served as Chairman of the SADC Employer Group and the EU-Southern African Business Council. In addition to representing business at Nedlac, he served as a member of the King Committee on Corporate Governance, the National Anti-corruption Forum and SADC Business Forum.

In 1998, he was appointed Public Service Commissioner. He later served as a member of the National Planning Commission that developed the country's first National Development Plan and as a member of the Presidential B-BBEE Advisory Council. Jerry served as Chairman and Director of a number of SOEs, including the Mpumalanga Gambling Board, Mpumalanga Economic Growth Agency and the State Information Technology Agency Proprietary Limited. He previously served on the boards of PPC Limited and Goliath Gold Limited and held the position of Chairman of Netcare Limited as well as adviser to Citibank. He is Adjunct Professor in the Department of Business Management, Unisa.

Jerry is currently the Executive Chairman of Palama, an investment company he co-founded, and also serves on the boards of Cell C Limited and Sibanye-Stillwater Limited.

DEAN SUNTUP (47)

Financial Director



Dean completed his articles at PricewaterhouseCoopers (PwC) where he continued working after qualifying as a Chartered Accountant (SA), participating in the audits of various large corporations and multinational companies.

In 2003, he joined BSC Technologies, a business established by the Levy brothers, where he later became the Financial Director. In 2005, he transferred to The Prepaid Company in the role of Financial Director. In heading up finance at Blue Label, Dean serves as Director of various Blue Label companies and contributes significantly to the governance and reporting systems across Blue Label. Dean is a member of SAICA.

Committee key

Investment Committee
 Remuneration and Nomination Committee
 Social, Ethics and Transformation Committee
 Audit, Risk and Compliance Committee

OPERATING STRUCTURE

By opening up new channels to the market, our organisational structure aims to significantly enhance customer service. This includes effective procedures and technologies designed with the needs and values of the consumer in mind, making sure that agility is ingrained in and embraced by Blue Label. We can harness both skill and scalability throughout Blue Label thanks to this structure, which also assists in rapidly rolling out new products and services across all channels.



BRETT LEVY

Joint Chief Executive
Officer

Brett Levy is responsible for overseeing key strategic areas within the organisation, including Africa Distribution, Wholesale, Retail and Network Operator functions. His leadership focuses on expanding the Company's distribution network and retail presence across Africa, managing wholesale operations and ensuring the efficiency and growth of network operator partnerships.



MARK LEVY

Joint Chief Executive
Officer

Mark Levy leads the Company's efforts in Solutions, Technology and Development and Electricity/Municipalities sectors, in addition to overseeing Blue Label Ventures. His role emphasises driving technological innovation, developing solutions for various industries, managing relationships with municipalities and electricity providers and fostering growth through venture initiatives.



DEAN SUNTUP

Financial Director

Dean Suntup is in charge of the organisation's financial health, managing Corporate Services. His responsibilities include overseeing financial planning, reporting and ensuring that corporate services align with the Company's strategic goals, providing a strong financial foundation for growth and operations.

EXECUTIVE COMMITTEE



MARK LEVY
Joint Chief
Executive Officer



DEAN SUNTUP
Financial Director



BRETT LEVY
Joint Chief
Executive Officer

JAMES NEWMAN***

Chief Operating Officer



MODISE NYAWANE

Chief Executive Officer
of Cigicell



DEELAN RAMA

Chief Executive Officer of
SA Distribution



SUVEER RAMDHANI

Chief Executive Officer
of BluNova



ANTOINETTE ROBERTS*

Group Executive Human
Capital and Transformation



AINE ARMSTRONG**

Group Executive Human
Capital and Transformation



MAHOMED SHAIK

Chief Technology and
Information Officer



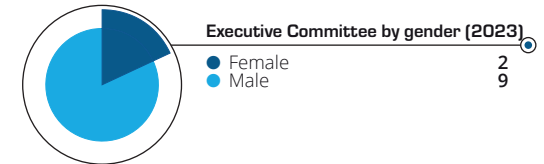
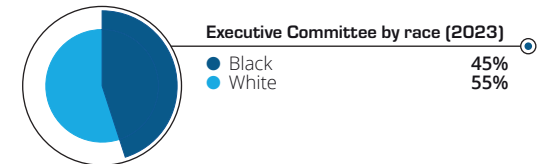
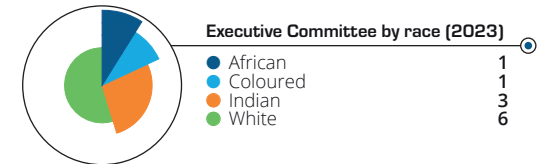
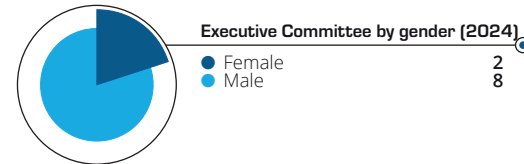
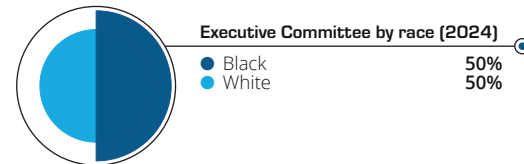
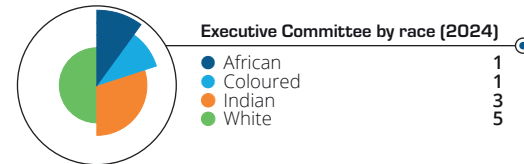
DESIREE SIMBA

Chief Financial Officer of
SA Distribution



GRANT LEVIN

Chief Executive Officer of
Comm Equipment Company



* Resigned – 15 March 2024.

** Appointed – 1 August 2024.

*** Resigned 26 August 2024.

CHAIRMAN'S REPORT



“ Despite tough operating conditions, Blue Label continues to drive financial inclusion and innovation, empowering communities and fostering growth across South Africa's economy. Our commitment to digital transformation and supporting small enterprises remains at the heart of our strategy for sustainable development. ”

LARRY NESTADT Chairman

DEAR SHAREHOLDERS,

The past year was characterised by major economic fluctuations and tough market conditions. Blue Label, being directly linked to the everyday consumer through our products and services that cater to the mass market and specifically to previously marginalised and disadvantaged communities, has felt these challenges acutely. Nevertheless, we remain committed to optimise serving our partners and customers through digital innovation that is built on robust internal governance, helping to drive a better future for all.

ECONOMIC AND MARKET CONDITIONS

Global economic pressures in South Africa, as in many other developing markets, have been exacerbated by high inflation and the resulting increase in interest rates. These factors had a direct negative impact on consumers. The country's high unemployment rate remains a continual reminder of

the work still to be achieved in empowering our communities and the business sector.

In addition, the first nine months of this financial year were characterised by continual and high-level power cuts, which impacted heavily on the ability of consumers and vendors to transact normally and to obtain or deploy services. Fortunately, it appears that South Africans can be more optimistic about the future of our national power grid, with Eskom's loadshedding suspended for the last quarter of Blue Label's financial year. It bodes well for the Group, our customers, our partners, our vendors and the country at large.

COMPANY PERFORMANCE AND STRATEGY

Despite the difficult times, Blue Label has remained true to its main goals by carefully planning the way forward. We continue to focus on new ideas, tech-based answers and more online services, which have helped us maintain and even grow our share in the marketplace. Our capital invested in financial tech has paid off handsomely, with clear steps forward in online transactions and reaching more people in less-served areas. Certain aspects of the business have still faced significant economic challenges, while the reimagination of Cell C has diverted funding that would otherwise have been used for our core operations.

CORPORATE GOVERNANCE

Strong corporate governance plays a central role in Blue Label's management. In the last year, we have focused on enhancing our governance structure to ensure that our choices are clear, enabling us to take responsibility for the outcomes. The Board has kept a sharp eye on the rules when it comes to cybersecurity – an area that is vital to how Blue Label operates. We were pleased to have achieved ISO 27001 certification in the year under review.

We are particularly excited about the new leadership team at Cell C. The company now has a fully fledged and highly capable executive committee in place, headed up by Cell C CEO Jorge Mendes who joined the company with extensive experience in the telecommunications sector. He has assembled a strong senior management team, ensuring the right people are in the right place to take this company into a new era. We welcome Jorge to the fold and are very impressed with what he has already achieved to date. The Company has made considerable strides in improving its operational efficiency, enhancing customer experience and expanding its service offerings.

CHAIRMAN'S REPORT CONTINUED

POSITIVE SOCIAL IMPACTS

Blue Label, at its core, ensures financial inclusion for those who have traditionally had trouble accessing the opportunities that the digital economy presents, including those in the townships and remote villages of our country. Our products and services serve in this market directly.

Our commitment to financial inclusion extends to empowering small and medium enterprises and the informal sector, all of whom form the backbone of our economy. We assist these entrepreneurs in expanding their customer base, increasing their revenues and contributing to the country's overall economic development by offering them a secure and efficient digital payment platform. Blue Label is also committed to procuring from small businesses, especially black- and female-owned enterprises, to support transformation in the country. We place extensive effort on achieving job creation and empowering the communities, particularly through our commitment to supporting local business and skills development.

All of this starts at home, with Blue Label's internal culture and a workforce that feels safe and supported and that moves as one. In 2024, our focus was on investing in our people and culture with a focus on leadership, diversity and talent.

FUTURE OUTLOOK

Looking ahead, we are cautiously optimistic. We will remain focused on building digital reach, driving operational efficiencies and pursuing new market opportunities. We are confident in our ability to successfully navigate the future because of this commitment to innovation, underpinned by a strong financial foundation. We remain optimistic about Cell C's potential to unlock value for shareholders.

ACKNOWLEDGEMENTS

In conclusion, I would like to sincerely thank my colleagues on the Board of Directors for their unwavering support and strategic guidance during these challenging times, as well as the executives for how authentically they are working to take the Group forward in the right way.

My thanks also go to our dedicated employees, whose resilience and commitment have been key to overcoming the difficulties of the past year. Finally, I wish to thank our shareholders for their continued trust and confidence in our Company. Together, we will keep building on our successes and working towards a brighter future.



LARRY NESTADT
Chairman

30 September 2024

MATERIAL RISKS AND OPPORTUNITIES

“The main purpose of risk management is to adequately position the organisation to understand and respond to potential risks and opportunities that could materially impact the execution of our strategy and our ability to create value.”

Blue Label's primary risks and opportunities are identified within the context of our strategy to proactively respond to ever-changing internal and external operating environments. In pursuing our goals toward creating, preserving and realising value for our stakeholders, we are strengthening the link between our strategy and the Group's risks and opportunities by applying our Enterprise-wide Risk Management (ERM) process within the context of key business requisites.

Our ERM process ensures the adequacy, appropriateness and effectiveness of our responses, mitigating potential significant negative business impacts in order to deliver on our business targets.



INCREASED THREAT OF CYBERCRIME

Strategic link:



1

Description

Since the majority of the Group's inventory is of a virtual nature, defence against cybercrime will remain a top priority. Cyber-attacks can lead to reputational damage, business disruption and ultimately loss of revenue.

The Group is dependent on the systems and platforms that enable its products and services on which it manages its merchant base. Blue Label's technology spend has increased in recent years in support of its importance to both organic and inorganic growth, as well as simultaneously to improve system availability and resilience as the volumes of both the number and types of transactions increase.

Strategic response and mitigating measures

- Blue Label places significant focus on the security of all systems, both production and enterprise to pre-emptively detect, prevent and manage security threats and recover expediently in the event of a cybersecurity breach.
- Independent third parties continually conduct periodic vulnerability scans and penetration tests to ensure that Blue Label's systems are as secure as possible and that new threats are appropriately addressed.
- A Security Operations Centre (SOC) has been implemented and is now fully operational. The SOC provides real-time threat detection and analysis of our environment and assists in countering cybercrime risks. The optimisation of the SOC is also currently ongoing. Furthermore, the SOC is being used for threat intelligence and is assisting in developing and rolling out assurance programmes that incorporate internal and external reviews of our data storage practices.
- Our National Institute of Standards and Technology (NIST) Cybersecurity Framework is structured or aligned to the three lines of defence model. This allows for a dynamic approach focusing on assembling and arranging capabilities that allow for quicker response and optimising our cybersecurity initiatives.
- We have appointed the appropriate skills set to manage our IT security. To bolster our cyber security, we have outsourced the entire function to a capable, highly skilled and adequately resourced service provider.
- An advanced cloud-native platform has been implemented to counter malware threats.
- A data loss prevention tool has been implemented, which provides real-time visibility, threat protection and data security for cloud services and websites.
- All Blue Label staff members are mandated to participate in an ongoing cybersecurity awareness training programme, as part of cybersecurity culture and posture.
- Adequate cyber insurance cover is in place to protect the Group in the event of a breach.
- We monitor the Group's cyber incident response and containment in real time.
- Blue Label has achieved full certification on ISO 27001:2022 for its main trading platform/system. ISO 27001:2022 provides a recognised framework for information security and outlines best practices for establishing, implementing, maintaining, and continually improving an ISMS. ISO 27001:2022 assists companies to achieve many benefits such as digital trust with clients and other key stakeholders. Achieving this certification demonstrates our commitment to maintaining stringent standards for information security. It represents a resounding endorsement for digital security in the highly competitive telecoms and fintech industries in which we participate.

MATERIAL RISKS AND OPPORTUNITIES CONTINUED



ECONOMIC OUTLOOK

Strategic link:



2

Description

Unfavourable economic conditions and heightened inflation are negatively impacting on consumer disposable income. Consumers are forced to prioritise their buying habits based on needs, leaving less or no disposable income to buy products that are discretionary (e.g., gaming products and event tickets). Consumers are under pressure, considering alternate sources of power such as gas and paraffin, and thus moving away from our traditional core offerings that include, for example, prepaid electricity products.

Strategic response and mitigating measures

- We have implemented a cost-savings programme across the Group to combat the effects of inflationary pressures on operating expenditure.



ELECTRICITY SUPPLY INTERRUPTION AND ITS IMPACT ON REVENUE GENERATION

Strategic link:



3

Description

Power outages on a national scale ramped up significantly during the first six months of 2024. It must be noted, however, that load shedding has reduced significantly since May 2024 but it is premature to conclude that the country's electricity issues are no longer a key strategic risk for Blue Label.

Electrical power is an essential input in all modern-day economies and a large part of Blue Label's business involves the vending of airtime and electricity products. The power crisis had a two-fold impact on our business; namely, many of our merchants do not have back-up power resources to continue to vend during power outages, and secondly, consumers no longer buy products at the same level due to the lack of electricity/back-up resources in their domestic environments.

At a head office level, erratic electricity supply results in increased running costs. Resources have to be allocated to back-up generators, an expensive alternative to grid electricity, which negatively impacted on profitability and carbon emissions.

Strategic response and mitigating measures

- Business units continually seek to diversify products from our traditional core offerings of electricity and airtime. As an example, there was substantial growth in universal voucher revenue in 2024.
- We will continue to maintain and enhance back-up power at our centres around South Africa for the medium to long term, until stability is restored to the national electricity grid.

MATERIAL RISKS AND OPPORTUNITIES CONTINUED



SUCCESSFUL EXECUTION OF THE CELL C STRATEGY AND BUSINESS PLAN

Strategic link:



4

Description

The failure of Cell C's strategy and execution of its business plan would not only negatively impact the investment, but would also have a knock-on effect on the Blue Label Group, in that there is substantial credit risk exposure and a significant portion of its profitability stems from its trading relationship with Cell C.

Strategic response and mitigating measures

- The Cell C recapitalisation transaction has achieved the deleveraging of its balance sheet, providing it with liquidity with which to operate and enhance its businesses and to position itself to achieve long-term success for the benefit of its customers, employees, creditors, shareholders and other stakeholders.
- Cell C has implemented a turnaround strategy, focusing on operational efficiencies, reducing operational expenditure and optimising traffic. This includes a significant reduction in capital expenditure and a conversion of a fixed-cost infrastructure-based network to a variable operational expenditure model. This, together with the recapitalisation of the debt structure, will result in a significant improvement of its liquidity and enable Cell C's long-term sustainability.
- To contribute to the success of Cell C, Blue Label has representation on the Board of Directors, which will afford it complete oversight of the performance of the Company and the ability to ensure that the agreed strategy is implemented at Cell C. The above contributions, combined with the major reduction in interest-bearing debt and the elimination of foreign exchange exposure thereto, are all positive indicators for sustainable success and longevity.



THIRD-PARTY SUPPLIERS' AND OUTSOURCING RISK

Strategic link:



5

Description

Risk of inadequate management of third parties in the Blue Label value chain introduces further risks such as cybersecurity, financial, compliance, reputational and operational risks to the Group.

Strategic response and mitigating measures

- Blue Label defined and implemented a third-party risk management process.
- We implemented a business relationship management (BRM) capability within IT. This function will be responsible for ensuring that all third-party service providers have adequate controls, which are monitored to ensure they are operating effectively.
- The Group implemented and currently operates third-party management controls that are aligned to best practice standards such as International Organization for Standardization (ISO) 27001.
- Implemented an automated contract management system that enhanced controls surrounding our third-party contracts.

MATERIAL RISKS AND OPPORTUNITIES CONTINUED



UNETHICAL BEHAVIOUR, FRAUD AND POTENTIAL THEFT OF E-TOKENS

Strategic link:



6

Description

Due to the nature of its digital inventory, the Group is vulnerable to fraudulent activities. Blue Label maintains zero tolerance for fraud and irregularities. All incidents are investigated, irrespective of the size or value.

The ongoing rollout of new products/solutions increases our exposure to potential fraud-related activities.

E-tokens are a form of electronic cash utilised for secure transactions. The Group relies on the high-volume, low-margin distribution and sale of these e-tokens of value. Blue Label, therefore, needs to protect its virtual stock from theft and cybercrime.

Strategic response and mitigating measures

- We continue to refine operational controls, security and our infrastructure to mitigate the risk of fraud.
- Fraud and ethics are discussed at Board level by both the Social, Ethics and Transformation Committee (SETC) and the Audit, Risk and Compliance Committee (ARCC).
- Our ethics hotline, hosted by Deloitte, remains available for anonymous reporting of any instances or suspicions of fraud.
- Staff are mandated to participate in digital programmes that enhance awareness relating to fraud and ethics. A code of conduct, disciplinary and fraud policies are in place.
- We have developed a Fraud Management Framework that addresses the risk of fraud within the Group.
- The confidentiality, integrity and availability of virtual stock is managed through role-based access control, secure transfer of supplier/customer files and encryption with hardware security modules.
- Independent assurance on the design adequacy and effectiveness of these controls are performed by the Internal Audit function.
- A robust set of automated internal controls assists in timeous detection and prevents the theft of voucher pins and related digital products.
- Sufficient insurance coverage is in place.

MATERIAL RISKS AND OPPORTUNITIES CONTINUED



MATURITY OF BUSINESS CONTINUITY/DISASTER RECOVERY MANAGEMENT

Strategic link:



7

Description

Business continuity management plans (BCM) and disaster recovery plans (DRP) ensure that the business is prepared for severe interruptions and that business processes continue with minimum downtime during cases of emergency or disaster.

If the business continuity plans (BCP) are misinterpreted or not properly in place, the potential breakdown of critical business processes could harm the Group's profitability and reputation.

Strategic response and mitigating measures

- Blue Label's business continuity management steering committee meets bi-annually to ensure the Group is prepared to counter any risk.
- We are currently reviewing the effectiveness of our business continuity management system to ensure that we manage our continuity risks effectively.
- The pandemic offered a unique opportunity to test our DRP, which proved to be resilient. Employees could operate remotely with minimal disruption to operations.
- These included DRP testing in 2024 to ensure that all applicable staff, in the event of disruption, are aware of their roles and responsibilities.
- We have engaged with an external service provider to review the content of our BCP and they will be tested during 2025 via practical scenario tests.



CUSTOMER AND REVENUE CONCENTRATION

Strategic link:



8

Description

Certain prominent financial institutions and retailers rely on Blue Label to process their substantial transaction volumes. A lapse in the Group's service delivery to these stakeholders could result in a major negative impact on its profitability and/or reputation.

Strategic response and mitigating measures

- Blue Label maintains long-standing relationships with these parties and has an impressive track record of service delivery.
- Mature failover and business continuity mechanisms provide a high degree of certainty that we maintain uptime beyond 99%, even as transaction volumes continue to grow.
- Continue to monitor and enhance business continuity and DRP.

MATERIAL RISKS AND OPPORTUNITIES CONTINUED



FINANCIAL AND DIGITAL INCLUSION

Strategic link:



9

Description

A significant portion of South Africa's population is underserved in its ability to access formal financial services. Following the significant increase in access to cellular phones and data, Blue Label can offer access to low-cost digital means of e-commerce transactions to consumers and informal businesses. This connects businesses with consumers to transact in a more convenient and efficient manner as well as enabling informal businesses to cost-effectively leverage off digital e-commerce trading platforms.

Strategic response and mitigating measures

- Creating financial inclusion for communities through our innovative products and services that digitally connect consumers to anywhere-anytime products and services that would ordinarily be out of reach to many consumers.
- Increase connectivity to drive economic participation within underserved communities.



CLIMATE CHANGE

Strategic link:



10

Description

Blue Label has an opportunity to play a role in climate change mitigation, both in terms of its own carbon footprint efficiency and decarbonising the supply chain for products and services that are digitally distributed.

Strategic response and mitigating measures

- Integrate climate risks and opportunities into the risk management framework, including consideration of renewable energy sources for our own operations.
- Digitally connecting consumers and businesses in the supply chain significantly reduces carbon associated with travel and maintaining physical retail establishments. The more volumes built and products and services transacted through our digitised distribution channels, the greater the positive impact made.
- Reaching out to our material suppliers, via questionnaires, to gauge the extent of their environmental responsibilities, including:
 - Greenhouse Gas (GHG) emissions;
 - Energy efficiency;
 - Renewable energy;
 - Water quality, consumption and management;
 - Sustainable resources management;
 - Waste reduction; and
 - Reuse and recycling.

MATERIAL RISKS AND OPPORTUNITIES CONTINUED



INEFFECTIVE GOVERNANCE OF EMERGING TECHNOLOGIES

Strategic link:



11

Description

The implementation of artificial intelligence (AI) technologies that help drive efficiencies and improve business performance and decision intelligence has been progressing at a gradual pace. This risk also includes considering AI's ethical implications, with respect to utilising data in a responsible manner.

Strategic response and mitigating measures

- Define and implement a generative AI governance framework and policy to manage the adoption and implementation of AI.
- Implement robust data governance policies that comply with privacy regulations in line with the Protection of Personal Information Act, 2013 (POPIA).
- Define and implement an AI adoption roadmap and plan for the business.
- Define and implement security measures which include data protection, continuous monitoring and detection of threats.

STAKEHOLDER RELATIONS



Cultivating and preserving robust, trusted relationships with all our stakeholders is fundamental to our objective of creating sustainable value across short, medium and long-term horizons. This importance stems from the fact that our operational impact extends far beyond our immediate commercial partners and customer base.

Our philosophy regarding stakeholder relations is grounded in consistent, proactive and substantive engagement. This approach allows us to identify key concerns, interests and expectations, ensuring that we address these aspects collaboratively.

We recognise that our business growth and ability to provide value to individuals, families, businesses and society at large are intrinsically linked to the strength of our relationships with all stakeholders.

The following principles form the foundation of our stakeholder relations:

- Collaboration and regular interaction with all key stakeholder groups are vital to Blue Label's long-term resilience and success.
- Effective stakeholder engagement goes beyond merely communicating "to" various groups. We emphasise two-way dialogue, as Blue Label views its diverse stakeholders as essential partners in its endeavours.
- Our engagement processes are designed to be both proactive in initiating dialogue and responsive to stakeholders' attempts to engage with us.
- As Blue Label continues to expand, we recognise that stakeholder identification and prioritisation is an ongoing, evolving process.

OUR STAKEHOLDER ENGAGEMENT PROCESS

Blue Label's Stakeholder Engagement Policy, which aligns with the requirements of King IV, outlines our comprehensive approach to communicating and engaging with our stakeholders.

While the Blue Label Board holds ultimate responsibility for stakeholder engagement, the actual process of engaging with stakeholders is decentralised. Each Blue Label Company and business area directly engages with their respective stakeholders and reports regularly to executive management and the Board on these interactions. This structure ensures that Blue Label's various business units take ownership of maintaining impactful relationships that yield mutual benefits.

In the process of identifying and prioritising stakeholders, the Board considers the following criteria:

- Groups, communities, organisations, or sectors that interact with Blue Label or are directly or indirectly affected by Blue Label's activities.
- Groups, organisations, or sectors whose attitudes, decisions, policy positions, or responses have a positive or negative impact on our ability to operate effectively.

We manage stakeholder risks and opportunities through a comprehensive risk assessment, which forms part of our overall Enterprise-wide Risk Management (ERM) process. This approach empowers management to deal effectively with issues and opportunities as they arise, while simultaneously strengthening our stakeholder engagement strategies.

STAKEHOLDER RELATIONS CONTINUED

STAKEHOLDER ENGAGEMENT MATRIX

WHY WE ENGAGE



Employees

Our employees are our most valuable asset and the cornerstone of our success. Their diverse skills, experiences and innovative ideas propel our strategy and ensure we achieve our objectives. We engage with our workforce to:

- offer clear strategic guidance;
- keep them informed about Blue Label's ongoing initiatives;
- maintain our status as a preferred employer by fostering a safe, positive and inspiring workplace; and
- actively listen to and address our employees' needs and concerns.

NEEDS AND EXPECTATIONS

- A positive, secure and efficient workspace with adaptable work practices.
- Consistent updates on business performance.
- Opportunities for career growth and progression.
- Robust performance management and recognition systems.
- Support for mental health and well-being.

METHODS OF ENGAGEMENT

- A blend of in-person, written, digital and broadcast communication methods.
- Consistent, direct communication between managers, teams and individuals.
- E-mails and intranet communication.
- Employee events and functions.
- Leadership engagement sessions.
- Specialised training workshops to enhance specific skills.

STRATEGIC OUTCOMES AND RESPONSES

- Teams and workstreams that are more focused, energised and dedicated.
- The office is the preferred environment for productivity, innovation and fostering team spirit and collaboration.
- Increased investment in staff development and training, with a growing number of employees seizing these opportunities.
- A workforce that understands the challenges and opportunities of our business and knows how to contribute to its growth and resilience.



For more information about our human capital, visit page 57.

WHY WE ENGAGE



Customers and consumers

Our customers purchase our products and services, becoming the main source of our revenue and giving us purpose. To better serve them, we focus on:

- gaining a deeper understanding of their aspirations, businesses and communication needs;
- offering suitable products and value-added services;
- upholding the high service standards that they expect and deserve;
- keeping them informed about product development and prioritisation; and
- creating products that address their evolving technology needs.

NEEDS AND EXPECTATIONS

- Access to top-tier, innovative and adaptable solutions and services.
- Secure, simple, convenient and efficient mobile transactional services.

METHODS OF ENGAGEMENT

- A fully operational remote customer interaction centre that addresses all customer issues.
- Formal and online face-to-face meetings.
- Customer satisfaction surveys.
- Engagement through social media platforms.

STRATEGIC OUTCOMES AND RESPONSES

Blue Label offers a comprehensive customer relationship management system, self-service options and dedicated sales and technical consultants to enhance customer engagement.

We ensure consistent communication to promptly address any concerns.

STAKEHOLDER RELATIONS CONTINUED

STAKEHOLDER ENGAGEMENT MATRIX

WHY WE ENGAGE



Investors

Capital providers are essential for Blue Label's long-term growth.

We are committed to providing current and future shareholders with timely and relevant information, ensuring Blue Label shares are appropriately valued, and effectively managing shareholder expectations and reputational risk.

We actively seek feedback to guide our strategy, business operations and governance practices.

NEEDS AND EXPECTATIONS

- Consistent feedback and timely updates on our prospects and both financial and non-financial performance.
- Achieving sustainable growth by consistently executing our strategy.
- Enhanced clarity on our financial performance.
- Greater insight into our strategy, operations and management.
- Transparent reporting and disclosures.
- Commitment to strong ESG practices.

METHODS OF ENGAGEMENT

- Virtual meetings.
- Annual and interim results announcements and roadshows.
- Annual General Meeting.
- Integrated annual report.
- Meetings with executive and senior management.
- SENS announcements.
- Website.
- E-mail queries.

STRATEGIC OUTCOMES AND RESPONSES

- Ongoing, transparent communication between Blue Label and investors, analysts and portfolio managers.
- Enhanced shareholder insight into our decision-making processes and greater transparency in explaining those decisions.
- Robust capital and liquidity positions to maintain a strong balance sheet.
- Expanded opportunities for direct access to executive management for discussions on decisions, strategies and business approaches.

WHY WE ENGAGE



Regulators

Blue Label prioritises compliance with all statutory, legal and regulatory obligations to maintain ongoing operations and enhance the social acceptance of our products and services, fostering trust with our customers and suppliers. As such, we ensure:

- open, honest and transparent relationships with regulators and policymakers while adhering to all legal and regulatory requirements; and
- the preservation of our various operating licences and minimising operational risks.

NEEDS AND EXPECTATIONS

- An organisation that adheres to all relevant laws, regulations and societal expectations.
- Providing regular updates on the financial health and stability of Blue Label.

METHODS OF ENGAGEMENT

- Involvement in industry and regulatory forums.
- Meetings between management and regulatory bodies.
- Direct discussions with officials.

STRATEGIC OUTCOMES AND RESPONSES

- Adherence to all legal and regulatory obligations.
- Strong relationships with relevant regulators and active collaboration on shared concerns.
- Direct access to top-level executives for prompt resolution of any potential issues.
- A work environment and corporate culture grounded in ethical principles.

STAKEHOLDER RELATIONS CONTINUED

STAKEHOLDER ENGAGEMENT MATRIX

WHY WE ENGAGE



Government

We recognise that policies, regulations, decisions and expectations directly impact our business activities, products and strategy. We continually seek opportunities to collaborate and contribute positively, in line with government objectives by:

- reinforcing our social licence to operate;
- building and enhancing relationships with government, both as a partner in national development and as a customer;
- contributing to legislative processes that will influence the economy, our activities and operations;
- actively participating in and supporting the transformation of South Africa and the telecommunications sector; and
- collaborating to drive economic growth and reduce inequality and unemployment.

NEEDS AND EXPECTATIONS

- Overview of Blue Label as a business, including how we can support individuals and contribute to South Africa's economic growth.
- Services that fulfil government needs.
- Participation in governmental development plans and alignment with national priorities.
- Initiatives for job creation.

METHODS OF ENGAGEMENT

- Engaging across multiple platforms with government entities.
- Conducting ad hoc collaborations with national and provincial departments.
- Partnering with various levels of government and agencies to achieve shared goals.

STRATEGIC OUTCOMES AND RESPONSES

- Collaborating with authorities to explore methods for tracing and recovering lost or stolen electricity revenue.
- Partnering with the government on initiatives aimed at reducing youth unemployment and enhancing skills development and training.
- Ensuring alignment between organisational and national plans for projects and initiatives that benefit both parties.

WHY WE ENGAGE



Media

Blue Label uses media channels to promote our products and services, amplify our reach and influence, share our business and investment narratives and engage with the general public. However, the media is not only a communication channel – we respect the media as professionals who have stories to tell and the right to ask questions.

NEEDS AND EXPECTATIONS

- Details on significant advancements in the telecommunications industry, with a focus on Blue Label.
- Insights into Blue Label's impact on the South African economy, including an overview of our products and services.
- Information designed to equip audiences with the knowledge to make well-informed financial choices.

METHODS OF ENGAGEMENT

- Planned and scheduled interactions.
- Impromptu meetings with executive and senior leadership.
- Launch events for Blue Label products and services.
- Interviews with major business media during significant financial reporting periods.
- Daily phone and e-mail responses to media inquiries.

STRATEGIC OUTCOMES AND RESPONSES

- Actively staying informed about internal developments and external factors affecting our operations.
- Consistently engaging with editors from agencies that report on our activities and operations.
- Enhanced awareness among journalists and editors regarding our work and identity.
- Enhanced use of social media for communicating decisions, products and services.

STAKEHOLDER RELATIONS CONTINUED

STAKEHOLDER ENGAGEMENT MATRIX

WHY WE ENGAGE



Business partners, merchants and suppliers

Our partners safeguard our reputation and serve as a crucial connection between our customers and Blue Label, playing an essential role in attracting new clients and retaining existing ones. Furthermore:

- they ensure the acquisition of products and services necessary for our operations, maintaining an optimal and timely supply to support our business needs;
- they promote responsible practices throughout our supply chain, focusing on B-BBEE, local procurement, supplier behaviour and environmental impact; and
- they integrate key suppliers into cross-functional teams to provide expertise and guidance during the development of product or service specifications.

NEEDS AND EXPECTATIONS

- Strategies and methods for maintaining business operations during disruptions.
- Updates on amendments to the B-BBEE Codes of Good Practice and modifications to trading arrangements, including procurement systems and enterprise resource planning (ERP).
- Aligning with brands that consistently fulfil their commitments.

METHODS OF ENGAGEMENT

- Supplier education sessions, conferences and trade shows.
- Individual negotiations and meetings.

STRATEGIC OUTCOMES AND RESPONSES

- Ensuring the continuous availability of our essential offerings – airtime, data, electricity and financial services – during disruptions, disasters, social unrest, or pandemics.
- Establishing mutually beneficial strategic partnerships with those who facilitate the delivery of our products and help us expand our reach.
- Effective management and fulfilment of service-level agreements.
- Streamlining tools and processes to quickly resolve issues.

WHY WE ENGAGE



Society

We extend our efforts beyond our operations, dedicating ourselves to driving socio-economic development that creates lasting and meaningful change for communities. We are committed to not just meeting but surpassing society's expectations of us as a responsible corporate citizen. Our value proposition is rooted in supporting projects and causes that resonate deeply with our investors and employees.

NEEDS AND EXPECTATIONS

- Providing support and assistance to communities.
- Promoting skills development and creating employment opportunities.
- Upholding responsible and ethical business practices.
- Fostering sustainable community growth and local economic development.
- Leading in entrepreneurship with digital innovation to enhance financial inclusion.
- Addressing climate change and ensuring transparency in environmental disclosures.

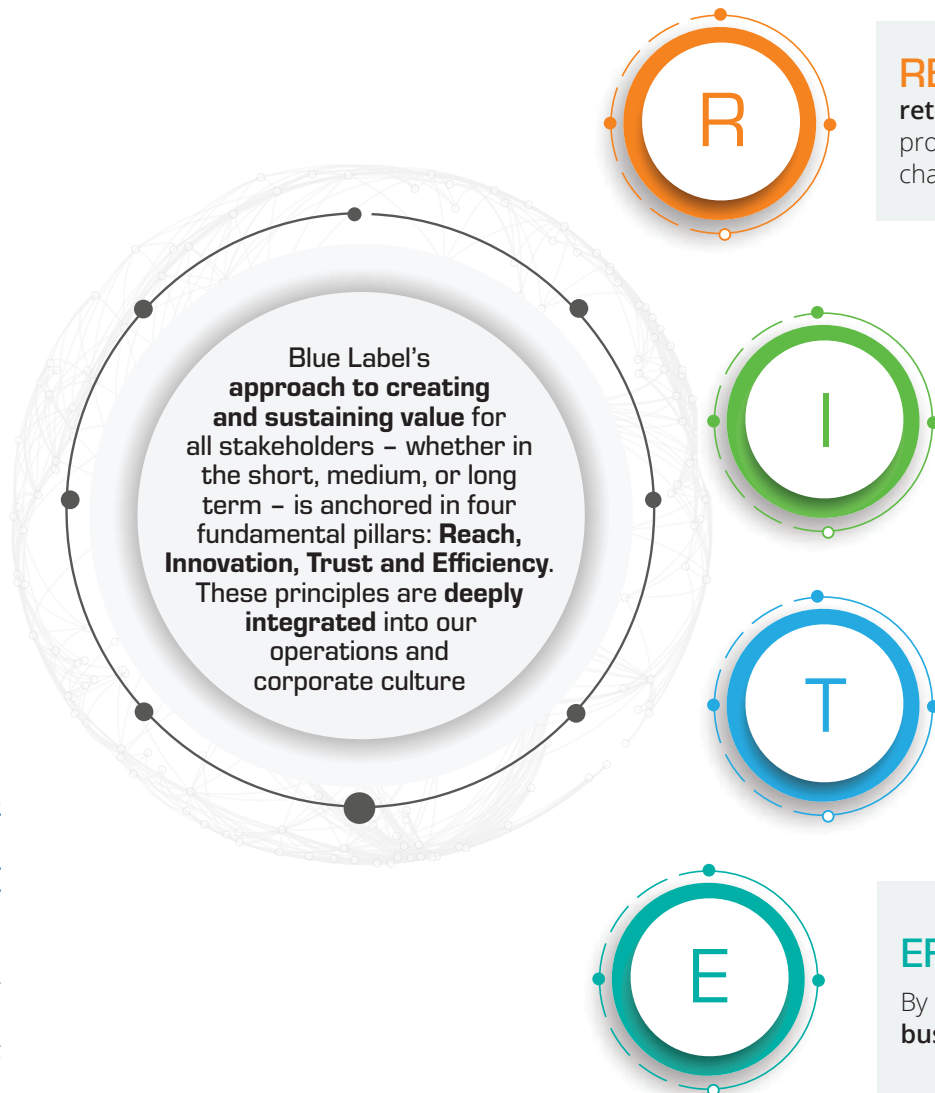
METHODS OF ENGAGEMENT

- Collaborating with NGOs and community organisations to tackle shared challenges.
- Direct engagement with community leaders to identify effective interventions.
- Initiating community projects and campaigns.
- Providing thought leadership.
- Publishing annual reports.
- Supporting the Trust Blu Foundation's positive impact.
- Promoting employee volunteerism and organising donation drives.

STRATEGIC OUTCOMES AND RESPONSES

- Creating opportunities for active engagement with communities during natural disasters, pandemics and other crises.
- Enhancing support and involvement in advocating for and implementing government policies that drive inclusive growth.
- Ensuring clear and strategic execution of local economic development, community development and socio-economic development (SED) programmes.

THE RITE STRATEGY



REACH We aim to broaden our **distribution channels** and networks across **banking, retail and informal markets** while exploring new **digital avenues**. By introducing innovative products and services, we strive to increase volumes and margins within our established channels.

INNOVATION Our focus is on delivering **world-class customer-centric solutions** across our businesses through platform renewal, enhancement and technological transformation.

We continuously **build** and **refine** our offerings through digitisation and innovation, ensuring **agile systems** that **support** our entrepreneurial **spirit** and **enhance** our speed to market.

TRUST Leveraging **economies** of scale with proven **technology**, we provide **accessible, reliable** and always-on platforms.

Our commitment to a **customer-centric** approach ensures **exceptional service** tailored to the needs of our **merchants, customers**, fostering **trust** and **long-term** relationships.

EFFICIENCY We prioritise efficient **execution** in all aspects of **our business**.

By advancing the **digitisation** of our processes we continually work to reduce the **cost** of doing **business** for ourselves, our **customers, merchants** and **consumers**.

THE RITE STRATEGY CONTINUED

Developed in 2018, this strategy remains the cornerstone of our growth, innovation and optimisation efforts, driving our sustainable value creation model even in uncertain and volatile environments.

Expanding our reach, fostering innovation, building trust and enhancing efficiency are not just guiding principles — they are the foundation of our continued growth and success.



REACH

Blue Label remains committed to its mission of empowering and uplifting communities in South Africa by offering a diverse range of value-adding products, services and solutions. Our ongoing investments in technology, carrier-grade platforms and scalable operating structures enable us to extend our reach, improve service delivery and accelerate market entry.

Strong relationships are crucial to our strategy. We cultivate deep, mutually beneficial partnerships with mobile network operators, retailers, banks and independent outlets. Additionally, our expanding digital footprint, particularly in key markets like retail and petroleum, strengthens our market presence and enhances our ability to provide exclusive products and services.

We measure the success of our reach initiatives in terms of expanding our distribution channels and creating more entrepreneurial opportunities by increasing the number of Blue Label's direct and indirect merchants. Simultaneously, our expanded reach offers previously marginalised communities heightened digital e-commerce access to products and services.



INNOVATION

In a challenging economic landscape, innovation is vital to our sustained growth. Our deep understanding of customer needs drives the development of both our platforms and our product offerings. We actively seek strategic partnerships and acquisitions to enhance our capabilities and invest in cutting-edge technology to stay ahead of the competition.

We constantly strive to improve and innovate, refining our processes, software and hardware while investing in the necessary skills and expertise. Advanced analytics, machine learning and artificial intelligence enable us to better understand and serve our customers, allowing us to tailor products and solutions to meet their specific needs.

Through innovation, we establish a significantly more efficient operating environment for our customers, merchants and consumers. This reduces the ecological footprint of traditional distribution channels while saving time and cost.



THE RITE STRATEGY CONTINUED



TRUST

The Blue Label ecosystem thrives on the collaboration of suppliers, technology partners, devices, merchants and customers, all working together for mutual benefit. The “Blu Approved” brand is synonymous with trust and reliability, supporting vast volumes of mission-critical transactions in real time.

We invest heavily in stability and business continuity measures, ensuring minimal downtime and the smooth operation of our platforms, systems and devices. Our transparent and accessible processes facilitate engagement across all stakeholder groups, and the quality of our technology allows our ecosystem to grow and evolve with us.

Trust in our products and services, as well as the equitable treatment of our customers, merchants, and consumers, are the foundations of brand loyalty. We achieve it by adhering to the highest ethical and service standards.



EFFICIENCY

Maximising our assets to become the most cost-effective producer or distributor of transactions, messages and digital products is a key focus, achieved through scalability and platform optimisation. Our investments in infrastructure and software not only enhance stability but also prepare us for future growth.

A well-managed treasury function is essential to our success, supporting the acquisition and wholesaling of products, funding electricity projects and increasing hardware sales.

As we continue to implement efficiency initiatives, our primary goal is to enhance the efficacy of the resources we use to deliver our services.





Strategy and performance

- 38 Joint Chief Executive Officers' report
- 41 Financial Director's report
- 48 Ten-year review
- 49 Value added statement
- 50 Operational reviews
- 55 Leveraging technology
- 57 Social impact:
- 57 Human capital
- 68 Social impact: Customer and supply chain responsibility
- 71 Social impact: Corporate social responsibility and community development

JOINT CHIEF EXECUTIVE OFFICERS' REPORT



MARK LEVY Joint CEO

BRETT LEVY Joint CEO

“

Our ability to deliver innovative fintech solutions to underserved markets, while continually enhancing our technological capabilities, positions Blue Label to unlock new possibilities in a rapidly evolving business environment. As we harness data and drive operational efficiencies, we remain focused on creating value for our customers, partners, and communities.”

”

STRATEGY

Blue Labels' RITE strategy continues to be our north star. We are pursuing reach, innovation, trust and efficiency and investing in our in-house platforms to grow the Group's digital footprint.

While Blue Label's roots are in IT and telecommunications, our business has evolved into much more than that. Today, Blue Label is a technology company enabling transactions, innovating products and leveraging data to create value. Our ability to take products to people, rather than expecting people to come to products, is more relevant than ever in today's digital world. This philosophy definitively guides our product development and distribution strategies.

We are proud of our proprietary channels and platforms, as well as our important partnerships, that allow millions of South Africans to access the digital economy every day. We will continue to explore more expedient ways to serve our communities, helping them to bridge the gap and to access necessities such as airtime, data and household essentials.

As we consider this year's integrated annual report, we look back over the past few years during which we saw our Group businesses face and overcome various challenges. In 2023, the Group revised its leadership mantra to emphasise diversity and inclusion, with our refreshed values readying the Group to unlock new possibilities.

Where to from here?

For us as CEOs, this question has never been more pertinent in a world that is rapidly digitising with consumer behaviour patterns evolving at an unprecedented pace. The answer, we believe, lies in our ability to do what we are good at – delivering innovative fintech solutions to underserved markets – while continually upping our game.

Let us elaborate on some key aspects of Blue Label's strategy and performance over the past year.

JOINT CHIEF EXECUTIVE OFFICERS' REPORT CONTINUED

BLUE LABEL'S FINANCIAL PERFORMANCE AT A GLANCE

Given 2024's difficult operating environment, with high interest rates and loadshedding pressuring our consumers, we report a decline in Group revenue and gross profit for the year. However, gross revenue (which includes the gross amount generated by "PINless top-ups", prepaid electricity, ticketing and universal vouchers) improved from R76.8 billion in 2023 to R89.3 billion this year.

For more detailed information around our financial performance, refer to our Financial Director's report on pages 41 to 47.

TECHNOLOGY AND INNOVATION

Blue Label continues to invest significantly in our technological infrastructure and capabilities. The introduction of artificial intelligence (AI) and machine learning in our call centres, for example, is enhancing efficiency and customer experience. We are exploring ways to integrate these technologies across our business operations in order to drive further efficiencies and to create new value propositions for our customers.

Simultaneously, digitisation carries major cyber risks that we cannot ignore. Our customers, consumers and partners depend on us to safeguard personal information in line with regulations, including the Protection of Personal Information (POPI) Act, and international best practice. The Group continually renews its Information and Communication Technology (ICT) Governance Framework in response to new technologies and challenges, and we enhanced our cybersecurity measures with better threat detection and fraud measures supported by built-in AI. Achieving ISO 27001:2022 (Information Security Management) certification during the year demonstrates our ongoing commitment to protecting personal information.

Blue Label's Blu Voucher exemplifies our ability to innovate and meet market needs. The product has shown phenomenal growth over the past year, a testament to our understanding of consumer needs and our ability to execute. Blu Voucher, along with other innovations such as our emergency electricity advances, brings first-world products to third-world consumers in accessible ways.

CELL C TURNAROUND

Cell C's turnaround strategy has been top of mind for Blue Label and its shareholders for several years. While this investment has at times daunted our investor community and tainted market perceptions, we remain committed to its turnaround. We are most optimistic about the positive signs of change evidenced over the past year. The new leadership team brings a wealth of experience and a strong focus on greater operational rigour and governance. The company has already witnessed major network improvements, including shifting to a virtual radio access network and expanding its base station reach through strategic partnerships, while the focus on network quality and creating a strong brand will continually attract new customers.

All in all, efforts to stabilise the company are clearly starting to bear fruit, although we are mindful that changing direction can take time for a major company like Cell C.

LOOKING AHEAD

As we look to the future, data will play an increasingly central role in Blue Label's strategy. Our transactions provide unique insights into consumer behaviour, which we can leverage to create more value for our partners and customers. We are exploring methods to monetise this data responsibly and ethically, always with our customers' best interests in mind.

Our focus will also be squarely on execution. We have the right strategy, the right products and the right team. Now it is about flawless implementation and leveraging our strengths to capture the significant opportunities we foresee in the market. This includes further expansion of our product portfolio, enhancing our distribution channels and continually improving our technological capabilities. We have built a unique and powerful distribution engine and we are just beginning to scratch the surface of its potential.

JOINT CHIEF EXECUTIVE OFFICERS' REPORT CONTINUED

APPRECIATION

We wish to express our deep gratitude to our employees, who have shown remarkable resilience and commitment during challenging times. Their passion and dedication are the driving force behind our success. We also extend our appreciation to our Board of Directors for their continued guidance and support, our partners for their collaboration and our customers for their faith in Blue Label.

Thank you for your continued support and belief in Blue Label Telecoms. Together, we are not just navigating the future – we are shaping it.



MARK LEVY

Joint Chief Executive Officer

30 September 2024



BRETT LEVY

Joint Chief Executive Officer



FINANCIAL DIRECTOR'S REPORT



“

Blue Label achieved effective revenue growth of 16%, with gross revenue reaching R89.3 billion driven by PINless top-ups, prepaid electricity, ticketing and universal vouchers. While core headline earnings declined, the Group improved gross profit margins and boasts a strong balance sheet supporting ongoing operations.

”

DA SUNTUP Financial Director

GROUP RESULTS

Group revenue declined by R4.3 billion (23%) to R14.6 billion. However, as only the gross profit earned on “PINless top-ups”, prepaid electricity, ticketing and universal vouchers is recognised as revenue, on imputing the gross revenue generated from these sources, the effective revenue growth equated to R12.5 billion (16%), resulting in a total revenue of R89.3 billion compared to the prior year of R76.8 billion.

Gross profit decreased by R188 million (5%) from R3.483 billion to R3.295 billion. The decline was mitigated by an increase in the gross profit margin from 18.41% to 22.57%. This increase in margins can be partially attributed to the growth in “PINless top-ups”, prepaid electricity, ticketing and universal vouchers, where only the gross profit earned thereon is recognised as revenue.

The Group remains vigilant in managing its total overhead costs.

EBITDA declined by R258 million (18%) from R1.463 billion to R1.205 billion. Of this decline, Comm Equipment Company Proprietary Limited (CEC) showed a negative impact of R368 million, while the remaining Group operations contributed an additional R110 million compared to the previous year.

Core headline earnings for the year ended 31 May 2024 amounted to R679 million, equating to core headline earnings of 76.08 cents per share.

In the comparative year, core headline earnings amounted to R402 million, equating to core headline earnings of 45.55 cents per share. The predominant negative contributions to the May 2023 basic, headline and core headline earnings per share are primarily associated with the recapitalisation transaction of Cell C.

Excluding the positive contributions of R66 million in the current year and the negative contributions of R523 million in the prior year, as illustrated in the underlying tables, core headline earnings declined by R312 million (34%) from R925 million to R613 million and core headline earnings per share declined by 34% from 104.83 cents per share in the prior year to 68.66 cents per share. This decline in core headline earnings was attributable to a decrease of R188 million in CEC, while the remaining entities within the Group declined by R124 million compared to the prior year.

The decline in CEC's core headline earnings was primarily attributable to a decline in gross profit stemming from a decrease in earnings resulting from the expiry, in November 2022, of certain elements of the revenue-sharing agreement, increased expenditure related to the distribution agreement and an increase in the amortisation of handset subsidies. The declines were offset by a reduction in the expected credit loss following a comprehensive base reconciliation at the end of the previous financial year as well as the derecognition of the expected credit loss on the sale of a portion of its handset receivable books.

As part of the recapitalisation transaction of Cell C, and to further assist with their working capital requirements, The Prepaid Company Proprietary Limited (TPC) is obligated to purchase R1.2 billion of additional prepaid airtime through four quarterly payments of R300 million each. To fund these working capital requirements for Cell C, CEC sold a portion of its handset receivable book to financial institutions. The funds generated from this transaction are transferred from CEC to TPC, and ultimately to Cell C through the acquisition of airtime as referred to above.

The remaining entities within the Group, with particular reference to TPC, faced a reduction in core headline earnings due to the cessation of certain rebates and a reduction in discounts from Cell C, following its recapitalisation.

Earnings per share for the current and prior years amounted to 72.49 cents and 30.48 cents respectively. On the exclusion of the contributions resulting primarily from the recapitalisation transaction of Cell C from both the current and prior years, earnings per share and headline earnings per share declined by 35% to 65.07 cents per share and 66.22 cents per share, respectively.

FINANCIAL DIRECTOR'S REPORT CONTINUED

GROUP INCOME STATEMENT

	Group May 2024 R'000	Extraneous income* May 2024 R'000	Remaining May 2024 R'000	Group May 2023 R'000	Extraneous costs** May 2023 R'000	Remaining May 2023 R'000	Growth remaining R'000	Growth remaining %
Revenue	14 598 444	127 742	14 470 702	18 918 263	—	18 918 263	(4 447 561)	(24%)
Gross profit	3 295 038	127 742	3 167 296	3 483 075	—	3 483 075	(315 779)	(9%)
Other expenses	(667 624)	(15 651)	(651 973)	(585 720)	—	(585 720)	(66 253)	(11%)
Bad debts, expected credit losses and fair value movements	(500 569)	(59 208)	(441 361)	(667 649)	(88 474)	(579 175)	137 814	24%
Loss on modification/derecognition of financial instruments	(32 576)	(32 576)	—	(57 453)	(57 453)	—	—	—
EBITDA	1 225 475	20 307	1 205 168	1 316 926	(145 927)	1 462 853	(257 685)	(18%)
Finance costs	(1 121 356)	(461 932)	(659 424)	(682 599)	(321 915)	(360 684)	(298 740)	(83%)
Finance income	901 884	599 823	302 061	411 540	238 362	173 178	128 883	74%
Reversal of impairments in associates	—	—	—	962 531	962 531	—	—	—
Share of profit/(losses) from associates and joint ventures	15 416	—	15 416	(1 329 747)	(1 328 767)	(980)	16 396	1 673%
Net profit after tax	647 386	66 262	581 124	268 966	(616 688)	885 654	(304 530)	(34%)
Core headline earnings	679 488	66 262	613 226	401 961	(523 157)	925 118	(311 892)	(34%)
Gross profit margin	22.57%		21.89%	18.41%		18.41%		
EBITDA margin	8.39%		8.33%	6.96%		7.73%		
Weighted average shares ('000)	893 117		893 117	882 530		882 530		
Share performance								
EPS (cents)	72.49		65.07	30.48		100.35	(35.28)	(35%)
HEPS (cents)	73.64		66.22	41.97		101.24	(35.02)	(35%)
Core HEPS (cents)	76.08		68.66	45.55		104.83	(36.17)	(34%)

FINANCIAL DIRECTOR'S REPORT CONTINUED

	Extraneous costs* May 2024 R'000	Recap of Cell C ⁽¹⁾ May 2024 R'000		Extraneous costs** May 2023 R'000	Recap of Cell C ⁽²⁾ May 2023 R'000	Once-offs ⁽³⁾ May 2023 R'000
Revenue	127 742	127 742	Bad debts, expected credit losses and fair value movements	(88 474)	(110 474)	22 000
Other expenses	(15 651)	(15 651)	Loss on modification of financial instrument	(57 453)	(57 453)	—
Bad debts, expected credit losses and fair value movements	(59 208)	(59 208)	EBITDA	(145 927)	(167 927)	22 000
Loss on modification/derecognition of financial instruments	(32 576)	(32 576)	Finance costs	(321 915)	(321 915)	—
EBITDA	20 307	20 307	Finance income	238 362	238 362	—
Finance costs	(461 932)	(461 932)	Reversal of impairments in associates	962 531	962 531	—
Finance income	599 823	599 823	Share of losses from associates and joint ventures	(1 328 767)	(1 328 767)	—
Net profit after tax	66 262	66 262	Net loss after tax	(616 688)	(638 688)	22 000
Core headline earnings	66 262	66 262	Core headline earnings	(523 157)	(545 157)	22 000

* The extraneous net positive contributions to Group earnings in the current year were attributable to:

- the accounting treatment relating to the recapitalisation transaction of Cell C⁽¹⁾, emanating from:
 - deferred finance revenue of R128 million which represents the difference between the accelerated deferred interest recognised on the date of sale of the handset receivable book and the expected deferred interest that would have been released, had the handset receivable book not been sold;
 - other expenses of R16 million primarily relating to raising and commitment fees paid;
 - expected credit loss and negative fair value movements of R59 million;
 - net loss on modification/derecognition of the financial instruments amounting to R33 million relating to the sale of the handset receivable book and the Class A Preference Shares;
 - finance costs of R462 million, of which R301 million resulted from borrowings relating to airtime sale and repurchase obligations, as well as the issuance of Class A Preference Shares and R161 million relating to the finance cost recognised on the date of sale of the handset receivable book, calculated using the prime interest rate multiplied by the gross handset value sold; and
 - finance income of R600 million resulting from the loan to Cell C for its debt-funding requirements.

** The extraneous negative contributions to Group earnings in the prior year were primarily attributable to:

- the accounting treatment relating to the recapitalisation transaction of Cell C⁽²⁾, emanating from:
 - expected credit losses and fair value movements of R110 million;
 - loss on modification of a financial instruments of R57 million primarily due to the renegotiation and reclassification of the CEC deferral amount of R1.1 billion, owed by Cell C, from 'trade and other receivables' to 'loans to associates and joint ventures';
 - finance costs of R322 million resulting from increased borrowings related to airtime sale and repurchase obligations, as well as the issue of Class A Preference Shares;
 - finance income of R238 million resulting from a loan to Cell C for its debt-funding requirements;
 - a partial reversal of R962.5 million relating to the initial impairment of R2.5 billion of Blue Label's investment in Cell C as at 31 May 2019, in line with an improvement in its equity valuation; and
 - recognition of the Group's share of Cell C's net accumulated losses for the period from 1 June 2019 to 31 May 2023, limited to R1.329 billion, being the aggregate of the partial reversal of the initial impairment of R962.5 million of Blue Label's investment in Cell C as well as additional investments therein amounting to R366 million.
- the accounting implications of the termination of the Airvantage put option obligation for the acquisition of up to 40% of the shares therein resulted in a fair value gain of R22 million⁽³⁾.

FINANCIAL DIRECTOR'S REPORT CONTINUED

SEGMENTAL REPORT

Africa distribution

	May 2024 R'000	Extraneous income ⁽¹⁾ May 2024 R'000	Remaining May 2024 R'000	May 2023 R'000	Extraneous costs ⁽²⁾ May 2023 R'000	Remaining May 2023 R'000	Growth remaining R'000	Growth remaining %
Revenue	14 343 953	127 742	14 216 211	18 643 810	—	18 643 810	(4 427 599)	(24%)
Gross profit	3 215 296	127 742	3 087 554	3 402 488	—	3 402 488	(314 934)	(9%)
Other expenses	(621 449)	(15 651)	(605 798)	(566 207)	—	(566 207)	(39 591)	(7%)
Bad debts, expected credit losses and fair value movements	(502 018)	(59 208)	(442 810)	(722 046)	(110 474)	(611 572)	168 762	28%
Loss on modification/derecognition of financial instruments	(32 576)	(32 576)	—	(57 453)	(57 453)	—	—	—
EBITDA	1 354 629	20 307	1 334 322	1 363 916	(167 927)	1 531 843	(197 521)	(13%)
Finance costs	(1 120 225)	(461 932)	(658 293)	(681 193)	(321 915)	(359 278)	(299 015)	(83%)
Finance income	896 028	599 823	296 205	407 731	238 362	169 369	126 836	75%
Reversal of impairments in associates	—	—	—	962 531	962 531	—	—	—
Share of (losses)/profit from associates and joint ventures	(2 489)	—	(2 489)	(1 320 348)	(1 328 767)	8 419	(10 908)	(130%)
Net profit after tax	769 270	66 262	703 008	360 771	(638 688)	999 459	(296 451)	(30%)
Core headline earnings	801 571	66 262	735 309	493 402	(545 157)	1 038 559	(303 250)	(29%)
Gross profit margin	22.42%	—	21.72%	18.25%	—	18.25%	—	—
EBITDA margin	9.44%	—	9.39%	7.32%	—	8.22%	—	—

Refer to page 43 for footnote (1) and (2).

Revenue generated within the Africa Distribution segment declined by R4.3 billion (23%) from R18.6 billion to R14.3 billion. As only the gross profit earned on "PINless top-ups", prepaid electricity, ticketing and universal vouchers is recognised as revenue, on imputing the gross revenue generated thereon, the effective growth in revenue equated to R12.6 billion (16%) from R76.5 billion to R89.1 billion.

Gross revenue generated on "PINless top-ups" increased by R529 million from R21.2 billion to R21.8 billion.

Electricity revenue generated on behalf of the utilities increased by R3.7 billion (12%) from R32.4 billion to R36.2 billion and the net commission earned, mainly calculated based on a kW/hour usage, increased by R12 million (5%) from R251 million to R263 million. The limited growth in commissions was primarily due to inflationary increases, based on kW/hour usage offset by a marginal decrease in electricity usage resulting from a higher frequency of load shedding, during the first nine months of the financial year and margin compression, despite an increase in gross electricity revenue driven by National Energy Regulator of South Africa (NERSA) electricity tariffs.

The gross revenue generated from universal vouchers increased by R12.3 billion (341%) from R3.6 billion to R15.9 billion, driven by the continued traction of BluVoucher sales as well as the onboarding of a new financial institution onto the platform. Additionally, gross ticketing revenue increased by R402 million (36%) to R1.511 billion, primarily from revenue generated through commuter bus channels.

FINANCIAL DIRECTOR'S REPORT CONTINUED

Gross profit decreased by R187 million (6%) from R3.402 billion to R3.215 billion. The decline was mitigated by an increase in the gross profit margin from 18.25% to 22.42%.

Excluding the positive contribution of R20 million in the current year and the negative contributions of R168 million in the prior year, resulting from the recapitalisation transaction of Cell C, EBITDA declined by R197 million (13%) from R1.532 billion to R1.334 billion. Of this decline, CEC showed a negative impact of R368 million, while the remaining Africa operations contributed an additional R171 million compared to the previous year.

The decline in CEC's EBITDA of R368 million was primarily attributable to a decline in gross profit of R559 million stemming from a decrease in earnings resulting from the expiry, in November 2022, of certain elements of the revenue-sharing agreement, increased expenditure related to the distribution agreement and an increase in the amortisation of handset subsidies. The declines were offset by a reduction of R171 million in the expected credit loss following a comprehensive base reconciliation at the end of the previous financial year as well as the derecognition of the expected credit loss on the sale of a portion of its handset receivable books.

Excluding the positive contributions of R66 million in the current year and the negative contributions of R545 million in the prior year, resulting from the recapitalisation transaction of Cell C, core headline earnings decreased by R303 million (29%) from R1.039 billion to R735 million. This decrease in core headline earnings was attributable to a decrease of R188 million in CEC, while the remaining entities in the Africa Distribution segment decreased by R115 million compared to the prior year.

Solutions

This segment comprises Datacel, Blue Label Data Solutions (BLDS), the data aggregation and lead generation entity in which the Group owns 81%, a 50% joint venture shareholding owned by BLDS in I Talk Holdings and 37.5% in I Talk Financial Services, both of which are outbound call centre operations.

In addition, the following underlying companies form part of the solutions segment, namely, Blu Train, Blue Label Communications, One World Telecoms and I Talk2U.

	May 2024 R'000	May 2023 R'000	Growth R'000	Growth %
Revenue	254 491	274 453	(19 962)	(7%)
Gross profit	79 742	80 587	(845)	(1%)
EBITDA	29 193	40 359	(11 166)	(28%)
Share of profit/(losses) from associates and joint ventures	17 905	(9 399)	27 304	290%
Core headline earnings	43 831	25 240	18 591	74%
Gross profit margin	31.33%	29.36%		
EBITDA margin	11.47%	14.71%		

A decline in SMS volumes resulted in a decrease in revenue of R20 million (7%) from R274 million to R254 million.

Gross profit decreased by R1 million (1%), from R81 million to R80 million, while margins improved from 29.36% to 31.33%, despite a decline in revenue.

EBITDA declined by R11 million (28%) from R40 million to R29 million. Excluding the R17 million costs attributable to learnership initiatives in the current year and R6 million in the prior year, EBITDA decreased by R1 million (1%) from R47 million to R46 million.

Of the core headline earnings of R43.8 million, BLDS accounted for R29.7 million, I Talk Holdings and I Talk Financial Services generated earnings of R18 million, of which the Group's share amounted to R5.4 million. Blue Label Communications and Blu Train generated earnings of R1.5 million and R14.7 million, of which the Group's share amounted to R0.9 million and R7.8 million, respectively.

Of the core headline earnings of R25.2 million in the prior year, BLDS accounted for R32.5 million. I Talk Holdings and I Talk Financial Services generated negative earnings of R20 million, of which the Group's share amounted to R8 million. Blue Label Communications generated earnings of R1.3 million, of which the Group's share amounted to R0.7 million.

FINANCIAL DIRECTOR'S REPORT CONTINUED

Corporate

	May 2024 R'000	May 2023 R'000	Extraneous income ⁽³⁾ May 2023 R'000	Remaining May 2023 R'000	Growth remaining R'000	Growth remaining %
EBITDA	(157 957)	(119 344)	22 000	(141 344)	(16 613)	(12%)
Net loss after tax	(164 174)	(140 844)	22 000	(162 844)	(1 330)	(1%)
Core headline earnings	(164 174)	(140 785)	22 000	(162 785)	(1 389)	(1%)

Refer to page 43 for footnote (3).

Excluding the extraneous income of R22 million in the prior year, the negative contribution to Group core headline earnings increased by R1 million (1%) to R164 million.

The extraneous fair value movement of R22 million in the prior year related to the accounting implications of the termination of the Airvantage put option obligation for the acquisition of up to 40% of the shares therein.

DEPRECIATION, AMORTISATION AND IMPAIRMENT CHARGES

Depreciation, amortisation and impairment charges decreased by R27 million to R164 million. Of the latter amount, R69 million (2023: R72 million) pertained to depreciation on capital expenditure, R13 million (2023: R31 million) to depreciation raised in terms of IFRS 16 – *Leases*, R14 million (2023: R12 million) to impairments and R68 million (2023: R75 million) to the amortisation of intangible assets of which R30 million (2023: R42 million) emanated from purchase price allocations on historical acquisitions.

FINANCE COSTS

Finance costs increased by R439 million from R682 million to R1.121 billion. Of the latter amount, R1.082 billion was associated with interest paid on borrowed funds, R4 million with the unwinding of the lease liability in accordance with IFRS 16, and R35 million with other finance costs. In comparison, R664 million related to interest paid on borrowed funds, R4 million to the unwinding of the lease liability, and R14 million to other finance costs.

The recapitalisation transaction of Cell C in September 2022 resulted in an additional R272 million (2023: R309 million) in finance costs, incurred due to increased borrowings related to airtime sale and repurchase obligations, R29 million (2023: R13 million) for the issue of Class A Preference Shares in the current year and R161 million (2023: Nil) from finance costs recognised on the date of sale of the CEC's handset receivable book, calculated using the prime interest rate multiplied by the gross handset value sold.

Excluding the aforementioned recapitalisation interest, finance costs increased by an additional R299 million from R360 million to R659 million. Of this increase, R19 million was primarily due to higher finance costs associated with the expansion of the Group's working capital facility from R1.15 billion to R1.4 billion on the recapitalisation date, coupled with elevated interest rates compared to the previous year. Additionally, R230 million of the increase was due to the granting of short-term working capital facilities for bulk inventory purchases at favourable rebates. Of the remaining R50 million increase, R29 million resulted from Comm Equipment Company Proprietary Limited's working capital financing facility of R1.9 billion from African Bank, with the remaining R21 million attributed to other finance costs.

FINANCE INCOME

Finance income increased by R490 million from R412 million to R902 million. Of the latter amount, R44 million was attributable to interest received on cash resources, R102 million to the loan provided to Cell C in connection with the CEC R1.1 billion deferral amount, R600 million from

the loan extended to Cell C as a component of the debt funding required as part of the recapitalisation transaction, R100 million from interest accrued on the overdue trade receivable balance owed to CEC by Cell C and R56 million from other loans advanced.

In the prior year, R77 million was attributable to interest received on cash resources, R82 million to the loan provided to Cell C relating to the CEC R1.1 billion deferral amount, R235 million from the loan extended to Cell C as a component of the debt funding required as part of the recapitalisation transaction and R18 million from other loans granted.

STATEMENT OF FINANCIAL POSITION

Total assets increased by R419 million to R15.1 billion, of which current assets account for R788 million, offset by a decrease in non-current assets of R369 million.

The decline in non-current assets included a reduction of R325 million in advances to customers, largely due to the partial sale of the handset receivable book to financial institutions and a decrease of R118 million in intangible assets, primarily from the amortisation of the subscription income-sharing arrangement and subscriber acquisition costs in CEC. These declines were partially offset by increases in loans to associates and joint ventures totalling R54 million.

The net growth in current assets includes an increase in inventory of R1.6 billion. As part of the Cell C recapitalisation transaction, and to further support their working capital requirements, The Prepaid Company purchased an additional R1.2 billion in prepaid airtime through four quarterly payments of R300 million each. Additionally, there was an increase in trade and other receivables by R177 million, and in loans to associates and joint ventures by R204 million. These increases were partially offset by decreases in advances to customers amounting to R696 million, primarily due to the partial sale of the handset receivable book, and a reduction in cash and cash equivalents by R407 million.

FINANCIAL DIRECTOR'S REPORT CONTINUED

In August 2023, CEC concluded an arrangement with financial institutions, allowing CEC to sell handset receivables to them. From August 2023 to May 2024, CEC entered into three separate arrangements with a gross value of R1.4 billion, each negotiated on different terms. CEC's advances to customers decreased by R1.02 billion from R2.26 billion on 31 May 2023, to R1.24 billion on 31 May 2024. Excluding the disposal of the handset receivables, CEC's advances to customers increased by R209 million over that period.

The increase of R258 million in loans to associates and joint ventures is primarily attributable to the interest accrued of R600 million from the loan extended to Cell C as a component of the debt funding and reinvestment instrument offset against expected credit losses on these loans amounting to R121 million. Additionally, R102 million related to interest accrued on the loan extended on the CEC deferral amount, less repayments received thereon of R332 million.

Net profit attributable to equity holders amounted to R647 million, resulting in accumulated capital and reserves of R5.1 billion.

Non-current liabilities increased by R1.11 billion, comprising an increase in non-current borrowings of R1.07 billion and deferred taxation liabilities of R38 million.

Current liabilities decreased by R1.36 billion, primarily due to a reduction in current borrowings of R1.06 billion and trade and other payables by R301 million.

STATEMENT OF CASH FLOWS

Cash generated from trading operations amounted to R769 million. Working capital movements included an increase in inventory of R1.6 billion, trade and other receivables of R77 million and a decrease in trade and other payables of R270 million. These increases were offset by a decrease in advances to customers of R943 million. After incurring net finance costs of R883 million and taxation of R187 million, net cash utilised in operating activities amounted to R301 million.

Net cash flows utilised in investing activities amounted to R61 million, primarily attributable to the purchase of intangible assets amounting to R282 million and property, plant and equipment amounting to R88 million. These outflows were partially offset by the net repayment of loans to associates and joint ventures of R218 million, the repayment of loans receivable carried at fair value of R45 million, the net repayment of other third-party loans of R31 million, and proceeds from the disposal of property, plant, and equipment amounting to R15 million.

Included in net loan repayments by associates and joint ventures of R219 million are capital repayments by Cell C of R230 million offset by net loans granted to other associates and joint ventures of R11 million.

Cash flows utilised in financing activities amounted to R45 million, of which R22 million related to dividends paid to a minority shareholder of a subsidiary company, R17 million to lease repayments and R6 million to the net decrease in interest-bearing borrowings.

Cash and cash equivalents accumulated to R896 million at 31 May 2024.

DIVIDEND

The Board of Directors has elected not to declare a dividend.

DIRECTORS' INTEREST

Subsequent to year-end, the changes in the individual interests held directly and indirectly by the Directors in the Company's share capital were as follows:

	Nature of interest			
	Direct beneficial		Indirect beneficial	
	At 31 May 2024	At 30 September 2024	At 31 May 2024	At 30 September 2024
Director				
BM Levy	71 251 324	71 829 845	17 772 777	17 772 777
MS Levy	63 843 916	64 422 437	19 120 980	19 120 980
DA Suntup	5 985 092	6 291 499	177 778	177 778

APPRECIATION

I would like to extend my gratitude to the staff, suppliers, customers and business partners for their ongoing support and dedication to the Group.



DA SUNTUP* CA(SA)
Financial Director

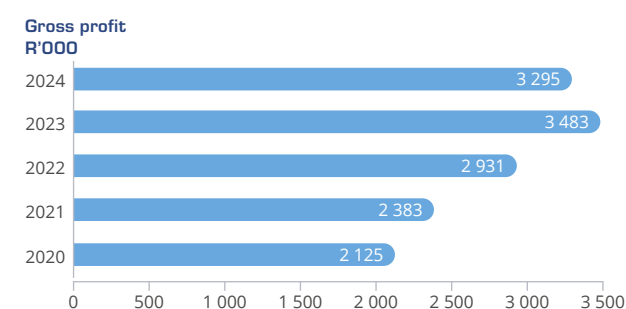
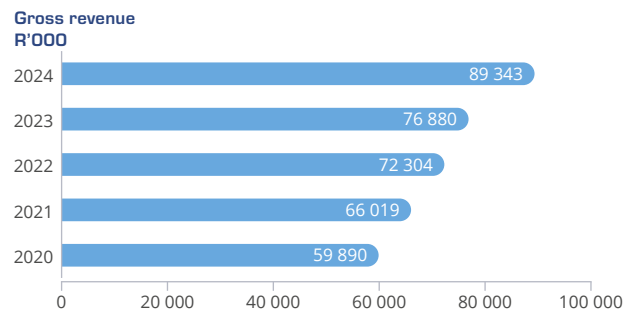
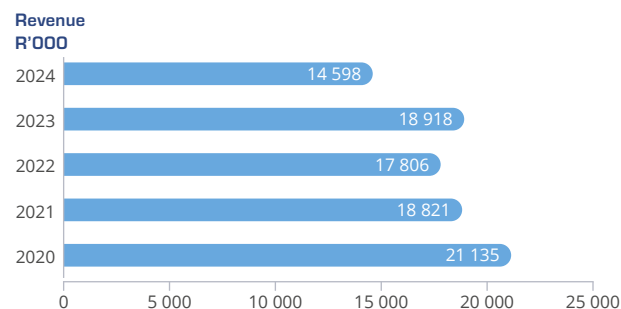
30 September 2024

TEN-YEAR REVIEW

	2024 R'000	2023 R'000	2022 R'000	2021 R'000	2020 R'000	2019 R'000	2018 R'000	2017 R'000	2016 R'000	2015 R'000
Revenue	14 598 444	18 918 263	17 806 262	18 821 290	21 135 326	23 602 264	26 734 249	26 469 581	26 204 722	22 044 222
Gross profit	3 295 038	3 483 075	2 930 974	2 383 254	2 124 611	2 173 686	2 282 092	2 129 000	1 829 694	1 644 340
GP (%)	22.57	18.41	16.46	12.66	10.05	9.21	8.54	8.04	6.98	7.46
EBIT	1 061 596¹	1 126 486	1 524 449	1 171 390	636 050	86 845	1 097 549	1 174 890	1 142 376	986 146
EBITDA	1 225 475¹	1 316 926	1 698 494	1 360 273	825 364	257 300	1 340 153	1 287 741	1 240 559	1 080 165
Net profit from continuing operations attributable to the parent	647 386¹	268 966	1 027 079	805 286	226 786	(6 672 923)	1 122 085	781 254	691 590	577 617
Cash (utilised in) generated from operating activities	(300 607)	(501 843)	648 769	1 468 042	1 256 825	(80 514)	3 188 144	1 361 959	432 942	132 495
Cash and cash equivalents	896 147	1 302 767	2 723 528	2 417 207	2 014 725	1 377 753	947 888	1 350 666	589 027	788 411
Capital expenditure	370 364	1 055 307	1 091 147	107 918	170 523	209 959	102 823	113 280	127 131	178 684
Ratios										
EPS (cents)	72.49	30.48	117.13	94.55	13.89	(727.81)	131.13	114.13	103.85	86.86
HEPS (cents)	73.64	41.97	117.34	86.16	58.16	(312.49)	130.44	114.19	100.35	82.26
Core HEPS (cents)	76.08	45.55	121.01	89.65	62.71	(304.77)	135.62	116.24	102.85	85.11
NAV per share (cents)	548.31	473.69	447.41	350.05	267.13	259.31	988.70	730.63	662.32	578.87
Dividends declared per share (cents)	—	—	—	—	—	—	—	40*	36*	31*
Dividend cover on headline earnings (cents)	—	—	—	—	—	—	—	2.23*	2.75*	2.62*
Weighted average number of shares ('000)	893 117	882 530	876 857	878 463	896 409	913 208	855 687	684 508	665 950	665 030
Number of employees at year-end	1 150	1 412	1 566	2 505	922	1 111	874	796	776	1 305

* Gross ordinary dividend.

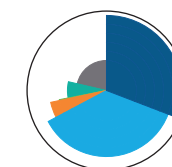
¹ Refer to the Financial Director's report for non-recurring income in 2024 included in EBITDA, EBIT and net profit attributable to the parent.



VALUE ADDED STATEMENT

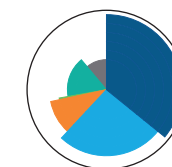
	2024 R'000	2024 %	2023 R'000	2023 %	2022 R'000	2022 %	2021 R'000	2021 %
VALUE ADDED								
Value added by operating activities	2 191 766	70.8	2 208 065	71.5	2 433 050	96.8	2 036 799	97.2
Revenue	14 598 444		18 918 263		17 806 262		18 864 344	
Net operating expenses	(12 406 678)		(16 710 198)		(15 373 212)		(16 827 545)	
Value added by investing activities	901 884	29.2	411 540	13.3	80 993	3.2	59 719	2.8
Interest income	901 884		411 540		80 993		59 719	
	3 093 650	100	2 619 605	85	2 514 043	100	2 096 518	100
VALUE DISTRIBUTED								
Distributed to employees	961 883	31.1	945 501	30.5	780 255	31.0	637 387	30.4
Salaries, wages, medical and other benefits	961 883		945 501		780 255		637 387	
Distributed to providers of finance	1 121 356	36.2	682 599	22.1	201 225	8.0	131 949	6.3
Finance costs	1 121 356		682 599		201 225		131 949	
Distributed to the state	136 033	4.4	257 276	8.3	226 591	9.0	200 013	9.5
Income tax*	136 033		257 276		226 591		200 013	
Distributed to social responsibility	11 621	0.4	14 914	0.5	17 548	0.7	12 052	0.6
Socio-economic development	11 621		14 914		17 548		12 052	
Value reinvested	203 172	6.6	431 142	14.0	196 427	7.8	237 101	11.3
Depreciation, amortisation and impairment	156 666		121 164		110 798		181 113	
Reversal of impairment of investment in associate	—		(962 531)		—		—	
Share of (profits)/losses of associates and joint ventures	(15 416)		1 329 747		(8 042)		(2 951)	
Deferred taxation	61 922		(57 238)		93 671		58 939	
Value retained	659 585	21.3	288 173	9.3	1 091 997	43.4	878 016	41.9
Retained profit	647 386		268 966		1 027 079		830 607	
Minority shareholders' interest	12 199		19 207		64 918		47 409	
	3 093 650	100	2 619 605	85	2 514 043	100	2 096 518	100

* Income tax relates to corporate taxes in terms of The Income Tax Act.



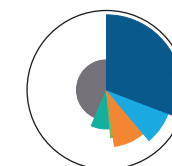
Value distribution 2024

● Distribution to employees	31.1%
● Distributed to providers of finance	36.2%
● Distributed to the state	4.4%
● Distributed to social responsibility	0.4%
● Value reinvested	6.6%
● Value retained	21.3%



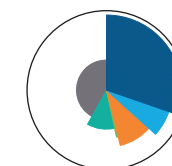
Value distribution 2023

● Distribution to employees	30.5%
● Distributed to providers of finance	22.1%
● Distributed to the state	8.3%
● Distributed to social responsibility	0.5%
● Value reinvested	14.0%
● Value retained	9.3%



Value distribution 2022

● Distribution to employees	31.0%
● Distributed to providers of finance	8.0%
● Distributed to the state	9.0%
● Distributed to social responsibility	0.7%
● Value reinvested	7.8%
● Value retained	43.4%



Value distribution 2021

● Distribution to employees	30.4%
● Distributed to providers of finance	6.3%
● Distributed to the state	9.5%
● Distributed to social responsibility	0.6%
● Value reinvested	11.3%
● Value retained	41.9%

OPERATIONAL REVIEWS

Blue Label, through its various companies and subsidiaries, operates South Africa's largest virtual mall. Our digital transformation journey is driven by innovation, automation and the technologies that serve our communities and macro-economy. The following review provides deeper insight into the performance of the Group's main businesses

The global and local economic landscape continues to be impacted by high interest rates, high inflation and increased levels of unemployment, all of which have presented significant obstacles for businesses across various sectors. These challenges had an impact on our operations and financial performance.

Companies within the Group have undertaken rigorous cost-cutting measures to reduce operational expenses. These include renegotiating supplier contracts, cutting non-essential spending and optimising workforce deployment. In addition, the implementation of automation measures and the leveraging off advanced technologies to streamline processes and improve productivity has assisted companies to reduce labour costs and increase efficiency.

Companies within the Group have focused on innovating and diversifying their product and service offerings to capture new market opportunities and to reduce reliance on traditional revenue sources. Leveraging digital marketing and data analytics in order to have a better understanding of customer needs and preferences has allowed the companies to target their marketing efforts more effectively in order to drive sales.

Continued investment in research and development has been essential for companies to innovate and remain competitive, even during challenging economic times.

Core headline earnings for the year ended 31 May 2024 amounted to R679 million, equating to core headline earnings of 76.08 cents per share.

In the comparative year, core headline earnings amounted to R402 million, equating to core headline earnings of 45.55 cents per share. The predominant negative contributions to the May 2023 basic, headline and core headline earnings per share are primarily associated with the recapitalisation transaction of Cell C.

Excluding the positive contributions of R66 million in the current year and the negative contributions of R523 million in the prior year, core headline earnings declined by R312 million (34%) from R925 million to R613 million and core headline earnings per share declined by 34% from 104.83 cents per share in the prior year to 68.66 cents per share.

The review that follows provides more detail on the operating performance of the core businesses in Blue Label.



The Prepaid
Company

As the premier distributor of prepaid products for all the major South African network operators, The Prepaid Company (TPC) leverages trusted proprietary technology to ensure purchasing efficiency and robust inventory control. This emphasis on mutually beneficial terms allows the business to provide wholesale and community sales, starter packs, handsets, tablets and bulk printing of vouchers.

TPC is a leader in the distribution of prepaid airtime and SIM cards. Their long-standing relationships with the mobile network operators are a key strength, hence it is vitally important for TPC to nurture and build these long-standing relationships.

TPC's core contributors towards revenue generation are the wholesaling of prepaid airtime and prepaid SIM cards.

TPC comprises four strategic pillars: network agreements and procurement, recharge, SIM card distribution and treasury. TPC continues to leverage strategic partnerships with traditional wholesalers and aggregators.

TPC's RINGAS product has performed well with several exciting potential growth opportunities in the pipeline. This product is affiliated with BluAdvance to leverage its advance offerings.

OPERATIONAL REVIEWS CONTINUED



BLUE LABEL DISTRIBUTION

BLD is a specialist in prepaid products and the electronic distribution of virtual merchandise across South Africa. It has an extensive distribution network that includes banks, retailers, spaza shops, informal traders and petroleum forecourts.

BLD is a leading distributor of prepaid airtime, data, electricity, gaming, money transfers, bill payments, ticketing and other virtual products.

BLD continued performing well, achieving strong sales growth and a corresponding increase in gross profits year-on-year. Pinned and PINless Blu Voucher sales were the main drivers of this year's performance.

BLD remains a leading distributor of prepaid airtime, data, electricity, universal vouchers and other virtual products against this backdrop. This performance was reflected in pleasing overall EBITDA growth during 2024. This was largely due to a stronger performance in BLD's universal voucher segment, as well as the realisation of further cost efficiencies in our revenue assurance programmes that maximise profitability across our existing business lines, together with additional realised cost containment benefits that came through during the year.



Comm Equipment Company (CEC) is a business unit with responsibilities across the Cell C postpaid offerings.

CEC continues to manage, in partnership with Cell C, most aspects of the Cell C postpaid base including supply chain, commercial, marketing, billing, credit and collections. It achieves this function through a hybrid of in-house and outsourced services.

CEC anchors its operational activities on four key drivers; profitable customer acquisition; subscriber retention; reduced churn; and customer satisfaction, to ensure the growth and profitability of this business.

CEC faced a challenging financial year in a difficult credit environment. The decline in CEC's core headline earnings was primarily attributable to a decline in gross profit stemming from a decrease in earnings resulting from the expiry, in November 2022, of certain elements of the revenue-sharing agreement, increased expenditure related to the distribution agreement and an increase in the amortisation of handset subsidies. The declines were offset by a reduction in the expected credit loss following a comprehensive base reconciliation at the end of the previous financial year as well as the derecognition of the expected credit loss on the sale of a portion of its handset receivable books.

Accordingly, CEC commenced tightening its credit policies and scorecards in May 2023, followed by further and more aggressive tightening from September 2023. This process provided significant insights into customer behaviour patterns during challenging periods. It enabled management to pinpoint the optimal credit scoring range to maximise sales while minimising risk, while simultaneously refining its approach to pricing based on risk and targeting credit offerings more precisely.

CEC ended the year with a more robust subscriber base of 840 000 users, with a stable average spend per user (ASPU) of R239 for the year when excluding the subscriber base of an intergroup reseller.

As part of the recapitalisation transaction of Cell C, and to further assist with their working capital requirements, The Prepaid Company Proprietary Limited (TPC) is obligated to purchase R1.2 billion of additional prepaid airtime through four quarterly payments of R300 million each. To fund these working capital requirements for Cell C, CEC sold a portion of its handset receivable book to financial institutions. The funds generated from this transaction are transferred from CEC to TPC and ultimately to Cell C through the acquisition of airtime as referred to above.

Strategically, CEC and Cell C remain closely aligned, and we have already seen exciting new prospects emanating from Cell C's new strategy.

OPERATIONAL REVIEWS CONTINUED



Cell C is the third-largest provider of mobile services in South Africa.

Cell C's concerted focus on network improvement has yielded positive results by providing broader coverage through a strong partnership model.

The operator's customers can now stay more reliably connected through faster speeds and greater stability while enjoying the best value in terms of its competitive pricing. Major Cell C network improvements have led to better connectivity, reduced downtime and enhanced customer satisfaction.

From a management perspective, Cell C's executive committee is now in place and additional management capacity has been established, enabling focus on key strategic areas that should result in the successful implementation of the strategy.

Going forward, Cell C will leverage network parity and invest further to enhance customer offerings and experience. Additionally, they will continue improving customer touch points and journeys through investment in digital platforms for a seamless customer experience.



Cigicell collaborates with municipalities to enhance their revenue streams by offering prepaid electricity and water services. The business provides additional avenues for billpayers to pay their municipal accounts, both through formal and informal independent retailers and online via the UniPay e-commerce platform. Cigicell also provides revenue assurance services that include credit control, indigent management, meter audits and improving data quality.

Cigicell remains a trusted business partner in local government across the country, having recently received several awards in bill payments and credit control businesses. UniPay continues to perform exceptionally well, outperforming its targets and winning strong contracts resulting in revenue and profit growth.

While the environment was challenging in the six months leading up to the elections, with noticeably slower implementation processes, the business has a healthy pipeline and continues to foster great relationships, coupled with excellent service delivery to its clients.

Although electricity vending performed well during the year, this business continues to diversify and innovate from a product perspective to mitigate against margin compression risk.

Electricity revenue generated on behalf of the utilities increased by R3.7 billion (12%) from R32.4 billion to R36.2 billion and the net commission earned, mainly calculated based on a kW/hour usage, increased by R12 million (5%) from R251 million to R263 million.

Looking ahead, we are confident in Cigicell's defensive market position.

OPERATIONAL REVIEWS CONTINUED



TicketPro provides customers with access to exclusive transport services, travel services, sporting events and entertainment.

TicketPro remains a trusted brand operating in a highly competitive environment that has recently seen some consolidation. We segment and view TicketPro's performance against two core categories, namely ticketing and travel.

On the ticketing side, we continue to sign partner agreements with leading South African sports unions and events management companies.

We also provide ticketing services in the transportation space as the exclusive provider of PUTCO ticketing, a seller of long-distance bus ticketing and a provider for SANRAL ABT card top-ups. For PUTCO, TicketPro built a rapid transportation, automatic near field communication (NFC), digitised ticketing transport system known as Smarttap.

In terms of travel, TicketPro has launched its new business-to-business (B2B) travel solution and onboarded a number of clients. Revenue from long-haul bus ticketing continues to remain strong, and we have refocused our efforts to add more carriers.



GloCell Retail Solutions (GCRS) is a distributor of prepaid products and value-added services for all major network operators. It supplies these offerings to a wide range of retailers, including national chains and petroleum forecourts.

GCRS performance was resilient during the year, recording pleasing growth in its merchant base. Blu Voucher sales continue to demonstrate strong growth bolstered through various campaigns and marketing initiatives. Year-on-year sales of RINGAS vouchers have also increased, with market penetration growing significantly.

Ticketing sales performed well year-on-year, resulting in marginal penetration growth. We are also pleased to have grown our partnerships with South Africa's leading petroleum forecourt brands.

The year was, however, not without headwinds, including margin compression, increased competitor activity and challenging economic conditions that impacted our merchants' cash flows.

Looking ahead, the business is focused on execution across its core product categories, including universal vouchers, money transfers and transportation, as well as identifying and building new products to complement the requirements of the business, its merchants and its vendors.



BluNova is one of the leading practitioners of data and decision science in South Africa, featuring a state-of-the-art decision engine that supplies intelligent data leads and assists in securing new business and innovating with new digital business models.

In the year under review, BluNova and its business units AltBureau, BluAdvance and MarTech have focused their attention on supporting the Group's CEC business in terms of insourced business intelligence (BI), data engineering (DE), customer value management (CVM), credit decisioning and campaigning functions. This operating model now centres on AltBureau continuing to provide credit scoring services to CEC as well as data enrichments. MarTech will continue to provide pre-to-post leads and re-activation leads to CEC, which are billable on a success basis.

Outside of the collaboration with CEC, BluNova will continue with its efforts to commercialise AltBureau and the affiliate marketing components of MarTech.

The year's strategic initiatives focused on making progress in restructuring BluNova's aggregated data, the foundation of the Company's algorithms and services. The Company also redirected efforts towards the deanonymisation of cash vouchers and identifying user behaviour around these.

BluAdvance achieved significant success over the past year, with its proof of value successfully demonstrated during its incubation within BluNova. The business has now transitioned to full commercialisation, supported by a dedicated team and executive leadership focused on expanding the product portfolio, growing the business customer base and reaching a wider end-consumer market.

OPERATIONAL REVIEWS CONTINUED



Transaction Junction (TJ) is a business enablement platform offering tailored digital payment solutions for companies across a wide range of markets.

TJ experienced a challenging year, primarily due to shifting market dynamics. However, green shoots were in the second half of the year as the business actively invested in people and technology and pursued new revenue opportunities.

TJ continues to attract blue-chip clients from the banking and retail sectors. Together with an increased focus on innovative technologies, this bodes well for future cross-selling and revenue opportunities.

Looking ahead, the business anticipates an improved performance after the finalisation of an ISO agreement with one of Africa's largest banking groups to drive revenue across nine additional African countries.



Blue Label Connect (BLC) distributes tailor-made hybrid top-up airtime and data contracts.

BLC's call centre operations maintain a steady and promising growth trajectory. Collection percentages have consistently exhibited positive growth month on month, aligning with or surpassing all of its curve percentages. In addition, the integration of Real Time Transaction 1 (TT1) into its new process as well as an intensive focus on soft collections and electronic data captures is expected to yield a slight boost to the business's collections.

The application of sophisticated modelling and data analysis has played a pivotal role in driving these enhancements. As a result, BLC achieved a pleasing increase in collections during the year.

In terms of stock controls, BLC continued operating efficiently and remained closely in line with initial forecasts. The business consistently evaluates pricing against market standards and collaborates seamlessly with CEC to benchmark pricing strategies.

Over the past year, BLC has been actively implementing new strategies and leveraging innovative technologies. This strategy will likely continue, along with our revised approach to credit that resulted in the successful implementation of a new credit scorecard that has performed well since being introduced.



Blue Label Data Solutions (BLDS) is a market leader in consumer data, big data, validation and verification, data cleansing and lead creation.

BLDS's key strategy during the year and going forward is to control the entire data value chain, which would typically include controlling and managing data. In some cases, such as VAS, BLDS owns the product it sells.

Blue Label's aim is for BLDS to be the most efficient and reliable data provider, as well as the number one lead supplier in South Africa, by ensuring that our data leads the market in terms of quality, reliability and compliance. Blue Label intends for BLDS to broaden its managed services stable offering to include identity card verifications and the development and distribution of call centre software in what we believe is a burgeoning business process outsourcing (BPO) market.

From a regulatory perspective, BLDS prioritises the integrity and security of data, with adherence to regulatory frameworks such as POPI remaining all-important.

LEVERAGING TECHNOLOGY

We are living through a time of historic challenges and opportunity. Our markets currently face ongoing economic and social volatility. At the same time we are witnessing the dawn of a new age of artificial intelligence (AI), poised to revolutionise productivity across individuals, organisations and industries worldwide. This transformative technology can potentially address some of our most urgent local challenges. Blue Label's Technology is a cornerstone in driving the business toward its overarching objectives. Adapting swiftly to internal shifts and external forces, we actively reshape Blue Label Technology to foster a contemporary, efficient and flexible organisation. This means we are building a flexible technology platform, infrastructure and operating model that increases our speed to market and simplifies how our customers and subsidiaries operate. Our unwavering commitment to technology-driven progress has fuelled our growth, enhanced customer experience and strengthened our position in the marketplace.

Core production market-facing platform changes

973

(2023: 1 107)

Stability of core production platforms

99.31%

(2023: 99.57%)

Platforms for new business innovation

5

(2023: 5)

ISO certification

ISO 27001 Certified

BUILDING ON OUR DIGITAL FOUNDATION

Blue Label Technology has reinforced and expanded its commitment to accelerating digital transformation by identifying and exploring numerous innovative opportunities within each subsidiary. We continued enhancing our market-facing platform, reaching an impressive 973 changes this year, a testament to our unwavering dedication to innovation. At the same time, we have started the journey to re-imagine and re-architect our core platforms which are application programming interface (API)-driven, composable and built on microservices. This transformation will provide greater flexibility, scalability and efficiency, ensuring our platforms and infrastructure are robust and future-ready.

ELEVATING RELIABILITY AND STABILITY

While pursuing digital innovation, we recognise the pivotal role of stability and reliability. Monitoring performance against key performance indicators (KPIs) and tracking their progress over time is crucial to ensuring that service-level agreements (SLAs) are met. Our core production platforms have exhibited exceptional performance, achieving a stability rate of 99.31%, reflecting our continued investment in fortifying our application and infrastructure uptime.

LEVERAGING TECHNOLOGY CONTINUED

NAVIGATING THE CYBERSECURITY LANDSCAPE

As the rate and pace of cyber threats continue to accelerate, security remains our top priority. We continue to fortify our information, application, hardware and infrastructure security controls. The investment made in implementing our Security Operations Centre (SOC) is starting to pay dividends. The SOC and our fraud solution allow us to proactively monitor and act on any threats. At the same time, we have re-organised our cyber team and skills to ensure that we have the right focus in the right areas, such as incident response, engineering and architecture.

As part of our continued commitment to improve and demonstrate maturity of our governance and security practices, we embarked on a strategic journey to pursue the ISO 27001 certification. The pursuit of this internationally recognised security standard has a number of benefits which will accrue to the business once this accreditation/certification has been achieved:

- Demonstrate an improved security posture overall;
- Improve information security processes;
- Reduced time responding to security questionnaires;
- Promote compliance with commercial, contractual requirements;
- Competitive advantage due to the recognition of the standard; and
- Enhanced security and risk management through the implementation of best security practices.

ISO 27001:2022 is the only auditable standard that deals with the overall management of information security, rather than just with technical controls to implement for information security. Certification is one way to demonstrate to stakeholders and customers that we are committed and able to manage information securely and safely.

EMPOWERING CUSTOMER-CENTRIC INNOVATION

Our dedication to our customers remains paramount. Blue Label Technology has extended the boundaries of consumer convenience through strategic investments and pioneering solutions. We have expanded our offerings with wallet and account management functionality for our informal market. The account management functionality has a store of value and can manage a deposit (deposit taking). Our new ticketing solution, which is built on the microservices architecture, includes reserved, unreserved and cashless functionality while having a newer and friendlier customer website and experience.

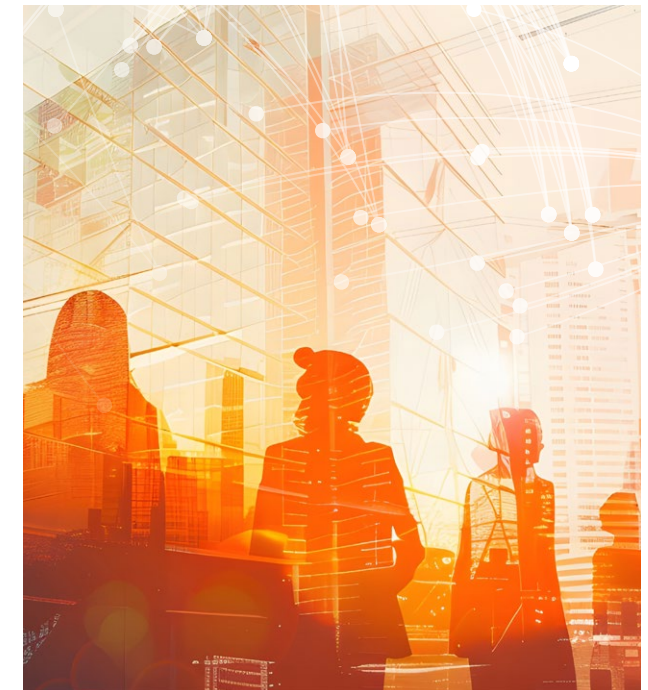
A VISION FOR THE FUTURE

As we look ahead, in 2025 we will complete the implementation of our new finance ERP system, allowing the businesses to further expand on data analytics, process automation and achieving higher efficiencies.

While our minimum viable product (MVP) for our market-facing core platform has been implemented, in 2025 we will continue to scale and extend our platform with enhanced features and capabilities, thereby simplifying and improving the speed at which our customers can launch new products and services.

We are resolute in maintaining and surpassing our high standards of stability and uptime, ensuring uninterrupted access for our customers.

Looking beyond 2025, we are committed to innovation and transformation. We will explore new technological advancements, invest in artificial intelligence and machine learning and expand our digital ecosystem to create seamless experiences for our customers. At the same time, we will invest in our people, ensuring that we have the latest skills required to deliver on our strategic intent. Our strategic partnerships and collaborative ventures will drive growth and open new avenues for business expansion. We envision a future where our Company not only meets but anticipates the needs of the market, setting new benchmarks in service excellence and operational efficiency. Our unwavering dedication to our core values and our customers' success will guide us as we navigate the evolving landscape of our industry.



SOCIAL IMPACT: HUMAN CAPITAL

Blue Label's employees are the core of the Group's existence. We value our people and look to support and safeguard them within a dynamic work environment that promotes productivity and employee engagement.

Our strategy this year was to drive an inclusive culture by creating unique experiences for all employees. We place our employees at the centre of what we do through leader-led engagement initiatives, with our People Experience Team providing the framework and our leaders setting the tone for an employee-centric culture. Blue Label's Success Management Framework ensures that employees are aligned with the strategic intent of the business and have meaningful roles. We will continue leveraging the framework to create a work environment that is both inclusive and diverse while merging employee expectations with business needs for tangible results.

Our strategy was informed by a 2021 research study by Gartner that showed:

- 82% of employees say it is important for their organisation to see them as a person, not just an employee; and
- Employee satisfaction with a company's employee value proposition (EVP) increased by 15% when a human-centric approach was followed.

INVESTING IN OUR PEOPLE AND CULTURE: LEADERSHIP, DIVERSITY AND TALENT

Blue Label's Human Resources focus areas aim to strengthen the Group's people and culture. These initiatives empower our leaders, foster an inclusive environment and solidify Blue Label's position as an employer of choice:

- **Building future leaders:** We are committed to developing the next generation of leaders by increasing participation in leadership development programmes, thereby equipping them with the skills and knowledge to drive Blue Label's future success.
- **Leading through diversity and ethics:** A diverse Social, Ethics and Transformation Committee will reflect our commitment to strong ethical leadership, align with our B-BBEE goals and demonstrate Blue Label's commitment to diversity and inclusion.
- **Empowering inclusive leaders:** Inclusive leadership builds a thriving workplace. We are equipping leaders with the necessary tools and skills to cultivate a welcoming and respectful environment for everyone.
- **Enhancing the EVP:** We are actively refining our EVP to attract top talent and retain our current workforce. This will solidify our position as an employer of choice within the industry.

By investing in these areas, we are fostering a culture of continuous learning, inclusivity and excellence, ensuring a bright future for our organisation and our people.

We needed to align ourselves with the changing expectations of our employees in navigating the path ahead and ensuring seamless engagement between staff members and leaders. These close relationships will lead to a mutual understanding of the goals, opportunities and difficulties faced by each business unit.

Human Resources (HR) operations achievements

- **Restructured HR function:** We decentralised the HR structure to share services at Group level and partner at subsidiary level. This enables HR to support Blue Label's needs more efficiently.
- **Improved reporting:** We built a Power BI function to enable dashboard reporting. This gives the HR team access to live reporting and improved business support.
- **Reduced costs:** The Group achieved savings of R4.5 million in recruitment costs by sourcing directly rather than via recruitment agencies.
- **Developed the HR team:** The Group invested in training the entire HR team to strengthen its function and accountability across the business.

These successes point to an enhanced HR function. These changes will result in an HR department that supports the business more effectively and efficiently.

HR business enablement achievements

- **Culture and leadership**
 - finalised and signed off succession plans for all subsidiaries to ensure a smooth transition if a key employee leaves the organisation;
 - developed a leader-led communication framework to support leaders in cascading communication throughout their teams. This helps to ensure that all employees are kept informed about important company news and updates; and
 - co-created a new Company culture slogan, “#AsBluWeBelong,” with a focus on how employees should behave to make this inclusive culture a lived experience and to improve employee engagement and morale.



SOCIAL IMPACT: HUMAN CAPITAL CONTINUED

• Talent acquisition and retention

- gained insights and reporting from Career Junction benchmarking to inform our attraction and retention strategy;
- changed how we advertise roles to the employment market based on benchmarking results. As a consequence, we anticipate more high-quality job applicants;
- refreshed the Blue Label website to reflect the Company culture and attract top talent; and
- designed a career page that reflects Blue Label's entrepreneurial and innovative culture.

• Employee well-being

- increased Blue Label's social media presence to show that employee well-being is a key aspect of the Group's employee value proposition. This activity can assist in improving brand awareness and attracting potential employees.

Overall, these initiatives demonstrate that Blue Label prioritises a positive employee experience that will assist the Group in attracting, retaining and developing top talent.

Human capital profile

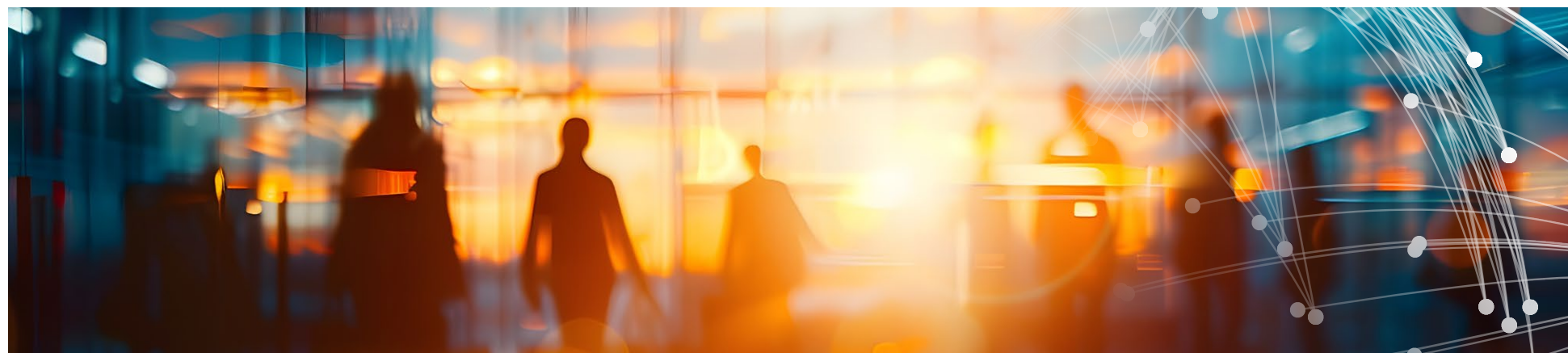
The following numbers are provided as at financial year-end. We used 2023 figures as the baseline for future human capital targets.

	2024	2023	2022
Total headcount	1 150	1 412	1 566
By employment type			
Permanent	1 041	1 033	1 288
Fixed period	73*	337	227
Non-South African	36	42	51
Allegations and confirmed incidents			
Number of discrimination and human rights incidents relating to workers' incidents	—	—	—
Non-employees			
Learnerships	3 229	4 310	3 629
B-BBEE			
Status level	4	4	4

* Reduction in fixed period employees resulting from a decline in the YES youth programme.

Blue Label is committed to ensuring that its structure and operating model supports a future-ready organisation through:

- attracting and retaining critical skills;
- a people planning process that empowers businesses with the information required to make accurate people and skills decisions;
- a formalised workforce planning design;
- driving the leader-led leadership programme that builds leaders for the future; and
- implementing a leadership programme for top management.



SOCIAL IMPACT: HUMAN CAPITAL CONTINUED

2024

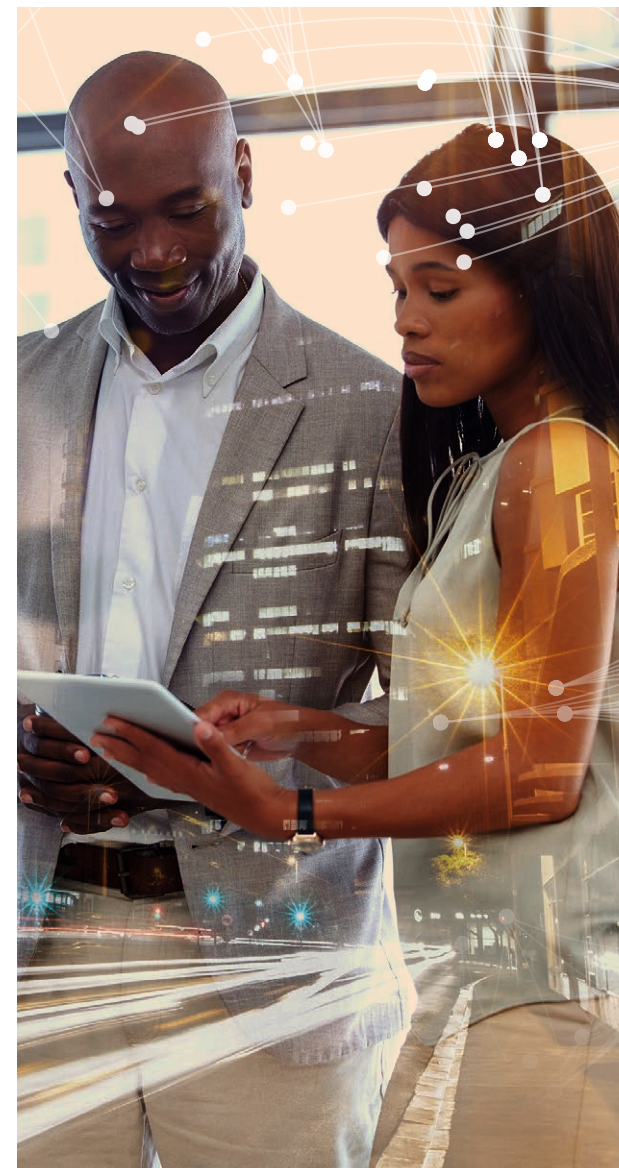
Occupational level	Female						Male						Total headcount
	African	Coloured	Indian	White	Foreign nationals	Female total	African	Coloured	Indian	White	Foreign nationals	Male total	
Top management	3	1	—	2	—	6	3	—	5	29	1	38	44
Senior management	2	—	1	8	—	11	2	4	3	25	—	34	45
Professional	16	5	9	25	—	55	18	4	10	42	5	79	134
Skilled	107	16	22	40	4	189	141	42	43	80	12	318	507
Semi-skilled	195	19	13	12	7	246	119	9	6	8	10	152	398
Unskilled	13	—	—	—	—	13	8	—	—	—	1	9	22
Grand total	336	41	45	87	11	520	291	59	67	184	29	630	1 150

2023

Occupational level	Female						Male						Total headcount
	African	Coloured	Indian	White	Foreign nationals	Female total	African	Coloured	Indian	White	Foreign nationals	Male total	
Top management	3	1	—	3	—	7	3	—	4	24	—	31	38
Senior management	4	—	1	7	—	12	1	4	6	26	—	37	49
Professional	15	4	7	20	—	46	14	7	11	42	4	78	124
Skilled	114	19	22	47	3	205	181	47	45	84	15	372	577
Semi-skilled	316	24	15	12	10	377	183	15	6	5	9	218	595
Unskilled	17	—	—	1	—	18	9	—	1	—	1	11	29
Grand total	469	48	45	90	13	665	391	73	73	181	29	747	1 412

Proportion of black employees as a percentage of headcount:

- African male representation declined by 2.4%;
- African female representation declined by 4.0%;
- Coloured male representation declined by 0.1%;
- Coloured female representation increased by 0.2%;
- Indian male representation increased by 0.7%; and
- Indian female representation increased by 0.7%.



SOCIAL IMPACT: HUMAN CAPITAL CONTINUED

B-BBEE SCORECARD

In 2024, Blue Label improved its B-BBEE level score without the enhancement of the YES programme.

We are committed to maintaining our current level 4 rating and were pleased to accomplish two of our three B-BBEE focus areas.

Element	Audited 2024	Audited 2023	Audited 2022	Audited 2021
Ownership	16.61	12.94	12.08	13.53
Management and control	11.03	11.46	10.54	9.55
Skill development expenditure	19.16	19.50	18.12	14.55
Preferential procurement	17.30	15.81	18.67	18.44
Supplier development	10.00	10.00	9.99	9.57
Enterprise development	18.00	18.00	13.68	11.42
Socio-economic development	12.00	12.00	12.00	4.93
Total score	104.10	99.71	95.08	81.99
Level achieved	Level 4	Level 5	Level 5	Level 7
Level achieved after discounting	n/a	n/a	n/a	n/a
YES enhancement	No	YES – 1 level up	YES – 1 level up	No
After YES	Level 4	Level 4	Level 4	Level 7

With our ownership score improving, we are now shifting our focus to management control and leveraging more aspects of procurement.

EMPLOYEE ENGAGEMENT

The employee experience within Blue Label is vital to creating a future-ready organisation. It affects everything, from attracting top talent to increasing output and client happiness. We aim for happier, more engaged employees who are more likely to remain with the Company.

Blue Label keeps track of employee engagement through employee engagement surveys. In the past, Blue Label conducted these surveys every other year. However, as an organisation with a highly developed entrepreneurial culture that always pursues improved ways of doing business, Blue Label employees at times experience the discomfort that comes with change. In 2024, Blue Label also introduced a refreshed set of corporate values around which to build its culture. As a result, we will continue to implement annual employee engagement surveys, with more frequent pulse surveys to keep track of morale.

Our employee engagement scores are outlined below:

Employee engagement survey scores	2025 Target %	2024 %	2023 %
Job satisfaction	75	75	75
Meaningful job	80	79	90
Overall engagement	70	89	70
Feeling valued and safe	90	69	91
Significant work	90	79	90
Happy at work	70	65	80

We prioritised building an employee-centric workplace that meets the evolving needs of our workforce. We are pleased with our progress in fostering flexibility, shared purpose and well-being, all while cultivating a person-first experience that strengthens our inclusive culture. This approach ensures every employee feels valued and empowered to deliver their best work.

The key lies in balancing employee expectations with achieving results. We believe in deliberate leadership focused on our core values and behaviours. By empowering everyone to be a leader of self, we unlock a high-performing and motivated team. This year, Blue Label implemented the following tools to support our leadership teams in driving the innovative and inclusive culture we aspire to:

- Voices of Innovation, a leadership podcast aimed at discussing important trends in our market;
- a Blue Label-designed, leader-led training change management intervention for all senior leaders in the organisation; and
- #AsBluWeBelong conversation guides, empowering leaders with the right tools to build on our culture and enhance the employee experience.

We have not experienced any major stoppage in the workplace over the past three years.

SOCIAL IMPACT: HUMAN CAPITAL CONTINUED

Staying competitive through employee experience

The competitive landscape demands that we constantly assess our EVP and work environment to foster a high-performing culture. While recent distribution sector optimisations brought some uncertainty, we are proud of our overall engagement scores. At the same time, we recognise the need to strengthen feelings of value and safety and to create meaningful work.

In 2024, our key driver for engagement was embedding an inclusive working environment by driving the following initiatives:

- a corporate values refresh, aligning our values with an inclusive culture trait;
- a leader-led communication framework that empowers our leaders to communicate and drive change effectively; and
- employee facilitated learning masterclasses, creating a platform for employees to share their knowledge and experience on work and life-related topics.

Blue Label's 2025 employee engagement priorities are:

- Clearer focus: Through our refreshed values, we will continue to emphasise the importance of motivated employee experiences.
- Positive tone: Acknowledge achievements through our rewards programme, while not being afraid to highlight areas for improvement.
- Conciseness: Consciously tighten up our messaging for conciseness and clarity.
- Actionable language: Continue encouraging employees to partake in engagement surveys, enabling us to act on the outcomes.

HOW WE PERFORMED

Employee retention

A key HR focus in 2024 was to reduce employee turnover. We understand that turnover is impacted by variable factors, including the overall economic environment (which can drive the need for better pay and hybrid work opportunities), culture, better career opportunities and leadership. We conducted stay interviews as part of a proactive effort to obtain predictive insights and learn why people remain at Blue Label or what motivates them to leave the employ of the Company.

Overall turnover

2024: 25.04%
2023: 27.90%

Voluntary turnover

2024: 11.65%
2023: 20.75%

Involuntary turnover

2024: 13.39%
2023: 7.15%

Executive turnover

2024: 1.04%
2023: 1.50%

Our efforts to build a future-fit organisation are starting to yield positive results, with voluntary turnover consistently decreasing year-on-year. The primary cause of involuntary turnover in 2024 was Blue Label's need to optimise efficiencies by recruiting skilled individuals capable of utilising improved operational processes.

We further ensure that all our employees have a voice in the Company and will continue driving an inclusive culture through everything we do. Currently, no Company employees are party to collective bargaining agreements. Blue Label complies with the law and does not restrict labour representation in any way. Blue Label has also not experienced any major workplace stoppages in the past three years.

Our human capital objectives were achieved through fostering a culture of growth and development for our employees. To achieve this, we focus on two key areas:

- Enhancing internal mobility: By creating more opportunities for internal movement, employees can develop their skills and advance their careers within Blue Label.
- Offering competitive rewards: Partnering with remuneration advisers to benchmark our benefits package against market offerings. This ensures that our compensation and benefits remain attractive, assisting us to retain top talent.

This comprehensive approach empowers employees to achieve their full potential while ensuring we remain a competitive employer.

SOCIAL IMPACT: HUMAN CAPITAL CONTINUED

We are focusing on black (i.e., African, Coloured and Indian) talent while working to retain and grow our junior and middle management personnel. The following initiatives were implemented in this regard:

1. Gather deeper employee insights

- Conducted in-person exit interviews with black employees who leave within one year of their appointment to understand their reasons for exit; and
- Organised focus groups with black junior and middle managers to discuss their experiences and identify areas for improvement.

2. Analyse turnover, or churn, data

- Refined the tracking system to identify specific reasons why black employees are leaving within the first year, whether this be a lack of mentorship, limited growth opportunities, or a lack of cultural fit.

3. Enhance employee engagement

- Conducted targeted stay interviews for employees in high employee churn subsidiaries to gain specific feedback on their work environments; and
- Developed and implemented action plans based on the feedback received from the targeted surveys.

4. Foster inclusive leadership

- Reviewed and updated leadership development programmes to emphasise inclusive behaviours and practices; and
- Provided leadership training with a focus on recognising and mitigating unconscious bias.

5. Track progress and refine strategies

- Regularly monitored the effectiveness of these initiatives through retention data; and
- Refined the action plan based on the results and ongoing employee feedback.

Balancing a young workforce

Blue Label boasts a relatively young workforce, with an average age of 37 years. While this fosters innovation, it can also have an impact on employee retention. To address this, we utilise our Success Management Framework to understand career aspirations and offer cross-mobility opportunities. This approach aims to increase employee tenure and reduce overall turnover. Most promotion opportunities fell within the junior management level, and we focused on improving black and gender representation.

At the same time, our data illustrates that Blue Label is likely moving toward an older and more experienced workforce. Blue Label's employee numbers below the age of 40 are decreasing. We are experiencing significant turnover in junior management, which is predominantly drawn from the under 40 age group.

Age group	Number of employees 2024	Number of employees 2023
Under 20	2	13
20 – 29	200	422
30 – 39	464	482
40 – 49	329	349
50 – 59	123	119
Over 60	32	27
Total	1 150	1 412

The slight increase shown in the 50-59 age group and in the over-60 group indicates the retention of experienced employees, along with a global trend for later retirement. Blue Label benefits from stability and institutional knowledge.

Overall, there has been a shift towards an older workforce. Further analysis and examining the reasons behind the changes will assist the business address specific skills and employee gaps.

A shrinking younger workforce may pose challenges in the long run. We will focus on strategies to attract and retain younger talent, including internship programmes, tuition reimbursement and programmes catering to work-life balance preferences.

Building a sustainable talent pipeline

Our declining figures for black employees in 2024 reflect the completion of fixed-term contracts for the YES youth programme participants. Moving forward, Blue Label aims to build a sustainable pipeline by launching Technology and Data Science graduate programmes that target scarce skillsets, while the YES programme is being implemented at a subsidiary level.

Progress on gender diversity

We remain dedicated to achieving a 50/50 gender split by 2026. While female representation decreased slightly to 45% (from 47% in 2023), we are confident that we are on the right track. Men currently comprise 55% (up from 53% in 2023).

SOCIAL IMPACT: HUMAN CAPITAL CONTINUED

Investing in our future leaders

We are committed to building a strong leadership pipeline through internal promotions. Of all the promotions in 2024, 55% were for females and 83% for black talent, reflecting our focus on diversity and inclusion. However, we recognise the potential for further progress. Here are some ways we are working to close the gap:

- Targeted development programmes: We are implementing specifically designed programmes to equip high-potential females with the skills and experience required for leadership roles.
- Mentorship and sponsorship initiatives: We are connecting female employees with experienced leaders who can provide guidance and help to advance their careers.
- Reviewing promotion criteria: We are constantly reviewing our promotion criteria to ensure these are fair and unbiased in promoting talent, based on merit and capabilities.

By driving these initiatives, we aim to achieve a more balanced representation of females in leadership positions.

RECRUITMENT

Keeping pace with change

Blue Label is undergoing rapid digital transformation and demanding new skills and capabilities from our workforce. To maintain our competitive edge, we are building high-performing teams equipped for the future. In 2024, Blue Label welcomed a number of new members to the team:

181 new staff members (2023: 257)	
139 new permanent contracts (2023: 197)	42 new fixed-term contracts (2023: 60)

Innovative recruitment strategy

Our recruitment approach focuses on three key pillars:

- Recruiting for the future: We are repositioning talent mobility as a tool for attracting talent with the skills we require to thrive in the years to come.
- Employee referrals: Our current employees and alumni are invaluable assets. We leverage their networks as a powerful source of future talent.
- Success Management Framework: Our people planning process cultivates an internal talent pool, ensuring a ready source of qualified candidates for promotions.

Diversity and inclusion

Equity is a Blue Label core value. We are proud to report an increase in diverse representation amongst new hires:

- 82% of new recruits are black; and
- 76% of the people appointed into managerial roles are black.

Building a strong employer brand

We've invested in strengthening our employer brand to attract the right talent. This focus has resulted in a significant rise in internal placements, reflecting our commitment to employee development and career progression.

Harnessing technology for smarter recruitment:

We leverage our recruitment platform to:

- Reduce recruitment costs: By utilising data-driven insights, we access a wider talent pool while optimising costs.
- Apply predictive analytics: Analyse data to anticipate future recruitment needs and proactively attract qualified candidates.

SUPPORTING HUMAN CAPITAL GROWTH

Beyond recruitment: Blue Label's impact on learners, merchants and job creation

Blue Label's commitment to building a future-ready workforce extends beyond our internal talent pool. Our technology and offerings play a crucial role in empowering learners, merchants and channel participants, fostering entrepreneurial activity and job creation within our market.

Investing in learners

Blue Label's initiatives, such as learnerships, equip individuals with valuable skills, thereby increasing their employability and entrepreneurial potential. By providing access to training and resources, we cultivate a pipeline of future talent for both Blue Label and the broader economy.

Empowering merchants

Our technology solutions and offerings act as enablers for merchants, particularly those in the independent merchant sector. By simplifying processes and expanding their reach, Blue Label empowers them to grow their businesses, creating sustainable livelihoods and contributing to the informal economy.

Expanding opportunities for channel participants

Blue Label's channel partners play a vital role in our network. Through our support and technology, we equip them with the tools they need to succeed, enabling them to create additional jobs within their communities. This fosters economic growth at the grassroots level.

By focusing on building a skilled workforce internally and supporting entrepreneurship externally, Blue Label creates a ripple effect, driving positive change within the communities we serve.

SOCIAL IMPACT: HUMAN CAPITAL CONTINUED

Investing in employee development

At Blue Label, we recognise the importance of accelerating our employees' ability to develop and adapt in today's dynamic business environment. Our approach focuses on two key aspects:

- **Future-proofing skills:** The rise of digitisation has created a demand for new skillsets across the organisation. We are committed to providing employees with opportunities to learn and develop these skills, ensuring they remain relevant and contribute effectively in a future-fit business.
- **People planning:** Our people planning process forms the foundation of talent development. It allows us to assess our current skillset against future needs, identifying any gaps and directing resources accordingly.

Fostering a learning culture

We actively cultivate a learning culture that empowers employees to take ownership of their career growth. This is achieved through several initiatives:

- **Success Management Framework:** This framework facilitates regular career conversations between managers and employees. These discussions help employees to set goals, identify development opportunities and create personalised development plans.
- **Growth mindset:** We encourage a growth mindset through which employees are motivated to expand their knowledge and skillsets. This fosters innovation, knowledge sharing, collaborative problem-solving and continuous improvement.
- **Engagement:** We utilise various applications that align with the Blue Label growth model to provide employees with access to micro-learning masterclasses. These feature micro-learning content covering company-specific and industry trends, to ensure that employees stay current with changes within Blue Label and the broader market.

FOCUSING ON BUILDING SKILLS

What we measure

Number of employees on leadership development programmes **32**
(2023: 108)

Women who attend leadership development programmes **19**
(2023: 41)

Number of employees undertaking personal development **386**
(2023: 551)

Learners on learnerships **3 229**
(2023: 4 310)

Number of employees on learnerships **89**
(2023: 233)

Number of bursaries **150**
(2023: 89)

Number of employees accessing online learning platforms **966**
(2023: 1 098)

Entrepreneurship at our core

Blue Label is built on the fundamental belief in empowering individuals and fostering a better future for them. We actively seek opportunities to unlock potential within our people, communities and businesses. This spirit of entrepreneurship drives us to create sustainable employment opportunities for young South Africans.

2024 growth initiatives

- **U-Belong:** This programme offers young South Africans a transformative opportunity. They can earn accredited learnerships while gaining valuable experience within the informal telecommunications sector:
 - The programme employed 3 939 young South Africans during 2024.
 - Participants receive a stipend and essential tools for success, such as tablets and connectivity.
 - After completing the programme, top performers were given the opportunity to launch their own ICT-based SMEs in the informal market.
- **Mobile technician learnerships:** These hands-on programmes equip learners with practical experience in the world of mobile technology.
- **Focus on disability inclusion:** We are proud to have employed 44 learners living with disabilities.
- **Technology graduate programme:** This programme grants young tech graduates hands-on experience to increase their employability in the market. It is an important channel through which Blue Label builds scarce skills for entry into our business or the employment market.

SOCIAL IMPACT: HUMAN CAPITAL CONTINUED

INVESTING IN WELL-BEING AT BLUE LABEL

At Blue Label, we recognise that employee well-being is a critical asset, directly impacting individual and organisational success. We aim to foster a work environment that prioritises physical, mental and financial well-being, empowering our employees to thrive.

Understanding employee needs

Blue Label has initiated a process of analysing leave days taken to gain deeper insights into employee well-being trends. This data, along with the findings from our well-being survey last year (in which 92% of respondents agreed that well-being initiatives are important for retention), will be used to benchmark progress and tailor our programmes effectively.

Blue Label employee well-being: Leave trends and analysis

Average leave taken during the year	2024	2023	2022
Annual leave days per employee	10.71	14.35	10.26
Sick leave days per employee	5.05	3.19	2.12
Study leave days per employee	5.53	2.71	1.75
Maternity leave months per employee	4.0	4.0	4.0
Paternity leave days per employee	9.1	10.0	10.0

Trends in leave data

Annual leave: Average annual leave usage has decreased from 14.35 days in 2023 to 10.71 days in 2024. This trend requires attention so that our employees don't experience burnout. Blue Label's leave policy requires that a minimum of 10 consecutive leave days be taken. Blue Label is actively encouraging employees to take leave by hosting interactive sessions that outline the benefits of resting properly during the year and by alerting employees who still need to take leave.

Sick leave: There was a significant uptick in sick leave, mainly due to several employees taking long sick leave for ailments that required hospitalisation and longer recovery periods.

Study leave: Blue Label experienced year-on-year increases in employees taking study leave for opportunities to develop themselves through formal learning. This aligns with the principles of the growth model at the foundation of Blue Label's Success Management Framework.

Maternity and paternity leave: Maternity leave remained consistent at four months per employee, while paternity leave decreased to an average of 9.1 days per employee with some fathers choosing to return to work early.

Birthday leave: All employees receive a day off for their birthday, as an element of how Blue Label celebrates with them and acknowledges that they are valued.

Comprehensive well-being programmes

Blue Label offers a variety of programmes to support employee well-being that include:

- Employee wellness days: Regional events featuring health screenings and resources to promote healthy habits.
- Wellness learning articles: Educational content raising awareness about critical health issues.
- Financial wellness support: Monthly on-site and online financial advisory services to empower employees with financial literacy.
- Retirement preparation workshops focusing on the psychological, mental and financial needs of individuals when they retire.
- On-site medical services: Easy access to a doctor and physiotherapist at our head office.
- Employee Assistance Programme (EAP) sessions: Confidential consultations with a qualified professional for personal and work-related challenges.
- Wellness on the Go: Monthly online masterclasses fostering a safe and supportive work environment.
- CEO hosts monthly birthday celebratory breakfast gatherings for all employees celebrating their birthdays in that month.

Promoting healthy habits

Two years ago, Blue Label invested in a hydroponic vegetable garden at our head office to grow fresh produce for employees. The vegetables include spinach, lettuce, tomatoes, onions and a variety of herbs, which our employees can harvest and take home. We also offer monthly masterclass sessions for employees, hosted by our external partner, teaching them how to grow their own vegetable gardens and make healthy meals from the produce.

SOCIAL IMPACT: HUMAN CAPITAL CONTINUED

Responding to the current economic climate

We acknowledge the current economic climate's impact on our employees' well-being. By offering comprehensive resources and fostering open communication, we aim to equip them with the tools to navigate financial challenges and maintain a healthy work-life balance.

Through these ongoing initiatives, Blue Label demonstrates its unwavering commitment to employee well-being. By prioritising a healthy and supported workforce, we empower our employees to achieve their full potential and contribute to the organisation's success.

Looking forward

Blue Label will continuously monitor and improve employee well-being in terms of the following:

- **Reasons for leave:** Understanding why employees are taking leave days can provide better insights into their well-being. For instance, a high rate of sick leave could indicate stress or health problems, while increased use of annual leave could suggest employees are feeling burnt out and need more time off.
- **Company culture:** A culture that encourages employees to take leave and disconnect from work can positively impact well-being. Conversely, a culture that discourages leave use or makes it difficult to take time off can lead to increased stress and burnout.
- **Employee satisfaction:** Employees who are satisfied with their jobs and feel valued by their employers are more likely to take advantage of leave programmes and prioritise their own well-being.
- **Targeted initiatives:** Based on our findings, we will develop targeted programmes to address specific needs, potentially focusing on promoting healthy work-life balance or stress reduction strategies.
- **Communication and feedback:** We will maintain open communication channels to solicit employee feedback on existing well-being programmes and gather suggestions for further improvements.



SOCIAL IMPACT: HUMAN CAPITAL CONTINUED

HEALTH AND SAFETY PERFORMANCE

Blue Label KPI	2024	2023	2022
Total number of fatalities recorded on duty	—	—	—
Total number of work-related injuries reported	5	3	4
Total number of work-related illnesses reported	—	—	—
Total number of days absent as a result of injury on duty	34	16	93
Total number of claims submitted to Workman's Compensation	5	3	4

Blue Label's commitment to health and safety

At Blue Label, the health and safety of our employees is of paramount importance. It is important for us to foster a safe work environment and maintain a positive safety record. The breakdown of Blue Label's 2024 health and safety achievements is as follows:

- Zero fatalities: We are proud to report zero work-related fatalities in 2024, demonstrating our unwavering commitment to employee safety.
- Reduced work-related injuries: We sadly acknowledge five work-related injuries reported in 2024. Taking into account our large workforce, our relatively low injury rate indicates the effectiveness of our ongoing safety initiatives.
- Consistent claims management: The consistent number of claims (five in 2024 and three in 2023) submitted to Workman's Compensation suggests that a well-established claims management process is in place.

Looking forward

As part of our commitment for continuous improvement in health and safety, we will build on these initiatives through:

- Proactive safety measures: We will continue to implement and refine preventative measures to minimise the risk of workplace accidents and injuries.
- Safety awareness programmes: We will maintain our focus on employee safety awareness programmes, ensuring all employees are equipped with the knowledge and skills to work safely.
- Incident analysis and response: We will continue to thoroughly analyse all incidents in order to identify root causes and implement corrective actions to prevent similar occurrences in the future.
- Prioritising safety and fostering a culture of risk awareness: Blue Label strives to create a work environment in which all employees feel safe.

WAGE LEVEL AND LIVING WAGE: ENSURING FAIR COMPENSATION

Blue Label is committed to paying fair wages. A recent review identified 30 employees absorbed from our learnership programme that fell below the minimum wage threshold. As a result, all Blue Label employees are now compensated at or above the minimum wage thresholds.

OVERALL HR KEY FOCUS AREAS FOR 2025

1. Enhance employee experience by simplifying HR processes and setting them up for success in their roles.
2. Co-create an inclusive working environment by empowering leaders with the right tools.
3. Improve the employee retention rate, with a key focus on junior and middle management.
4. Outline and create awareness of employee well-being initiatives and available support.
5. Streamline transformation initiatives across the Group.
6. B-BBEE compliance: Maintain our level 4 B-BBEE scorecard in line with our dedication to transformation and inclusive business practices.
7. Leadership development: Build leadership for the future through our leadership development programme by increasing the number of potential managers enrolled on management programmes.
8. Gender diversity: Achieve a balanced 50:50 gender representation across our workforce by 2026.
9. Enhanced management control: Strengthen our management control systems to support and improve Blue Label's three-year equity plan.

SOCIAL IMPACT: CUSTOMER AND SUPPLY CHAIN RESPONSIBILITY

CUSTOMERS

Blue Label serves an integral function in delivering monthly free basic electricity and water tokens to low-income households via retail, banking and direct-to-consumer channels. We alleviate the logistical and financial impact on these consumers obtaining essential products through our vast distribution network in urban and rural areas. Blue Label provides access to over 800 000 households that qualify for free basic electricity and water tokens. Our platform also services almost 7 million prepaid electricity, water and liquid petroleum gas meters across South Africa.

Ensuring exceptional service is a top priority for Blue Label. Quality and accuracy checks on our products provide peace of mind to both customers and consumers.

Ensuring uptime: a commitment to customer experience

Blue Label understands the importance of uptime. Downtime disrupts our customers' operations and can significantly impact their businesses. We are committed to continuous improvement in this area.

Uptime statistics and improvement

Our prepaid aggregators or municipalities, along with formal distribution channels, require Blue Label to undergo regular compliance and integration reviews. We target 98%+ availability and uptime, as measured monthly. In the event of a major outage, Blue Label's Time to Resolution SLA mandates the restoration of services within a maximum of six hours. Blue Label has made considerable investments into in redundancy and high availability. Preventing or mitigating outages is achieved via system, application, infrastructure and (multi) data centre redundancy architecture that prevents or mitigates any extended outages.

Over the past three years, Blue Label has made significant strides in improving its uptime performance. Our annual uptime percentage has improved.

	2024	2023	2022
Annual uptime percentage	99.62%	99.57%	99.60%

We also saw a 43% decrease in outage duration in the second half of 2024, compared to the first half of the year. In addition, the ratio of complete outages to partial outages decreased by 18.57% compared to the first half of 2024.

These improvements are a testament to our ongoing commitment to investing in infrastructure, implementing robust redundancy measures, and fostering a culture of proactive maintenance.

Continuous improvement

Blue Label remains focused on continuous improvement in uptime. We continue to push the boundaries through:

- technology investment: upgrading our technology infrastructure continuously to enhance reliability and scalability;
- process optimisation: regularly reviewing and refining our processes to identify and address potential bottlenecks that could lead to downtime;
- proactive maintenance: prioritising preventative maintenance practices to minimise the risk of unexpected outages; and
- a data-driven approach: leveraging data analytics to identify trends and proactively address potential issues before these escalate.

By prioritising uptime and embracing a continuous improvement culture, we ensure a reliable and consistent experience for our valued customers.

Understanding customer concerns: our complaint channels

Blue Label is committed to resolving customer concerns effectively and efficiently. We offer multiple channels for customers to voice their grievances and provide feedback, including:

- Telephone; and
- Multimedia:
 - Email;
 - WhatsApp; and
 - SMS.

Data analysis

We analyse data from these channels for trends that might indicate issues that need to be resolved.

Type of queries

Product queries 68.3%	Account queries 22.1%	Technical queries 9.6%
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Other metrics

Number of queries	559 323 total queries and service requests	
	323 714 telephone calls	235 609 multimedia interactions
Source of queries	59% from our merchants/customers	41% from end consumers of the products

Resolution timeframes

Product queries 1.7 days	Account queries 0.6 days	Technical queries 1.9 days
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SOCIAL IMPACT: CUSTOMER AND SUPPLY CHAIN RESPONSIBILITY

CONTINUED

Resolution process

All queries are logged and assigned to dedicated customer support agents for prompt resolution. We strive to provide clear communication and timely updates throughout the resolution process. On average, 65% of queries could be resolved during the first interaction (on the call or through immediate action).

By understanding customer concerns and utilising comprehensive channels, we can address issues promptly, improve service delivery and build stronger customer relationships.

Innovation

In a challenging economic and competitive environment, innovation is an essential ingredient for sustaining growth.

Our deep understanding of what our customers want and need informs both our platform functionality and our product and service offerings. Blue Label seeks out strategic partnerships and potential acquisitions for new product and platform capability, investing continually in upgraded technology to stay ahead of the game.

Blue Label also constantly explores new ways to improve. We enhance our proprietary platforms by continually refining our processes, software and hardware while simultaneously investing in the required skills and expertise. By gaining a better understanding of our customer needs through targeted analytical processes, machine learning and artificial intelligence (AI), Blue Label can utilise received data to design better products and services. This allows us to craft the best product solutions for specific customers based on refined algorithms.

MEASURING AND IMPACTING OUR ETHICAL SUPPLY CHAIN: A HUMAN-CENTRIC APPROACH

At Blue Label, we recognise the importance of a responsible and ethical supply chain that prioritises human rights. Beyond ensuring efficiency and cost-effectiveness, we actively measure and work to minimise any potential negative social impacts within our operations and supplier network.

Monitoring human rights

Blue Label leverages various channels to monitor and address human rights concerns within its supply chain:

- Customer satisfaction complaint lines: Customer complaints can highlight potential labour or ethical issues within our network. We analyse these complaints for any human rights concerns.
- Social media interaction: Social media platforms can be a valuable source of information regarding ethical practices within our industry or by specific suppliers. We actively monitor social media for any potential red flags.

We have not uncovered suppliers that adopted child labour, forced or compulsory labour practices, or that caused actual and potential negative social impacts.

Proactive measures

In addition to monitoring, we take proactive steps to minimise human rights risks within our supply chain through:

- Supplier Code of Conduct: Blue Label has established a clear Supplier Code of Conduct that outlines our expectations regarding labour practices, working conditions, and human rights. It will be fully implemented in 2025.

- Supply chain questionnaires: We assess material suppliers' risks of child labour, forced or compulsory labour, or other significant actual and potential negative social impacts, along with the nature of the measures taken by these suppliers to eliminate these risks.
- Partnerships with labour specialists: We collaborate with relevant labour specialists to gain expertise and stay updated on evolving human rights issues within our industry.

Beyond compliance, Blue Label aims to create a positive impact in our supply chain by:

- Promoting fair labour practices: We encourage fair wages, safe working conditions and respect for workers' rights throughout our supply chain. These are driven through Blue Label's newly implemented diversity and inclusion policy.
- Empowering local communities through sustainable partnerships: We prioritise working with suppliers who contribute to the economic and social development of local communities. As an example, we favour suppliers with high B-BBEE ratings.

SOCIAL IMPACT: CUSTOMER AND SUPPLY CHAIN RESPONSIBILITY

CONTINUED

Looking ahead

To ensure responsible sourcing and ethical practices throughout our supply chain, we will actively monitor human rights risks and measure the impact of our efforts going forward. This will involve tracking key metrics across three areas:

1. Monitoring

- Customer complaints: We will monitor complaints received via customer service channels and social media, specifically those alleging human rights violations within our supply chain.
- Social media mentions: We will track mentions of our Company or suppliers regarding potential breaches.

2. Proactive measures

- Supplier Code of Conduct: tracking the percentage of suppliers formally agreeing to our code, which outlines Blue Label's commitment to ethical practices.
- NGO partnerships: monitoring collaborations with NGOs to gain expertise and resources for continuous improvement.

3. Impact assessment

- Employee surveys: conduct annual surveys to gauge employee perception of our commitment to human rights within the supply chain.
- Supplier worker surveys (if feasible): partner with suppliers to conduct anonymous worker surveys to understand their working conditions and satisfaction.
- Independent third-party audits: explore partnering with independent auditing entities for periodic assessments of Blue Label's human rights performance.

By establishing baseline data for these metrics, Blue Label will track its progress and adapt its approach over time. Combining quantitative data with qualitative insights from interviews and focus groups will provide a comprehensive picture of human rights within our supply chain. This focus on monitoring, proactive measures and impact assessment will allow us to build a more ethical and sustainable supply chain.

SOCIAL IMPACT: CORPORATE SOCIAL RESPONSIBILITY AND COMMUNITY DEVELOPMENT

At Blue Label, our commitment to sustainability extends beyond just business practices. It is embedded in our core purpose: driving financial inclusion, opportunity, and convenience for the mass market. This purpose translates to a strong focus on supporting vulnerable groups through our procurement practices and corporate social responsibility initiatives.

EMPOWERING VULNERABLE GROUPS THROUGH PROCUREMENT

Our data demonstrates Blue Label's focus on procurement and growing our supplier base to include more vulnerable populations:

Procurement suppliers	2024	2023
Exempted micro-enterprises (EME)	192	126
Qualifying small enterprises (QSE)	73	74
Generic suppliers	327	200
50% black-owned (BO)	242	150
30% black women-owned (BWO)	111	93

We are pleased with the number of EMEs, QSEs and black-owned businesses that form part of our supplier base. In 2025, we will prioritise onboarding more businesses in the QSE segment.

BEYOND PROCUREMENT: A HOLISTIC APPROACH

Our commitment to social responsibility extends beyond just procurement. We are proud to support flagship beneficiaries like Boys and Girls Club, Christel House, and Women and Men Against Child Abuse. These organisations make a significant difference in South Africa.

Blue Label empowers educators in underserved communities

Education is the cornerstone of opportunity. We are proud to partner with Education Africa, a non-profit organisation dedicated to transforming lives in disadvantaged communities through education.

Our collaboration brings online learning opportunities to preschool educators who previously lacked access to such resources. This initiative empowers educators with the skills and knowledge they need to nurture young minds and create enriching learning environments for all children.

By investing in early childhood education, we lay the foundation for a brighter future for both educators and the children they serve. This partnership reflects our commitment to creating positive change and empowering communities through the power of education.

By combining strategic procurement practices with targeted social investments, Blue Label strives to create a lasting positive impact for vulnerable groups, small businesses, and the communities we operate in through job creation and education.

Over and above flagship donations

Blue Label supports Christel House School, located in Cape Town, which provides a comprehensive educational framework from primary to high school, fostering a safe and supportive environment for children to develop essential life skills. Beyond academics, the organisation offers an array of extracurricular activities, empowering students to become active members of society and pursue their passions.

Blue Label Telecoms serves as a vital pipeline, channelling youth into skills development programmes in the Western Cape. Additionally, Blue Label Telecoms has established partnerships with a network of Early Childhood Development (ECD) centres across eight surrounding townships, ensuring a seamless transition for students into its educational programmes. BLT also supports 15 unemployed youth through our Youth Bridge programs focused on getting our youth to work.

Approved Blue Label subsidiary projects

U-Belong

The Trust Blu U-Belong project was co-funded by The Trust Blu Foundation and T3SA, with T3SA serving as the implementation partner. The project provided job opportunities for 170 learners and the possible opportunity to open their own businesses.

Adopt-a-School

The Trust Blu Foundation also assisted Adopt-a-School by acquiring interactive smartboards for three schools in Gauteng. This advanced technology enhances teaching and learning. The schools include:

- Mohloli Secondary School;
- Zikhethale Secondary School; and
- Diepsloot West Secondary School.

Over the past two years, Blue Label has selected and built relationships with beneficiaries that align with our purpose. We aim to create an ecosystem whereby we can work together with beneficiaries, as discussed in our Trust Blu Report found on the [Trust Blu Foundation webpage](#)



www.trustblufoundation.co.za

SOCIAL IMPACT: CORPORATE SOCIAL RESPONSIBILITY AND COMMUNITY DEVELOPMENT CONTINUED

EMPOWERING COMMUNITIES, BUILDING A BRIGHTER FUTURE

Enterprise development: empowering local businesses

At Blue Label, we believe in fostering sustainable development within the communities we serve. We actively support initiatives that equip local businesses with the resources and infrastructure they need to thrive.

Sizanani

Sizanani, a community development initiative in Orange Farm in Gauteng, supports infrastructure development and community connectivity. Blue Label has partnered with Sizanani to provide solar electricity for 298 households in the area. This project creates jobs, improves living standards, and unlocks economic opportunities for the entire community.

Employee engagement and community initiatives

We foster a culture of giving back by encouraging employee participation in various social responsibility programmes. Blue Label participates in initiatives such as the “Xmas Run” that raises support for children who wouldn't otherwise receive festive season gifts.

We also donated used books to beneficiary libraries, which are key educational resources for the children in their communities. This initiative is a channel for Blue Label employees to contribute directly to the education of vulnerable populations.

Responding to community needs

Blue Label recognises the vital role we play in serving our community. Our extensive network of informal market merchants selling our products is a testament to Blue Label's positive impact on local businesses and livelihoods.

LOOKING FORWARD: BUILDING A SUSTAINABLE FUTURE

Blue Label's 2025 focus areas demonstrate its commitment to long-term, sustainable development in several key areas:

- Expanding supplier diversity: We are actively seeking opportunities to partner with a broader range of vulnerable groups through our procurement processes; and
- Fostering collaboration: Blue Label will explore ways to connect flagship beneficiaries with our diverse supplier network to create a ripple effect of positive impact within the communities we serve.

The background of the page is a photograph of two hands shaking in a firm grip, representing a business agreement or partnership. The hands are wearing dark business suits with white cuffs. Overlaid on the right side of the image is a large, semi-transparent sphere. Inside the sphere is a complex network of white dots connected by thin white lines, resembling a globe or a data network. The overall color palette is dominated by blues and greys, with the white of the cuffs and the network lines providing contrast.

Corporate governance

- 74 Governance philosophy and approach
- 75 Effective and ethical leadership
- 78 Board composition, structure and report back
- 87 King IV functional areas
- 88 Governance of risk
- 89 Governance of sustainability
- 91 Information and technology governance
- 95 Compliance report
- 97 Audit, Risk and Compliance Committee's report
- 101 Social, Ethics and Transformation Committee's report
- 103 Remuneration report

GOVERNANCE PHILOSOPHY AND APPROACH

ENTREPRENEURSHIP AND INNOVATION UNDERPINNED BY GOOD GOVERNANCE

Blue Label's philosophy is that good corporate governance provides an essential platform to achieve its strategic objectives through the pursuit of entrepreneurial and innovative ethos. The Board recognises that good corporate governance is essentially about effective and responsible leadership that rests on a foundation of ethical values.

KING IV AND BLUE LABEL

Blue Label favours the outcomes-based approach of King IV, which focuses on the quality of governance outcomes and not simply on a structural and compliance approach. The Board applies the King IV principles to continuously review, revitalise and streamline its governance structures and practices in accordance with the Group's requirements. The most appropriate recommended practices and adaptations have been applied to achieving King IV's outcomes-based principles.

The Board Charter and subcommittee terms of reference and work plans have been substantially aligned with King IV practices and policies. Practices and policies are continuously reviewed and enhanced to ensure appropriateness and robustness, as outlined throughout this report.

The disclosure requirements of King IV have been provided throughout this report and explain Blue Label's governance philosophies, structures, practices and outcomes in adopting and embracing the principles of King IV.

CURRENT YEAR BOARD FOCUS AND FUTURE FOCUS

The focus of the Board in the current year remains the restructuring of the business to focus on core operations, reduce debt, improve cash generation and prepare Blue Label for implementing programmes that return value to shareholders. The Board and its Committees allocated significant effort into closely monitoring improvements in governance, risk management, the control environment, liquidity and cost management at Cell C. The Board also devoted much energy to improving governance, regulatory, capital allocation, compliance and security protocols within the Blue Label Group.

Following the initial baseline gap analysis and materiality assessment of sustainability matters performed in 2023, including environmental, social and governance (ESG) matters, we have continued our journey in developing and integrating sustainability and ESG into our governance, risk management, strategy and performance management, including remuneration, processes and structures. Our continued progress along our sustainability reporting journey is set out in relevant sections of this integrated report. We will endeavour to align our sustainability disclosures to global and local reporting standards, frameworks, guidelines and best practices, and meet any applicable future regulatory reporting requirements as required.



EFFECTIVE AND ETHICAL LEADERSHIP

At Blue Label, we believe that effective and ethical leadership is centred around integrity and is critical to our long-term success. It is about doing the right thing – being accountable, responsible, fair and transparent. Responsible business practices support our purpose and enable value creation.

We recognise that ethical leadership within Blue Label improves public trust, enhances risk, compliance and ethics management and strengthens stakeholder relations.

Blue Label has been on a journey to build an inclusive work environment where everyone belongs. We started by unpacking what the future holds for the Company and how we should approach leadership. This led to the development of our leadership mantra, “#AsBluWeBelong”, which represents our commitment to fostering an inclusive Company culture.

The goal is to ensure that the experience of our inclusive culture is consistent across every employee. We refreshed our values to reflect this in everything we do.

This is just the beginning of our journey, but we are committed to creating a workplace where everyone feels valued and respected through:

- our key values:
 - respect human rights; and
 - ensure a responsible supply chain.
- our new refreshed values:
 - accountability;
 - collaboration;
 - inclusion;
 - customer centricity; and
 - innovation.
- leadership's commitment to upholding our key values; and our Company values; and
- the provision of mechanisms to report and manage unethical behaviour.

OUR NEW MANTRA: #ASBLUWEBELONG

Our strategy this year was to drive an inclusive culture by creating unique experiences for all employees, putting our employees at the centre of what we do through leader-led engagement initiatives. The People Experience Team provides the framework and our leaders set the tone for the inclusive and employee-centric culture. We continue to leverage the Success Management Framework to create an inclusive and diverse work environment. We remain committed to merging employee expectations with the business needs to drive tangible results. The people planning phase remains our core focus, ensuring we have the right people, with the right skills in the right roles.

Focus areas for 2024

Focus areas	Feedback
• Implementation of the inclusive leadership programme and cascading it to all management levels. • Building talent pipeline for senior and top management levels. • Ensuring that succession planning addresses the employment equity (EE) plan and development from within.	• We have performed well and launched our newly refreshed values and our #AsBluWeBelong leadership mantra. • We have completed our people planning for all designations in the Group. • We are constantly pursuing suitable talent for the appropriate roles.

Focus areas for 2025

- Co-create an inclusive working environment by empowering leaders with the right tools.
- Improve the employee retention rate with a key focus in junior and middle management occupational levels.
- Outline and create awareness of employee well-being initiatives and available support.
- Streamline transformation initiatives across the Group.

MAINTAINING HIGH ETHICAL STANDARDS

Blue Label's Social, Ethics and Transformation Committee is established in compliance with the Companies Act, No 71 of 2008. It in turn elevates social and ethics matters to Board level. This ensures that ethics are treated as a matter of strategic importance.

The Social, Ethics and Transformation Committee maintains oversight of the ethics policies and applications within the Group, and the Chairman of the Blue Label Board sets the

ethical tone for the Board as a whole. The primary ethics-related items that are monitored and reported on at the Social, Ethics and Transformation Committee level include:

- the 10 United Nations Global Compact Principles that influence our alignment;
- anti-fraud and corruption policies and procedures;
- business integrity, with a focus on the Group's ethical culture and complying with regulations regarding combatting bribery and corruption and addressing money laundering risks;
- customer experience, particularly regarding consumer relations and compliance with consumer protection laws; and
- environmental, health and public safety.

No Blue Label operations were subject to human rights reviews during 2024.

No human rights grievances were reported in 2024.

EFFECTIVE AND ETHICAL LEADERSHIP CONTINUED

Employees are expected to demonstrate ethical business practices at all times. All new staff members undergo an induction programme that includes training on the code of business conduct and the function of the ethics hotline, with emphasis on what should be reported and how to report unethical behaviour via this channel.

The ethics hotline is outsourced to Tip-Offs Anonymous, a division of Deloitte, and can be accessed by calling 0800 555 221. This ethics hotline is available to all stakeholders. Three incidents were reported during the year ended 31 May 2024, all of which were human capital-related and were investigated and resolved by management.

BLT has mechanisms for seeking advice about ethical and lawful behaviour and organisational integrity, including attending monthly ethics seminars administered by the South African Institute of Chartered Accountants (SAICA).

In 2024, a key focus area was to revise and continue aligning our policies, supported by re-educating our employees. The following material policies have been reviewed, amended where necessary, implemented and supported by relevant training in 2024:

- Code of Conduct;
- Ethics Policy;
- Suspicious and Unusual Activities and Transactions Policy;
- Information Security Policy;
- Business Continuity Policy;
- Whistleblower Policy;
- Data Breach and Response Policy;
- Gift Policy;
- Travel Policy;
- Code of Ethical Purchasing;
- Acceptable Usage Policy;
- Information Classification Policy;
- Intellectual Property Guidelines;
- Data Retention Policy; and
- Group Privacy Policy.

Key provisions of our policies

- Every Blue Label employee has an obligation to act in the best interests of the Company, and must not let outside activities or outside financial interests interfere with those obligations.
- Employees must be open and transparent about all gifts and hospitality given or received and are required to disclose these. When a gift is considered lavish or extravagant, it could be construed as gratification, which immediately places the Company and those individuals concerned at risk of being prosecuted for acts of corruption. A formal approval process exists with respect to the receiving and giving of all gifts.
- Fraudulent, corrupt or illegal practices will not be tolerated. Bribes or any other illicit payments will neither be paid nor accepted. A zero-tolerance policy has been adopted regarding such improper payments.
- The Group does not participate in any illegal anti-competitive activity.
- Employees should not authorise nor participate in any illegal conduct or action (such as price manipulation or tender fixing) that restricts competition.
- Committing to contracts and expenditure, and operating a responsible supply chain.
- Efficient resource use and minimising negative environmental impacts.

Maintaining high ethical standards

- The Group is non-political. It does not make contributions to political parties or allow its assets and services to be used in any way that favours any particular political grouping, other than in the provision of its normal products and services, under its standard terms and conditions and at arm's length prices.
- The Company facilities, equipment and personnel are used for the business's activities and purposes, except when other uses are specifically authorised by Blue Label.
- Employees are required to always be mindful of what a payment is for and whether the amount requested is proportionate to the goods or services provided. Any suspicions, concerns, or queries regarding a payment should be clarified.
- Employees must avoid any activity that might lead to, or suggest that, a facilitation payment or kickback will be made or accepted by us.
- The Group does not place any limitations on an employee's right to freedom of association, specifically the right to collective bargaining.
- The Group is against child labour and forced or compulsory labour.
- The Ethics Officer takes responsibility for managing the organisation's ethics programme. The Ethics Officer reports to the Social and Ethics Committee on progress with the ethics management plan and the state of ethics within the organisation.

EFFECTIVE AND ETHICAL LEADERSHIP CONTINUED

ETHICAL BREACHES

No material ethical or corruption-related breaches require reporting in 2024.

All ethical matters that come to the attention of management are addressed in an appropriate manner.

Blue Label is satisfied that its corporate governance framework (including compliance and risk) is at a minimum in keeping with best industry practice and industry norms. Blue Label continues to maintain a zero-tolerance policy regarding any lapses in good corporate governance.

LOOKING FORWARD

Toward the end of 2024, a mandatory ethics survey was conducted anonymously, allowing employees to voice their opinions on the state of the ethical culture within Blue Label. The feedback is being reviewed and mitigation processes are being implemented. These include additional focused ethics training, the enhancement of our ethics-based policies, the introduction of a Group ethics advice communication channel and the reinforcement of our whistleblowing mechanism.

BOARD COMPOSITION, STRUCTURE AND REPORT BACK

BOARD OF DIRECTORS

The Board directs and facilitates Blue Label toward the achievement of its strategy and operational objectives. It is accountable for the development and execution of Blue Label's strategy, operating performance and financial results. Its primary responsibilities include:

- determining purpose and values;
- providing strategic direction to Blue Label;
- appointing the joint Chief Executive Officers;
- identifying key risk areas for and the key performance indicators of Blue Label's businesses;
- monitoring Blue Label's performance against agreed objectives;
- deciding on significant financial matters; and
- approving policies and reviewing the performance of the Executive Directors against defined objectives.

A range of non-financial information is also provided to the Board to enable it to consider qualitative performance factors that involve broader stakeholder interests.

The Board, which meets at least quarterly, retains full and effective control over all Blue Label operations. Additional ad hoc Board meetings are convened as circumstances require.

BOARD CHARTER

The Board Charter assists the Board in conducting its business according to legislative requirements and the principles of good corporate governance.

It ensures that each Director is aware of his or her powers, duties and responsibilities when acting on behalf of Blue Label. The Board Charter is subject to the provisions of the Companies Act, JSE Listings Requirements, the Memorandum of Incorporation (MOI) and all other applicable legislation. The Board Charter covers the role and function of the Board, its detailed responsibilities, how it discharges its duties, the Board composition and the establishment of Board Committees.

The Board Charter, as well as the terms of reference and work plans of the Board subcommittees, are aligned with the

requirements of King IV. The Board is reviewing terms of references for Board Committees and workplans as it continues integrating sustainability into Blue Label governance practices and structures.

The Board has concluded that it has collectively satisfied and fulfilled its responsibilities in accordance with the charter.

GOVERNANCE FRAMEWORK

The Board regards governance as fundamental to the success of Blue Label's business.

It is committed to applying the principles of good governance in directing and managing Blue Label towards achieving its strategic objectives. The Board is the focal point for and custodian of Blue Label's governance framework and is supported by its Committee structures, management, shareholders and other stakeholders of Blue Label. The Board is ultimately accountable for the performance and affairs of Blue Label.

The governance framework facilitates a balance between the Board's role of providing direction and oversight with accountability to support acceptable risk parameters and consistent compliance with regulations, standards and codes relevant to Blue Label. At the same time, the Board encourages entrepreneurship and innovation, which are recognised as key drivers of Blue Label's performance.

All operations and governance processes are aligned with the governance framework established by the Board. Each subsidiary company has its own board of directors, with a clearly defined strategy, business plan and performance criteria. Subsidiary boards comprise Executive and Non-Executive Directors, some of whom are Executive and Non-Executive Directors of Blue Label.

A Delegation of Authority Framework has been developed and implemented across all Blue Label companies. The Board is satisfied that the Delegation of Authority Framework contributes to role clarity and the effective exercise of authority and responsibilities.

BOARD COMPOSITION

Blue Label has a unitary Board structure comprising nine Directors, with the majority being Independent Non-Executive Directors. This is incorporated into our Board Charter, which promotes power and authority at Board of Directors level, to ensure that no single Director has unfettered powers of decision-making. A biography of each Director appears on pages 15 to 17.

In line with King IV, the roles of the Chairman and the joint CEOs are separate. The Board is led by Larry Nestadt, an Independent Non-Executive Chairman. The joint CEOs are Brett Levy and Mark Levy.

The Chairman's role includes setting the ethical tone for the Board and ensuring that the Board remains efficient, focused and operates as a unit. The Chairman provides overall leadership to the Board without limiting the principle of collective responsibility for Board decisions. He also facilitates appropriate communication with shareholders and enables constructive relations between the Executive and Non-Executive Directors.

The joint CEOs' principal roles are to provide leadership to the executive teams that run Blue Label's businesses. The Board defines Blue Label's levels of authority, reserving specific powers for the Board while delegating others to senior management. The collective responsibility of management vests with the joint CEOs, who regularly report to the Board on Blue Label's progress in delivering its objectives and strategy.

Blue Label's Financial Director is Dean Suntup. The ARCC is satisfied that he has the appropriate expertise and experience for this position.

Blue Label has implemented a holistic succession planning process at Board, top-level management and subsidiary management levels. These succession plans are reviewed and approved by the appropriate bodies annually and documented accordingly.

BOARD COMPOSITION, STRUCTURE AND REPORT BACK CONTINUED

Furthermore, the business continuity plan for Blue Label has been drafted to incorporate its subsidiary succession plans. Blue Label's influential joint CEOs co-founded the business and both have vested interests in the long-term future of Blue Label.

However, in unforeseen circumstances, Blue Label has robust succession planning in place for both CEOs.

Blue Label recognises the value of diversity, and our Board in turn is committed to promoting gender and race equality. This policy is available online at www.bluelabeltelecoms.co.za. Our talent management processes, together with our policy, will enable us to improve diversity within Blue Label.

On an ongoing basis, the Board considers its structure, its gender, race and size composition, as well as the relationship between Executive and Non-Executive Directors. It is committed to making sustainable progress towards ensuring that the Board has the necessary depth to steer the strategic direction of Blue Label. The Board has a policy focusing on the promotion of broader diversity at Board level, specifically addressing the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience. No specific targets have been set in relation to the Board's diversity policy.

The Board is actively pursuing the appointment of additional Independent Non-Executive Directors to further enhance independence and diversity of skills, race and gender at Board level. The Remuneration and Nomination Committee (RNC) annually debates the independence of its Independent Non-Executive Directors who have served on the Board for a period of nine years or more. Laurence Nestadt, Joe Mthimunya and Jerry Vilakazi have been assessed in this regard. The Committee has found them suitably independent, with continuing strong contributions, considering their experience within Blue Label and the sector. They are considered to operate independently and objectively and without conflicts of interest.

The Board wishes to assure all stakeholders that the tenure and independence of Non-Executive Directors are vigorously debated and tested and that all Board meetings are robust in terms of their deliberation.

Given the complexity of the industry within which Blue Label operates and the complexity of Blue Label itself, the Board believes that long-term knowledge and understanding of the issues surrounding the business are invaluable. The RNC is managing the succession plan at Board level to ensure that a pipeline of new Independent Non-Executive Directors is established and that the succession plan will be seamless and maintains a mixture of new appointees with experienced Directors.

BOARD APPOINTMENTS

One-third of the Directors retire by rotation every three years in terms of the MOI. If eligible, available and recommended for re-election by the RNC, their names are submitted for re-election at the Annual General Meeting (AGM). In this regard, Messrs MS Levy, DA Suntup and SJ Vilakazi will be retiring at the forthcoming AGM and, being eligible, have made themselves available for re-election. A biography of each Director appears on pages 15 to 17.

The RNC assists the Board with the assessment, recruitment and nomination of new Directors, subject to the whole Board approving these appointments.

Board members are also invited to interview potential appointees.

A formal and transparent procedure applies to all new Board appointments, which are subject to approval by shareholders at the first AGM following that Director's appointment. Prior to appointment, candidates must complete an induction process, as per the JSE Listings Requirements.

A policy has been included in the Board Charter requiring Directors to observe a "cooling-off" period before accepting appointments to other boards that may present conflicts of interest.

BOARD EFFECTIVENESS

The Board Charter provides for an assessment and an evaluation of the Board and its Committees every other year.

A Board evaluation was conducted in the prior year, and feedback was provided during the June 2023 Board meeting. The next assessment and evaluation of the Board and its Committees will be conducted during the 2025 financial year.

Each Executive Director's performance is evaluated every year during the remuneration increase and performance bonus award periods. Refer to the remuneration section (page 115) for the performance evaluation of the CEOs and the Financial Director against agreed-upon performance measures and targets.

The induction of each new Director is tailored according to the specific knowledge and experience they bring to the Board. Focus is placed on providing information on the Board structure, business operations and Blue Label strategy. Ongoing training and development of Directors involves ad hoc presentations to the Board by professional advisers and senior management to ensure the Board is kept abreast of governance, regulatory, financial and operational developments.

COMPANY SECRETARY

The Board remains satisfied with the competency and experience of the Group Company Secretary, Janine van Eden (BProc, LLB, Conveyancing). The performance appraisal of the Company Secretary for the year under review took into account the quality of support received and guidance provided to the Board. She maintains an arm's length relationship with the Board, providing guidance to Board members on execution of their duties and keeping up to date on the latest developments in corporate governance and regulation. All Directors have full access to the services and advice of the Group Company Secretary in all aspects of the Board's mandate and operations of Blue Label. The Board is satisfied that these arrangements are effective.

BOARD COMPOSITION, STRUCTURE AND REPORT BACK CONTINUED

BOARD COMMITTEES

The Board has delegated certain functions to well-structured Committees without abdicating its own responsibilities and accountability. Board Committees operate under written terms of reference approved by the Board.

Board Committees are free to take independent professional advice as and when deemed necessary, for which a formal policy is in place. The Group Company Secretary provides secretarial services for the Committees.

There is transparency and full disclosure from Board Committees to the Board. The minutes of Committees are submitted to the Board for noting and discussion. In addition, Directors have full access to all Board Committee documentation, with Committee Chairpersons verbally briefing the Board on their Committee meetings.

The Board is of the opinion that all Board Committees have effectively discharged their responsibilities, as contained in their respective terms of reference.

Our Board subcommittees are structured as follows:

Attendance at meetings

	Board	Audit, Risk and Compliance	Remuneration and Nomination	Social, Ethics and Transformation
Total number of meetings held during the year	4	4	2	3
Actual attendance/possible maximum attendance of meetings				
LM Nestadt	4/4	—	1/2	—
BM Levy	4/4	3/4*	2/2*	3/3
MS Levy	4/4	4/4*	2/2*	—
NP Mnexasana	4/4	4/4	—	—
JS Mthimunye	4/4	3/4	2/2	—
SJ Vilakazi	4/4	4/4	2/2	3/3
DA Suntup	4/4	4/4*	2/2*	—**
LE Mthimunye	4/4	4/4	—	2/3
H Masondo	3/3***	—	—	2/2***

* Attendee

** Alternate to BM Levy

*** Appointed 1 August 2023

Note: No Investment Committee meetings were held during the period 1 June 2023 to 31 May 2024.

BOARD COMPOSITION, STRUCTURE AND REPORT BACK CONTINUED

SUBCOMMITTEE STRUCTURE AND REPORT BACK

The Board remains accountable for all matters where it has delegated responsibility to its subcommittees. The Committees, their members and principal functions and focus areas are set out below:

EXECUTIVE COMMITTEE

Members

MS Levy (Chair)	A Armstrong**	G Levin
BM Levy	JS Newman***	M Nyawane
D Rama	S Ramdhani	A Roberts*
M Shaik	D Simba	DA Suntup

* Resigned 15 March 2024.

** Appointed 1 August 2024.

*** Resigned 26 August 2024.

KEY OBJECTIVE AND TERMS OF REFERENCE

Blue Label's Executive Committee includes the Executive Directors and operational and functional managers. This enables an executive and combined forum for disseminating strategies and policies to subsidiaries while providing oversight and feedback from the strategic operations forum. Blue Label's strategic and policy decisions are typically formulated by the Executive Directors and approved by the Board. The Committee has moved from a monthly to a quarterly meeting format, in line with its primary function of acting as an oversight forum and reporting structure between the Board, Executive Directors and subsidiary management.

Certain Blue Label Executive Committee members are represented on the boards of operating subsidiaries and act as liaisons with operating subsidiary CEOs and/or management.

The Executive Committee has concluded that it has fulfilled its responsibilities in accordance with its terms of reference.

Feedback on 2024 focus areas

Key focus areas of the Executive Committee during 2024 included:

Focus areas	Feedback
Monitoring the overall performance of Cell C.	Cell C's performance has improved since the appointment of a new CEO in mid-2023, the primary driver being effective cost-cutting measures occasioned by, inter alia, the renegotiation of material supplier agreements.
Concentration on new revenue streams, products and services that are less susceptible to margin compression.	During the 2024 year, Blue Label has seen material growth in universal vouchers such as Blu Voucher, which offer improved margins than traditional electricity and airtime products.
Cost conscious culture.	Continued focus on cost containment, inter alia, resulted in the rationalisation of the informal market business.
Strategic deployment of treasury resources.	The treasury function continues to be a significant focus area, ensuring efficient cash flow management across the Group.
Continuing with the inculcation of outcomes-based family values in Blue Label.	Blue Label has always prided itself on affording staff the latitude and discretion to perform and grow within the organisation to the best of their ability and recruiting staff with the requisite aptitude for such a culture. These values have remained strongly embedded.
Compliance with policies and controls.	The Internal Audit function and the Blue Label's internal Risk and Compliance Department have diligently applied themselves during the current year to ensure strict compliance with controls, risk mitigation measures and policies.

BOARD COMPOSITION, STRUCTURE AND REPORT BACK CONTINUED

2025 focus areas

Key focus areas of the Executive Committee during 2025 shall include:

- continued monitoring of the overall performance of Cell C;
- alignment of Comm Equipment Company and Cell C to achieve optimum operational performance;
- continued strategic deployment of treasury resources and cost management; and
- monthly analysis and monitoring of individual business unit performance.

AUDIT, RISK AND COMPLIANCE

Audit, Risk and Compliance Committee (ARCC)

Members and attendees	Number of meetings	Meeting attendance (%)
JS Mthimunya (Chair)	3/4	75
LE Mthimunya	4/4	100
NP Mnxasana	4/4	100
SJ Vilakazi	4/4	100
BM Levy*	3/4	75
MS Levy*	4/4	100
JS Newman*,**	4/4	100
DA Suntup*	4/4	100

* Attendee.

** Resigned on 26 August 2024.

Key objective and terms of reference

The primary objective of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for:

- the financial and non-financial reporting process;
- the system of internal control;
- the audit process;
- the risk management process; and
- the organisation's process for monitoring compliance with laws and regulations and the code of conduct.

The ARCC concluded that it has fulfilled its responsibilities in accordance with its terms of reference.

For further details, refer to sections in this report on governance of risk, governance of sustainability, information and technology governance, combined assurance and the ARCC reports.

Feedback on 2024 focus areas

Key focus areas of the Audit, Risk and Compliance Committee during 2024 included:

Focus areas	Feedback
• Monitor the financial performance of Cell C post recap.	• Cell C's financial performance has improved since the restructuring and recapitalisation transaction, with the appointment of a new executive management team. However, its long-term sustainability still requires close monitoring by Blue Label, Cell C's key investor. ARCC will continue to monitor Cell C's financial performance in the coming years until it reaches stability.
• Continue to improve governance and compliance processes throughout the Group.	• The governance process within the Group has improved and matured compared to previous years. The Group is currently improving on its IT governance process. It has satisfactorily managed cybersecurity threats and migrations onto new IT platforms without any interruptions to Blue Label operations.
• Review fraud mitigation strategies and internal controls.	• This is an ongoing process. The Group has instituted further controls to deal with related party transactions and potential conflicts of interest, especially in the executive management ranks. ARCC reviews the compliance and internal audit reports quarterly to satisfy itself that the controls are effective.
• Adopting an ESG Oversight and Responsibility Framework.	• ESG is at adoption phase and will continue to be a focus area in the coming years until it reaches maturity.

BOARD COMPOSITION, STRUCTURE AND REPORT BACK CONTINUED

2025 focus areas

Key focus areas of the Audit, Risk and Compliance Committee during 2025 shall include:

- monitor the impact of the change, in the Cell C financial year-end to 31 May, on the Blue Label audit process;
- continue adoption of an ESG Oversight and Responsibility Framework;
- continue reviewing fraud mitigation strategies and internal controls; and
- closely monitor the financial performance of Cell C.

REMUNERATION AND NOMINATION COMMITTEE

Members and attendees	Number of meetings	Meeting attendance (%)
SJ Vilakazi (Chair of Remuneration Committee)	2/2	100
LM Nestadt (Chair of Nomination Committee)	1/2	50
JS Mthimunya	2/2	100
BM Levy*	2/2	100
M S Levy*	2/2	100
DA Suntup*	2/2	100

* Attendee.

Key objectives and terms of reference

Ensure that competitive remuneration and incentive policies align with the strategy of driving performance and value creation that attracts and retains the right talent. Review design and the objectives of incentive schemes and remuneration packages; Executive and Non-Executive Director appointments and succession planning; annual evaluation of the independence of Non-Executive Directors and composition of the Board and its Committees.

The Remuneration and Nomination Committee (RNC) assists the Board with overseeing and making recommendations to the Board for its consideration and final approval on remuneration policies and incentives, Board composition, structure and size, succession planning in terms of key positions and the identification and nomination of suitable candidates to fill Board vacancies as and when they arise.

Key roles of the Committee include:

- ensuring competitive remuneration and incentive policies align with Blue Label's strategy to attract and retain high performers;
- reviewing the design and targets of incentive schemes and remuneration packages;
- Executive and Non-Executive Director appointments and succession planning; and
- annual evaluation of the independence of Non-Executive Directors and composition of the Board and its Committees.

The RNC concluded that it has fulfilled its responsibilities in accordance with its terms of reference.

The RNC continues to ensure that total rewards are set at levels that are competitive and drive performance in the short and long term, ensuring alignment with shareholder interests and at the same time promoting an ethical culture and responsible corporate citizenship.

The Committee is mandated by the Board to continually assess the executive remuneration market and governance framework.

It also considers present market conditions, Blue Label's strategy and operational performance.

BOARD COMPOSITION, STRUCTURE AND REPORT BACK CONTINUED

Feedback on 2024 focus areas

Key focus areas of the Remuneration and Nomination Committee during 2024 included:

Focus areas	Feedback
Attracting and retaining key talent to deliver our strategic goals and shareholder returns.	Blue Label has prioritised building a strong talent pipeline for the future. Its efforts to cultivate an inclusive culture to assist and retain key employees, in tandem with a talent attraction strategy, is undergoing a data-driven refresh to ensure that the Group is recruiting the best fit.
Continued benchmarking against best practice, refining where appropriate (for example, ensuring our growth targets are realistic given current economic conditions in the country).	Blue Label continues to benchmark its practices and policies with remuneration consultants to ensure best practice.
Succession planning across all levels in Blue Label, with a focus on transformation.	Blue Label has made significant strides in succession planning, with comprehensive plans now in place for all management levels and specialist roles.
Best practice reviews of ESG goals, to ensure that there are measurable set targets in place which can be achieved.	The Group's commitment to ESG remains unwavering, and it is actively working towards achieving gender and pay parity goals over the next few years.
Continued annual engagement with our institutional shareholders for their input and advice.	Provide feedback to shareholders about concerns raised regarding the Group's remuneration policy and remuneration implementation report.
Continuing our policy of gender and equity pay parity and the need to drive our targets in the next two years.	Blue Label did a parity exercise and derived a three-year plan per subsidiary where any adjustments should be made.
Continuing to identify and develop future leaders through the leadership development programme.	The leadership development programme has been streamlined to ensure that the right people are on the right programmes. The Group's mentorship programme is instrumental in driving sustainable leadership development within the organisation.
Market alignment of variable pay quanta and pay-mix following the stratification of employee-wide pay bands and reviewing our allocation methodology under our variable remuneration structures.	Blue Label continues to benchmark against the market, set benchmark targets and strive to pay within the pay-mix.

2025 focus areas

Key focus areas of the Remuneration and Nomination Committee (RNC):

- review and evaluate executive and management remuneration to ensure alignment with company performance and market benchmarks;
- continue to monitor and conduct a thorough analysis of industry remuneration trends to ensure that the Company remains competitive in attracting and retaining talent;
- continue to monitor the performance metrics used to determine executive bonuses and incentives implemented in 2023 to ensure that the metrics are aligned with the company's strategic goals and long-term success;
- continue to monitor and assess the Group's remuneration practices for fairness and equity, ensuring they promote diversity and inclusion;
- stay updated on relevant laws and regulations, especially the amendments to the Company's Act regarding executive remuneration, including disclosure requirements and Board implications;
- evaluate the effectiveness of long-term incentive plans (LTIPs) and consider adjustments to better align with company performance and shareholder interests;
- consider feedback from shareholders and other stakeholders regarding the remuneration policy, practices and the implementation report and address any concerns raised;
- ensure that the Group's succession plan across all levels remains vibrant and appropriate to attract and retain key staff and executives with a focus on transformation; and
- continue to identify and develop a pipeline of future leaders through the Group's leadership development programme and other interventions for human resources development.

By focusing on these areas, the Remuneration Committee will help ensure that the Group's remuneration practices are effective, equitable and aligned with its strategic objectives.

BOARD COMPOSITION, STRUCTURE AND REPORT BACK CONTINUED

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

Members and attendees	Number of meetings	Meeting attendance (%)
SJ Vilakazi (Chair)	3/3	100
BM Levy (DA Suntup alternate to BM Levy)	3/3	100
H Masondo*	2/2*	100
LE Mthimunya	2/3	67

* Appointed 1 August 2023.

Key objective and terms of reference

The role of the Committee is to assist the Board with the oversight of transformation, social and ethical matters relating to Blue Label and its subsidiary companies. Responsibilities include monitoring Blue Label's activities and compliance with legislation relating to equality, black economic empowerment, good corporate citizenship, the environment, health, public safety and consumer and labour relations, as well as advising the Board where necessary and appropriate. The Committee also reviews ethical business conduct, including any activity on the ethics hotline.

The Social, Ethics and Transformation Committee concluded that it has fulfilled its responsibilities in accordance with its terms of reference.

Refer to the human capital report on page 57, the Social, Ethics and Transformation Committee report on page 101, the effective and ethical leadership report on page 75 and the stakeholder relations sections on page 29 for further details.

Feedback on 2024 focus areas

Focus areas	Feedback
- Retain compliance level for B-BBEE scorecard at level 4. - Build leadership for the future through our leadership development programme by increasing our number of managerial employees enrolled on management programmes. - Compared to 2023, Blue Label stepped up its pipeline of future leaders by increasing enrolment in junior, middle and senior management development programmes. We implemented a disability learnership programme as planned. - Balance gender representation toward our target of 50%/50% overall by 2026. - Support the job creation project within Trust Blu through the U-Belong initiative and external funding to support this project. Create 200 new jobs and absorb 1% at the end of the financial year. - Improve management control by a further two points to support and enhance our three-year equity plan, of which one year has lapsed already. - Appoint one more black candidate on Blue Label Board.	- We have achieved a level 4 for the 2024 financial year-end. - Blue Label continues to benchmark its practices and policies with remuneration consultants to ensure best practice. - Additional impetus will be needed to achieve gender parity by 2026. - We remain dedicated to achieving a 50/50 gender split by 2026. - Despite our initial target of generating 200 new job opportunities through the U-Belong project, we successfully facilitated the employment of 170 learners. The absorption rate of 1% aligns with our projections. - We remain committed to creating a work environment that is diverse and inclusive. Even though in the current year we didn't meet our target of improving by two points, we have implemented people strategies to ensure that we are able to attract and retain diverse talent in the organisation. - The Group achieved the objective of appointing a black female candidate to the Blue Label Board.

2025 focus areas

Key focus areas of the Social, Ethics and Transformation Committee:

- Improve procurement and management control elements of the B-BBEE scorecard. Our target for 2025 is to maintain B-BBEE at level 4 while developing a roadmap to improve our B-BBEE rating in 2026 and beyond;
- Implement the leadership programme for top management to ensure a holistic change leadership approach;
- Implement leadership development programmes for middle and senior management in order to build talent pipeline for top management;

BOARD COMPOSITION, STRUCTURE AND REPORT BACK CONTINUED

- Continue to balance gender representation; and
- Continue to support job creation through internal project initiatives.

INVESTMENT COMMITTEE

King IV's philosophy of integrated thinking and governance promotes the integration of governance functional areas and reports back into the rest of the integrated reporting elements. Oversight of these functional areas is maintained by the Board and its subcommittees as follows:

Members

LE Mthimunye (Chair)
 DR Hilewitz*
 BM Levy
 MS Levy
 JS Mthimunye
 JS Newman**
 DA Suntup

* Attendee by invitation.

** Resigned 26 August 2024.

Note: No Investment Committee meetings were held during the period 1 June 2023 to 31 May 2024.

The Investment Committee is an ad hoc committee that did not hold any meetings during the year. During the year, the Board maintained oversight of all investment decisions, annual reviews and capital allocation decisions, in particular around the funding of Cell C.

Key objectives and terms of reference

- Review for approval the proposed acquisitions, investments and disposals of Blue Label recommended by the Executive Committee.
- Review, consider and then recommend potential Blue Label acquisitions and investments to the Board.
- Annually review the performance of each investment and acquisition made over the past five years.
- Review and update the Capital Allocation Policy of Blue Label.

Feedback on 2024 focus areas

Focus areas	Feedback
• Monitor the maturity of the Capital Allocation Framework.	• The most efficient investment strategy during the year under review has been dictated by Cell C's liquidity requirements. It is our view that shareholder equity would best be maximised by realising the value of the Cell C investment in the form of a profitable and sustainable Cell C business.
• Monitor the performance of the Cell C investment.	• Cell C's performance has improved since the appointment of Jorge Mendes as CEO in June 2023, the primary driver being effective cost-cutting measures occasioned by, inter alia, the renegotiation of material supplier agreements.
• Monitor past acquisitions to ensure that they are performing in line with expectations.	• The Board assumed direct oversight of all Investment Committee key objectives and terms of reference.

2025 focus areas

Key focus areas of the Investment Committee:

- Monitor the maturity of the Capital Allocation Framework;
- Monitor the performance of Cell C and other investments; and
- Realise value and conserve cash.

KING IV FUNCTIONAL AREAS

King IV's philosophy of integrated thinking and governance promotes the integration of governance functional areas and reports back into the rest of the integrated reporting elements. Oversight of these functional areas is maintained by the Board and its subcommittees as follows:

King IV functional area	Committee oversight	Report back	Page numbers
Risk	Audit, Risk and Compliance	Governance of risk	88
		Material risks and opportunities	22
Sustainability	Audit, Risk and Compliance Social, Ethics and Transformation Remuneration and Nomination	Governance of sustainability	89
		Remuneration report	103
Technology and information	Audit, Risk and Compliance	Leveraging technology	55
		Information and Technology Governance	91
		Material risks and opportunities	22
Regulatory compliance	Audit, Risk and Compliance Social, Ethics and Transformation	Compliance report	95
		Social, Ethics and Transformation Committee's report	101
		Corporate social responsibility and community development	71
		Human Capital	57
Assurance	Audit, Risk and Compliance	Approach and reporting frameworks	1
		Governance of risk	88
		Audit, Risk and Compliance Committee's report	97
Stakeholder relationships	Social, Ethics and Transformation	Stakeholder relations	29
		Effective and ethical leadership	75
		Social, Ethics and Transformation Committee's report	101
		Corporate social responsibility and community development	71
Remuneration	Remuneration and Nomination	Remuneration report	103

GOVERNANCE OF RISK

STRUCTURE

The Board accepts its responsibility for the governance of risk, which includes the total process of risk management and the formation of its opinion on the effectiveness of the risk management process. Based on the recommendations of the Audit, Risk and Compliance Committee (ARCC), the Board is satisfied with the effectiveness of the risk management process. The ARCC is responsible for ensuring that Blue Label has implemented an effective policy and plan for risk management and that risk disclosures are comprehensive, timely and relevant. The Board and Committees' responsibilities are documented in the Blue Label Integrated Risk Assurance Policy and Framework, which is reviewed annually by the ARCC.

Management is accountable to the Board for designing, implementing and monitoring the risk management process. The Internal Risk and Compliance Committee (IRCC), established by management, supports the enterprise-wide risk approach by identifying, evaluating and measuring Blue Label's risks and compliance in all functional areas of the Group and maintaining adequate internal controls. The IRCC reports to the ARCC bi-annually in this regard, which oversees the effectiveness of risk management arrangements.

PROCESS

Blue Label's strategic risk assessments are conducted bi-annually. The compliance officer, in a "second line of defence" role, facilitates these assessments and plays an important part in evaluating the risk management process and guiding management to continuous improvement.

To encapsulate our focus on the six capitals and the triple context in which we operate, the risk process incorporates value drivers that broadly reflect the expectations of our stakeholders and against which risks are identified. The risk assessments conducted involve risk identification and prioritisation at subsidiary and holding company level through interviews with senior management and key members of executive management to confirm risks, their descriptions, and their prioritisation. Each risk is evaluated according to set criteria in terms of its potential impact, the likelihood of occurrence and the perceived effectiveness of controls in place to manage the risks.

Blue Label has identified its strategic risks and acknowledges that its appetite to accept risk varies across those identified. The assessment process includes setting risk appetite and tolerance levels on a qualitative basis. Risk appetite and tolerance levels are reviewed annually at the ARCC and ratified at the Board level. The outcome of the risk assessments is integral in refining our strategic response and in developing a risk-based plan for internal audit engagements for the forthcoming year. Action plans are documented in response to risk appetite and breached tolerance thresholds. Blue Label's material risks are listed on pages 22 to 28.



GOVERNANCE OF SUSTAINABILITY

Blue Label Group has built on our environmental, social and governance (ESG) and sustainability reporting and oversight framework developed in 2023 that will assist the Board in exercising oversight of sustainability-related impacts, risks and opportunities and the process for integrating sustainability issues into the strategy development, overall governance as well as reporting processes of Blue Label.

A number of continuing initiatives have been undertaken in recent years, including:

- a review of sustainability reporting impacts, risks and opportunities, with a view to incorporating these into Blue Label's risk management systems;
- a gap analysis against the JSE Sustainability Disclosure Guidance issued in June 2022 that has informed some of the enhanced content of the integrated report and future planned disclosure improvements; and
- continuation and refinement of ESG metrics and targets included in our long-term incentive plan.

A proposed structure of Board Committees responsible for oversight of sustainability matters has been presented below:

	Audit, Risk and Compliance Committee	Remuneration and Nomination Committee	Social Ethics and Transformation Committee	Executive Committee		
				Human Capital	Risk and Compliance	Company Secretary Office
Environmental						
Climate change			✓		✓	
Water security			✓		✓	
Pollution and waste			✓		✓	
Biodiversity and land use			✓		✓	
Supply chain and materials			✓		✓	
Social						
Labour standards			✓	✓		
Human rights and community development			✓	✓	✓	
Health and safety			✓	✓	✓	
Customer responsibility			✓		✓	
Supply chain (Social)			✓		✓	
Governance						
Board composition		✓		✓		✓
Ethical behaviour			✓	✓	✓	✓
Remuneration		✓		✓		
Compliance and risk management	✓				✓	
Tax transparency	✓				✓	
Sustainability reporting						
Reporting standards	✓		✓		✓	
Assurance	✓		✓		✓	
Materiality	✓		✓		✓	

GOVERNANCE OF SUSTAINABILITY CONTINUED

Ongoing initiatives to integrate and embed sustainability in our governance, strategy, reporting, business and management processes include:

- enhancing the work plans and terms of reference for Board subcommittees to create focus and integration on sustainability-related issues;
- formalisation of sustainability-related issues in the risk management system, strategy and policy development as well as internal and external reporting;
- continued alignment of external reporting with the JSE Sustainability Disclosure Guidance as well as future adoption of global reporting standards and frameworks; and
- consideration of training and specialist input on material sustainability matters.

As part of integrating sustainability into the Board's mandate and structures, we are reviewing the subcommittees' terms of reference to align with sustainability-related best practices. Some of the proposed key updates for each Committee include:

Audit, Risk and Compliance Committee	• Formalising the Committee's role in overseeing the application of integrated and sustainability-related reporting standards and regulations. • Ensuring that the Group has implemented an effective policy and plan for risk management of sustainability risks and opportunities that will enhance the Group's ability to achieve its strategic long-term objectives.
Investment Committee	• To be formally mandated to incorporate sustainability considerations into the investment decision-making process. This will involve evaluating governance practices, sustainability-related risks and opportunities and related strategies, policies and the performance of potential investments.
Remuneration and Nomination Committee	• To include achieving strategic sustainability objectives and the related performance metrics into agreed targets and timelines in short and long-term incentive plans. • To ensure the skills and competence of the Group at Board and management levels are appropriate to oversee strategy development that anticipates and addresses key sustainability-related risks, opportunities and objectives, including ongoing training and support of Board members and management.
Social and Ethics Committee	• Oversee the development of the appropriate strategy and policies in response to material sustainability-related risks and opportunities, including identifying metrics and setting plans and targets over identified time horizons to monitor and manage performance.
Executive Committee	• Ensure that sustainability risks and opportunities are considered in the implementation of strategy development and policies of the Group. • Oversee the appropriate setting and planning of performance measures and targets to execute and monitor the effective implementation of strategies and policies.

INFORMATION AND TECHNOLOGY GOVERNANCE

In 2024, Blue Label made significant strides in advancing its technology and information governance, completing Phase 3 of its Information Technology (IT) Governance Framework implementation. This phase, which focused on integrating IT process flows, reinforced our commitment to aligning technology investments with governance controls, enhancing our overall control environment.

The Executive Committee continued to oversee the execution of IT governance mandates, policies, frameworks and processes. Our integrated and collaborative governance philosophy has ensured we remain compliant with applicable laws and regulations while delivering value to our stakeholders. Blue Label maintained alignment with key governance frameworks, including:

- Control Objectives for Information Technologies (COBIT) 2019;
- King IV;
- International Organization for Standardization (ISO)/ International Electrotechnical Commission (IEC) 38500:2015;
- Information Technology Infrastructure Library (ITIL) standards; and
- National Institute of Standards and Technology (NIST) standards.

As a result, we achieved ISO 27001 certification during the year.

We renewed our IT Governance Framework throughout the year, adapting to emerging challenges and evolving industry standards. This renewal has allowed us to maintain a high level of maturity in our governance practices, driving efficient project portfolios and systems change management.

The Information and Technology Division has been instrumental in navigating the rapidly changing technological landscape. Key initiatives in 2024 focused on enhancing operational efficiency, fostering a culture of innovation and supporting the Company's growth objectives. Notable achievements include:

- Completion of IT process flows integration: We successfully implemented Phase 3 of our IT Governance Framework, ensuring robust process integration and alignment with governance controls;
- Enhanced cybersecurity and fraud measures: We strengthened our cybersecurity posture through advanced threat detection and response systems, ensuring the protection of our data and IT assets. This included implementing a proactive fraud monitoring solution; and
- Operational efficiency improvements: Blue Label leveraged new technologies to enhance operational efficiency, resulting in significant cost savings and improved service delivery. We successfully deployed our SDWAN network solution, thereby improving our customers' overall uptime.

Blue Label is committed to continuous improvement and innovation in its technology and governance practices. Our focus for the upcoming year includes further enhancing our cybersecurity capabilities, exploring emerging technologies and maintaining our alignment with leading governance frameworks. These efforts will ensure that Blue Label remains at the forefront of the industry, delivering value to our stakeholders and adapting to the dynamic technological landscape.

TECHNOLOGY AS A STRATEGIC TRANSFORMATION DRIVER

Blue Label has strategically embraced technology as a critical driver of transformation and growth in an era of rapid technological advancements and digital disruption. Our commitment to innovation and digital excellence has empowered us to navigate the complexities of the evolving digital landscape, ensuring we remain at the forefront of our industry. By integrating cutting-edge technologies and fostering a culture of continuous improvement, we have successfully reshaped our technology operations, enhanced our service offerings and delivered unparalleled value to our stakeholders. This section of the report outlines our key initiatives and achievements in modernising our applications, infrastructure enhancement, and cybersecurity, highlighting how technology continues to propel our business forward and secure our competitive edge in the market.

Fraud detection

We implemented a new fraud detection solution that deploys machine learning (ML) and artificial intelligence (AI) to enhance our fraud detection capability and automatically prevent fraud. Blue Label reduced its risk and exposure by enhancing its fraud topologies.

TicketPro ticketing platform

This is our new end-to-end ticketing system. Unreserved seating and cashless functionality are now live on the new platform. Other functions and features will be deployed in 2025.

INFORMATION AND TECHNOLOGY GOVERNANCE CONTINUED

Modernisation of our core application

In 2024, we started reimagining what our core applications could look like. We have taken a ground-up approach to building a new core technology platform that aligns with modern architectural principles and leverages the latest software design and development advancements.

Planned for release in 2025, key elements of Blue Label's new technology platform include:

- **Microservices architecture:** Our new core applications are designed using a microservices architecture, which breaks down monolithic applications into smaller, independent services. Each microservice is responsible for a specific business function, allowing for scalability, flexibility and resilience.
- **API-first approach:** This approach ensures that all services are accessible via well-defined, secure APIs and provides for interoperability with internal and external systems and developer productivity.
- **Cloud-native development:** Our core applications are being built as cloud-native solutions for greater elasticity, resilience, redundancy and agility.
- **DevOps and Continuous Integration/Continuous Deployment (CI/CD):** Blue Label's development process embraces DevOps principles, integrating development and operations teams to improve collaboration and productivity.
- **Advanced data management and analytics:** We leverage advanced data management and analytics capabilities to drive data-driven decision-making and innovation, including through AI and ML integration.
- **Security and compliance:** The preservation of cybersecurity remains an ongoing and critical concern, forming a substantial portion of our technology investments. Security is integrated into every layer of our new core technology platform, ensuring robust protection of data and systems.

TRANSFORMATION OF MARKET-FACING PLATFORMS

In 2024, Blue Label continued transforming its market-facing platforms by leveraging cutting-edge technologies and strategic innovations. Our hybrid cloud backbone and centralised API gateway architecture remain pivotal in driving this transformation, enabling us to integrate advanced technologies and adapt to evolving market demands swiftly. Blue Label invested in various platforms and innovations throughout the year to stay ahead in the competitive landscape.

Card acquiring

We implemented card-acquiring functionality for our merchants in informal markets. This enabled our merchants to access their wallets, transactional and account details.

Multichannel clawback for our BluAdvances offering

The BluAdvance project aims to provide advancements in electricity products to a predefined list of end users, facilitating their access to these advances. The project implemented a clawback mechanism via USSD banking, formal retail, website and petroleum channels. This enabled users to repay the advances with their next token purchase.

BluNova marketplace

Our customised WS02 API Manager provides our BluNova subsidiary with an API marketplace where developers can discover, test and subscribe to the APIs on offer.

BACK-OFFICE TRANSFORMATION INVESTMENTS AT BLUE LABEL

At Blue Label, our back-office transformation is driven by the need to refine and enhance our internal operations, systems and processes. This transformation hinges on the strategic implementation of advanced technology and automation to boost efficiency, reduce costs and elevate overall performance. Over the past year, we have directed considerable investments and efforts toward several critical areas.

Upgraded to software-defined wide area network (SDWAN) devices

SDWAN, an innovative wide-area network solution, harnesses the power of software-defined networking technology. It enables communication over the internet by utilising overlay tunnels, which are meticulously encrypted when directed toward internal organisational destinations. Through this comprehensive network upgrade, we seek to enhance availability and uptime, fortify our security resilience and augment our observability.

Blue Label Connect (BLC) cloud migration

Embracing the immense potential of cloud computing, we have launched and successfully deployed a cutting-edge cloud-based ecosystem. This monumental shift has unlocked new dimensions of scalability and flexibility and revolutionised how we deliver products and services, transforming our business landscape. All of the BLC platforms have now been migrated to the cloud.

INFORMATION AND TECHNOLOGY GOVERNANCE CONTINUED

Enterprise performance management tool

In 2024, we achieved a significant milestone by successfully deploying a new budgeting and reporting system. This advanced tool is designed to enhance accuracy, speed and productivity in our financial processes. Initially implemented and refined within Blue Label Distribution (BLD), the system is set to be progressively rolled out across the entire Group, ensuring consistent and efficient financial management throughout our organisation.

Networking and cybersecurity

Blue Label has significantly enhanced its networking and cybersecurity measures, implementing a robust zero-trust framework. These improvements have been instrumental in maintaining the integrity and uninterrupted functionality of the Company's core infrastructure and services. Through rigorous security protocols and a proactive approach, Blue Label has achieved an impressive record of 99.31% uptime, ensuring that our operations run smoothly and without disruption. This high reliability and availability are testaments to the Company's commitment to maintaining a secure and resilient environment for its customers and stakeholders. Furthermore, implementing a zero-trust cybersecurity model has played a crucial role in safeguarding sensitive data and preventing any unauthorised access or breaches.

These strategic elements are underpinned by our constant drive towards customer-centric design and user experience, which stands central to our world-class business solutions across our businesses.

RISK AND COMPLIANCE

IT Governance Framework implementation roadmap

Blue Label has approved an IT governance framework based on the widely recognised COBIT standards. By completing Phase 3 of the implementation, which focused on designing and implementing the IT process flows, this framework is now being actively implemented within our organisation. It enables us to drive control delivery through project portfolio and systems change management, ensuring our technology investments align with robust governance controls.

Cybersecurity and compliance

We recognise that cybersecurity threats pose an ongoing and significant risk to our organisation. As a result, we have prioritised substantial investments in technology to address this critical issue. Over the past year, we have thoroughly reviewed and reinforced our information and infrastructure security controls, ensuring stringent standards are in place. At the same time, we have taken significant steps to strengthen our environment's security posture. Detection capabilities and response processes have been implemented to identify and address potential cyber threats swiftly through our newly implemented Security Operations Centre (SOC). This proactive approach ensures that we can effectively safeguard our systems and data.

Our commitment to maintaining high-security standards is reinforced through regular internal and external audits. These audits ensure compliance with industry regulations and best practices, helping us identify and address any security gaps promptly. We have expanded our training programmes to include advanced threat awareness and response strategies. This ensures our workforce is well-equipped to recognise and respond to potential security incidents. In 2024, we made further investments in the right vulnerability tools and we continuously evaluate our systems for vulnerabilities and potential exposure risks. We maintain unwavering vigilance in protecting our digital assets by implementing comprehensive risk prevention, assessment and education programmes. As a testament to our dedication to security, we have thoroughly reassessed and enhanced the authentication processes for our core **AEON** platform. Significant improvements have been made to the authentication mechanisms for our devices and kiosks, ensuring a robust and secure environment that mitigates potential risks and reinforces customer trust.

Blue Label also achieved ISO 27001:2022 certification in 2024. Clinching this ISO certification provides commercialisation benefits and elevates our security maturity levels as an organisation. It also offers enhanced assurance to our customers, business partners and third

parties we engage with, demonstrating the Group's commitment to robust information security practices.

IT risk management

IT risk management at Blue Label is a core component of the Company's Enterprise-wide Risk Management strategy. Our governance and operational controls are meticulously designed to support responsible risk management, recognising its crucial role in value creation. Risk management is seamlessly integrated into our decision-making processes and daily activities, ensuring that the organisation remains risk-aware while pursuing its strategic objectives.

The Group's IT risk management in 2024 included the following key components:

Governance and compliance

The Group Risk function has established comprehensive risk governance frameworks to facilitate effective organisational risk management. These frameworks are rigorously applied and adhered to by Group IT, ensuring consistent risk management practices across the organisation.

Enhanced monitoring and collaboration

Key risks are continuously monitored through a robust risk management system that involves coordinating our three lines of defence. This collaborative approach ensures that risks are managed effectively and in alignment with our strategic goals.

Digital transformation of risk management

In the past, Blue Label's risk management and tracking relied heavily on manual processes, necessitating extensive engagement with risk action owners for updates and progress on risk mitigation strategies. In 2024, the Group revolutionised its risk management practices by implementing a new digital risk management platform. This automated and integrated tool significantly enhances our ability to manage risks proactively and robustly across the organisation.

INFORMATION AND TECHNOLOGY GOVERNANCE CONTINUED

Streamlined risk tracking and reporting

The new digital platform facilitates streamlined risk tracking, reporting and analysis, supporting effective decision-making and improving overall risk governance. By automating these processes, we can obtain real-time insights into risk status and mitigation progress, allowing for more responsive and informed risk management.

As we move forward, we will focus on enhancing our IT risk management practices to ensure they keep pace with the evolving risk landscape. We are committed to continuous improvement and will invest in the latest risk management technologies and methodologies to maintain a high standard of risk governance. By doing so, Blue Label will continue to safeguard its assets, support strategic objectives and create value for all stakeholders.

LOOKING AHEAD

As we look to the future, we will focus on advancing our cybersecurity measures and maintaining our rigorous standards. We are committed to investing in the latest security technologies and practices to protect our systems and data, ensuring that Blue Label remains a trusted leader in the industry.

At the same time, we will drive continuous improvement and innovation within our back-office operations. For example, in 2025 we aim to complete the first phase of our new enterprise resource planning (ERP) solution by deploying it in BLD. We will continue to invest in cutting-edge technologies and process optimisation initiatives to ensure that our internal functions support our broader business objectives and deliver exceptional value to our stakeholders.

We will further enhance our API capabilities, continuously evolve our market-facing platforms and rebuild our core technology platforms. The Group will also continue investigating and implementing AI capability within our core products and business to improve speed and productivity and enhance the customer experience, including deploying AI capability within our call centres.

As we continue to build and refine our new core technology platform, our focus remains on delivering innovative solutions that meet the evolving needs of our customers and stakeholders. By embracing modern architectural principles and leveraging the latest advancements in software design, we are well positioned to drive sustained growth, enhance operational efficiency and maintain our competitive edge in the dynamic telecommunications industry.

COMPLIANCE REPORT

There were no significant environmental, social and/or governance-related incidents during 2024. These include incidents of legal non-compliance (whether under investigation, pending finalisation or finalised), directives, compliance notices, warnings, investigations and any public controversies.

No fines, settlements, penalties, or other monetary losses were suffered in relation to ESG incidents.

REGULATORY COMPLIANCE REPORT

The Internal Risk and Compliance Committee (IRCC) oversees regulatory compliance responsibilities. The Committee monitors, assesses, researches and reports on the regulatory environment in which Blue Label operates. The IRCC reports to the Audit, Risk and Compliance Committee (ARCC).

The process of compliance management encompasses:

- identifying and prioritising all Acts and regulations at a national level applicable to Blue Label;
- incorporating regulatory requirements into control measures such as standard operating procedures, processes, manuals and policies;
- recommending corrective measures or steps to ensure compliance; and
- monitoring compliance through the adequacy and effectiveness of control measures.

The risk of non-compliance is being managed through:

- the quarterly review and update of the Blue Label regulatory universe;
- the compilation of compliance risk management plans for high-risk legislation utilising external service providers; and
- the continuous monitoring of the regulatory environment.

The regulatory environment changes constantly. We proactively contribute to and manage our regulatory environment by considering the interests of all our stakeholders and clients.

The Board is satisfied that Blue Label has complied with all relevant provisions of the Companies Act of South Africa and the JSE Listings Requirements and has operated in conformity with Blue Label's MOI during the year.

No substantial complaints have been received concerning breaches of customer privacy, as, categorised by complaints received from data subjects and complaints or requests for information from the Information Regulator.

APPROACH TO TAX

Taxation compliance

Taxation is managed as part of the regulatory compliance process managed under the IRCC and overseen by the ARCC. There were no instances of significant penalties or disputes with the South African Revenue Service during the year under review. Expert advice is obtained in managing compliance with any complex areas of tax legislation. Blue Label does not have any significant foreign subsidiaries.

The total tax incurred by Blue Label in the current year amounted to R346.1 million. The total amount consists of the following categories of taxes:

Category	2024 R'000	2023 R'000
Income taxes	136 033	235 506
Property taxes	2 918	2 497
Net (creditable)/non-creditable VAT	(18 919)	74 588
Employer-paid payroll tax	224 676	177 839
Other taxes	1 343	—

The information below summarises how Blue Label has managed the requirements of two pieces of significant South African legislation:

Protection of Personal Information Act, 2013 (POPIA)

POPIA gives effect to section 14 of the Constitution, which provides that everyone has the right to privacy. The Act promotes the protection of personal information processed by public and private bodies and seeks to balance the right to privacy against other rights such as access to information.

The following POPIA initiatives have been embedded to ensure compliance at 31 May 2024:

- The Blue Label Compliance Framework has been reviewed and approved by the Audit and Risk Committee.
- POPIA information sessions have been presented to the various subsidiaries, associates and stakeholders.
- POPIA-related policy documents have been updated.
- POPIA Control Risk Management Plan has been completed to assist risk management.
- Promotion of Access to Information Act, No 2 of 2000 (PAIA) manuals have been updated.
- POPIA impact assessments have been updated to perform gap analyses. These impact assessments are ongoing based on new products or initiatives being introduced throughout Blue Label.

Cybercrimes Act, 19 of 2020

Blue Label operations rely heavily on technology platforms to facilitate service delivery, which increases the risk of cybercrime. Therefore, it is critical to maintain the integrity and stability of key IT systems to protect stakeholder interests against increasingly sophisticated targeted attempts at digitally assisted fraud, which is one of the main objectives of the Cybercrimes Act, 19 of 2020.

COMPLIANCE REPORT CONTINUED

Cybersecurity threats remain a critical ongoing risk and cause a significant part of our technology investments. Stringent standards for information and infrastructure security controls are constantly being reviewed and reinforced to ensure our efforts continue strengthening our cybersecurity posture. We proactively assess our vulnerabilities and risk of exposure on an ongoing basis while driving cyber risk prevention, assessment and education programmes to maintain vigilance. Blue Label is embedding security as a core component within the platform delivery via governed development mechanisms and implemented detection capabilities and response processes in our environment.

The initial focus of our cybersecurity maturity journey was on the suite of NIST cybersecurity framework controls, in line with our approved strategy. The following has been accomplished:

Initiative	Description
Implementation of Security Operations Centre (SOC) services.	Our SOC has been fully implemented and is currently operational, which provides 24/7 cybersecurity monitoring for our environment.
Security awareness training campaigns through the KnowBe4 platform.	Monthly security awareness training campaigns are rolled out to staff, covering various security domains.
Designed and implemented cybercrimes and incident management processes.	Cybercrimes and incident management processes are still in effect.
An annual review of the processes was conducted.	Internal audit performed reviews around processes supporting compliance with the Cyber Crimes Act.
Developed incident response and incident response testing as well as scenario planning.	Incident response processes are still in place and scenario testing will be performed during 2024/25.
Developed and implemented an Information Security Management Systems (ISMS) aligned to ISO 27001.	We have achieved certification against ISO 27001:2022 for our ISMS. Our core trading platform and environment operate stringent security controls to safeguard our customer and employee data. Maintenance of ISMS is ongoing. Surveillance audits will be conducted to ensure the maintenance of the certification.

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 2024.

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 Group'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 Group 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 Group 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 Mthimunya, Ms NP Mnexasana, Ms LE Mthimunya and Mr SJ Vilakazi were appointed to the Committee by shareholders at the AGM held on 23 November 2023 in the following positions:

- JS Mthimunya (Independent Non-Executive Chairman);
- NP Mnexasana (Independent Non-Executive Director);
- LE Mthimunya (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 SNGGT and a director from 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. During the year, the Committee met with the external and internal auditors respectively without the presence of management. 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 Group;
- 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.

AUDIT, RISK AND COMPLIANCE COMMITTEE'S REPORT CONTINUED

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 CEOs 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 and Group 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 Group and 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 two 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 2024 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. The non-audit services rendered by the external auditors during the year ended 31 May 2024 comprised tax advisory services, tax compliance services and general advisory services.

The fees applicable to the services totalled R0.1 million (2023: R7.5 million).

The ARCC has nominated, for approval at the AGM, the reappointment of SNGGT as registered auditors for the 2025 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 to avoid duplication of work and work toward an effective and efficient combined/integrated assurance approach;
- examined and reviewed the progress made by internal audit against the approved 2023/24 audit plan;
- considered the combined/integrated assurance arrangements for the 2023/24 financial year;
- approved the risk-based internal audit plan for the 2023/24 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, which includes consideration of all the entities in the consolidated annual financial statements.

In carrying out its responsibility of ensuring appropriate financial reporting procedures are in place, the ARCC 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 Group 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 principles;
- reviewed legal matters that could materially impact the Group in conjunction with Blue Label's legal adviser; and
- reviewed developments in corporate governance and best practice and considered their impact and implications across the Group 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 Group keeps abreast of matters affecting its regulatory environment; and
- identification and monitoring of key compliance risks across the Group.

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 Group 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 the Group and is satisfied that they are appropriate and comply with International Financial Reporting Standards, the JSE Listings Requirements, and the requirements of the Companies Act of South Africa.

The Committee has evaluated the Group annual financial statements of Blue Label Telecoms Limited for the year ended 31 May 2024 and based on the information provided to the Committee, the Committee recommends the adoption of the annual financial statements by the Board.

The significant audit matters considered by the Committee were the sale of advances to customers under postpaid contract device arrangement and the going concern and valuation of Cell C.

These matters were addressed as follows:

Sale of advances to customers under postpaid contract device arrangement

Management assessed the accounting treatment and disclosure in respect of each of the three book sales based on the specific terms and conditions of each agreement in terms of IFRS 7, IFRS 9 and IAS 1, and has conducted an assessment of the retained credit risk following the transfer of customer advances related to the three book sales. Management compared the retained credit risk before and after the transfer, and evaluated it against its internal threshold for retained credit risk.

AUDIT, RISK AND COMPLIANCE COMMITTEE'S REPORT CONTINUED

Based on the work performed, management concluded that the independent book sales were to be accounted for and disclosed as follows:

- **Book Sale One** – substantially all credit risk has been transferred and therefore the derecognition criteria had been met.
- **Book Sale Two** – a specified portion of the book would not qualify for derecognition, as the credit risk was retained, this portion is presented in the annual financial statements (AFS) as a "holdback debtor". The transaction also resulted in CEC obtaining a new financial asset, referred to as the Escrow debtor for which a risk margin is held in an Escrow account. CEC has a contractual right to the remaining balance in the Escrow account at the end of a specified period. The Escrow debtor was recognised at fair value and is measured at fair value through profit or loss. For the remaining portion of Book Sale Two, substantially all the credit risk has been transferred, leading to the derecognition of that part.
- **Book Sale Three** – consisted of fully written-off advances to customers; therefore, the proceeds were considered a recovery of bad debts.

Reversal of impairment indicator assessment of the investment in Cell C Limited and its going concern

As at 31 May 2024, there was no indication of a further reversal of the previous impairment, and as such, the Group did not estimate the recoverable amount of the investment in Cell C.

Management considered the changes made to the Cell C business strategy, the successful renegotiation of key service agreements and IT support, the enhanced senior executive management team, the continued focus on operational efficiencies, reduced operational expenditure, the optimisation of traffic and the implementation of a fixed-cost infrastructure.

This, together with the effects of the capital and debt restructure of the business as a result of the recapitalisation of Cell C, is expected to improve both the liquidity and performance of Cell C. Taking into account the latest available financial information and estimated future cash flows, management has concluded that the going concern basis is appropriate and Cell C Limited will be able to continue as a going concern for the foreseeable future.

INTEGRATED ANNUAL REPORT

The Committee considered the integrated annual report, incorporating the annual financial statements for the year ended 31 May 2024. The Committee considered the sustainability information as disclosed in the integrated annual report and assessed its consistency with operational and other information known to its members. The Committee recommended the approval of the integrated annual report to the Board. The ARCC is satisfied that it has complied with its legal, regulatory and other responsibilities as per its terms of reference and that it has executed its responsibilities in terms of paragraph 3.84(g)(ii) of the JSE Listings Requirements in its assessment of the suitability of the auditor. The contents of the ARCC report were approved by the Committee members on 30 September 2024.

On behalf of the Audit, Risk and Compliance Committee



JS MTHIMUNYE
Chairman

30 September 2024

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE'S REPORT

The Social, Ethics, and Transformation Committee remains pivotal in facilitating Blue Label in achieving its mission by providing oversight and strategic guidance to both management and the Group. As a statutory committee of the Board, it assists the Board in overseeing Blue Label's corporate citizenship, environmental, social and governance (ESG), sustainability, and ethics. As outlined in its approved terms of reference, the Committee's responsibilities comply with the Companies Act 71 of 2008, as amended, the JSE Listings Requirements, and King IV. It also undertakes additional duties as assigned by the Board.

The Committee has demonstrated proactive engagement in fulfilling its obligations, addressing the escalating disclosure requirements with efficacy. It has executed its oversight functions with unimpeded diligence and is prepared to report on its activities for the financial year ended 31 May 2024.

In accordance with the Act's provisions, the Committee's mandate is to oversee and guide Blue Label's undertakings and initiatives in the following areas:

1. Socio-economic development, encompassing Blue Label's commitment to the Broad-Based Black Economic Empowerment Act and the Employment Equity Act.
2. Consumer relations and Blue Label's compliance with consumer protection regulations.
3. Blue Label's adherence to the International Labour Organization (ILO) protocol on decent work and working conditions, its employment relationships, and its contribution to its employees' educational advancement.
4. Good corporate citizenship, including Blue Label's advocacy of equality, prevention of unfair discrimination and reduction of corruption, contributions to the development of the communities in which it operates, and its track record of sponsorships, donations, and charitable giving.
5. Environmental, health, and public safety considerations, and the impact of Blue Label's activities on these areas.
6. Adherence to the 10 United Nations Global Compact (UNGC) principles.

During the year, the Committee's sustained interaction with management has resulted in the integration of transformation initiatives throughout Blue Label. Our dedication to conducting business responsibly and ethically

remains unwavering. Sustainability is not merely a future aspiration; it is intricately woven into the very essence of our mission, aiming to foster financial inclusion, opportunities, and convenience for the mass market. This commitment translates to a profound dedication to supporting vulnerable groups and instigating positive social change within the communities we serve.

We have significantly expanded our initiatives to promote supplier diversity in the current year. We work with 192 exempted micro-enterprises (EMEs), 73 qualifying small enterprises (QSEs), 242 50% black-owned (BO) enterprises and 111 30% black women-owned (BWO) suppliers. This significant increase in supplier engagement provided valuable business opportunities and facilitated economic transformation within these pivotal segments.

Our commitment surpasses the mere awarding of contracts. In the fiscal year 2024, our supplier development funding has directly influenced lives by creating new job opportunities in Dunoworx, a business designed to reduce poverty and create jobs. We consistently explore novel methods to broaden this programme and empower historically disadvantaged communities.

Looking into the future, we remain steadfast in our resolve to continually enhance our efforts toward supplier diversity. Actively pursuing avenues to engage with a wider spectrum of vulnerable groups and fostering collaboration between our diverse supplier network and our flagship beneficiaries are among our foremost priorities. This synergy will generate a ripple effect of positive influence within the communities we serve.

Our social responsibility extends beyond procurement as we take pride in our support for flagship beneficiaries such as Boys and Girls Club, Christel House and Women and Men Against Child Abuse, organisations that are effecting significant change in South Africa. We have worked with these organisations as our partners in development over a number of years to ensure their sustainable impact.

In the current year, we have collaborated with Education Africa in providing online learning opportunities to preschool educators in underserved communities. This initiative empowers educators, fortifies early childhood education and lays the groundwork for a brighter future for both educators and the children under their care.

Enterprise Development is a cornerstone of our commitment to fostering sustainable development within our communities. Partnering with Sizanani exemplifies our dedication this year. By backing infrastructure development, community connectivity, and the provision of solar electricity for 298 households, we are empowering Sizanani to operate effectively and unlock economic opportunities for the entire community in a highly underdeveloped area with high unemployment and poor access to electricity.

We cultivate a culture of philanthropy by promoting employee participation in diverse social responsibility programmes. For instance, our employees have led endeavours to donate Christmas presents and books to children where these celebrated traditions are not within reach.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE'S REPORT CONTINUED

Recognising our indispensable role in serving our community, we acknowledge the wide-reaching impact of our extensive network of informal market merchants selling our products on local businesses and livelihoods.

2024 FOCUS AREAS AND FEEDBACK

In reflecting on 2024 focus areas, we are pleased to confirm that our B-BBEE scorecard is progressing steadily, positioning us to achieve level 4 while continuing our efforts to do better in future.

Notably, we have made significant strides in leadership development, witnessing a substantial rise in programme enrolment and thereby fostering a robust cohort of prospective leaders.

While progress towards our 50/50 gender parity goal by 2026 is underway, we recognise the imperative for sustained efforts in this realm.

Celebrating a milestone, the U-Belong initiative has created job opportunities for 170 learners within Trust Blu.

Furthermore, our commitment to Board diversity is evident in the appointment of another black female director, aligning with our policy objectives and aspirations that the Chairman of the Board had indicated to stakeholders four years ago.

Although attaining our transformation objectives and targets at senior management remains a challenge, we have put in place processes and programmes to attain our aspirations. Implementing a disability learnership programme has been a successful milestone in our planned initiatives for the year.

Looking ahead to 2025, our unwavering focus remains on:

- maintaining or improving our level 4 B-BBEE scorecard;
- continuing to invest in leadership development programmes;
- advancing efforts toward gender representation and parity by 2026;
- continuing job creation and socio-economic development through our initiatives, including the U-Belong initiative; and
- strengthening management control systems.

In conclusion, at Blue Label our ethos maintains that success transcends mere financial metrics. We remain steadfast in responsibly, ethically and sustainably conducting business, endeavouring to effect positive change among marginalised groups, drive economic transformation and fortify our communities, progressively bolstering a brighter future for all.

Sincerely,



SJ VILAKAZI
Chairman

30 September 2024

This year's report demonstrates significant progress compared to 2023. We have expanded our supplier diversity initiatives across all categories (EME, QSE, BO, and BWO) by a substantial margin. This reflects our commitment to creating inclusive business practices and empowering historically disadvantaged groups.

REMUNERATION REPORT

DEAR SHAREHOLDERS

I am pleased to report that the Human Capital team at Blue Label and the Blue Label Remuneration Committee ("the Committee") continued to place an emphasis on good corporate governance practices, focusing on the principles of pay for performance and fair and responsible remuneration.

Our remuneration policy, together with the remuneration implementation report, were put to a shareholder vote at the previous AGM held on 23 November 2023 and received votes in favour of 74.13%, and 70.00%, respectively. Prior to the AGM in November 2023, a specific shareholder raised concerns, with particular reference to the Total Shareholder Return metric (TSR). We actively engaged with them to address these issues. Following the AGM, research reports indicated that certain shareholders raised concerns relating to the retrospective amendment of performance criteria linked to in-flight LTIP awards vesting in 2024 and 2025. In response, it was vital that the remuneration policy achieved the goals of attracting and retaining top talent. The Remuneration Committee evaluated the policy and concluded that it should be adapted and changed to ensure that Blue Label achieves this goal while remaining aligned with market/best practice. Further concerns were raised that the remuneration policy needs to improve the alignment of key performance indicators to shareholder interests. In response thereto, we continuously review and assess our remuneration policy, with guidance from our remuneration consultants, to ensure it aligns effectively with the long-term interests of our shareholders.

During the year under review, the Committee reviewed the remuneration policy to ensure it is aligned with applicable regulations and remuneration principles. The remuneration report is aligned to the King IV™ principles to articulate and demonstrate the link between strategy, value creation, performance and remuneration good practices.

As outlined to shareholders in the 2023 remuneration report, the evaluation of normalised EBITDA and core HEPS in Blue Label's 2024 short-term incentive (STI) performance scorecard was adjusted to account for both the IFRS impact of the Cell C recapitalisation and the learnership programmes.

To allow the Committee to accurately assess the impact of the recapitalisation event on Blue Label's variable pay performance outcomes, management conducted a comprehensive recapitalisation impact analysis. This analysis took into account the accounting technicalities introduced by the Cell C recapitalisation.

It is also vital that our remuneration policy achieves our goals of attracting and retaining top talent. Accordingly, the Committee constantly evaluates how the policy should be adapted and changed to ensure that Blue Label achieves this goal while remaining aligned with market/best practice.

The Committee is confident that the adjustments made to the long-term incentive targets in the 2023 remuneration report remain aligned with market standards and preserve shareholder value, while ensuring that Blue Label's management stays motivated to pursue ambitious yet attainable performance goals.

The current conditional share plan (CSP) (which was converted from a forfeitable share plan) ("the 2022 CSP"), which has been in existence since the inception of Blue Label, has nearly reached its plan limit in terms of the plan rules. In order to continue to retain and motivate key talent, as well as to retain the structure of the previously shareholder-approved plan, the Committee has replaced the 2022 CSP with a new CSP ("the 2024 CSP") that replicates the majority of the salient features of the previous plan. However, in order to ensure that it is not dilutive to shareholders, the 2024 CSP plan will only allow the Committee to settle awards with shares purchased on the market.

Section 1 of this report provides an overview of how the Committee has championed our alignment to the King IV™ Code on Corporate Governance, our areas of focus in achievement of our policy objectives, our efforts to build a performance culture through values and our purpose and alignment with performance and rewards. We also address diversity and inclusion, gender and race remuneration parity, setting new environmental, social and governance (ESG) goals and our continued focus areas for 2025.

Section 2 summarises our forward-looking remuneration philosophy and policy, together with an overview of our total

reward strategy. We made a number of substantial changes to our performance conditions last year, for 2024, in response to the operating context at the time. Following engagement with our internal and external stakeholders and remuneration consultants, the most significant change for the year ahead relates to the structure of our long-term incentive plan (LTIP), as detailed above.

Finally, section 3, the remuneration implementation report, provides an overview of our 2024 performance and discloses our performance against targets and resulting awards to Executive Directors, Prescribed Officers as well as the fees paid to Non-Executive Directors.

Looking forward to 2025, we will continue to review the success of our remuneration policy in terms of both our goals and those of our stakeholders. We are also monitoring recent regulatory developments and their impact on the market, notably the passing of the Companies Amendment Act (which at the time of publication has not come into force) and the implications of sections 30A and 30B on remuneration reporting in the future. We have to be mindful of the challenges facing our country and what role we need to play in addressing these as part of the South African business community. Together with ESG, these will be our prioritised goals for the forthcoming year.

We invite engagement with our shareholders as part of our efforts to continuously review and improve this policy.



SJ VILAKAZI
Chairman

30 September 2024

REMUNERATION REPORT CONTINUED

SECTION 1

Background statement regarding Committee considerations and decisions

The Committee Chairman continues to provide the Board with feedback after each meeting, highlighting key decisions and relevant discussions. We remain committed to applying King IV™ principles for responsible and transparent remuneration practices, supported by regular benchmarking exercises.

Blue Label continues to collaborate with its remuneration consultants, PwC and REMchannel®, to review and refine its remuneration policy and overall variable compensation practices.

In the 2023 remuneration report, the Committee revised the on-target and stretch performance metrics for core HEPS and ROCE for the 2021 and 2022 LTI awards, which vested in August 2024 and are scheduled to vest in August 2025, respectively, as illustrated in the table below. Additionally, to further support senior management and executive retention, it was agreed to remove the threshold targets for the financial measures and that threshold performance for the 2021 and 2022 awards would be evaluated solely based on the achievement of ESG and individual performance.

LTI performance measure	On-target	Stretch
Core HEPS (compounded cumulatively over three years)	Historically = CPI + 10% (2021) Historically = CPI + 7.5% (2022) New target = CPI + 2%	Historically = CPI + 10% (2021) Historically = CPI + 7.5% (2022) New target = CPI + 4%
ROCE (compared to WACC over the three-year period not compounded)	Historically = WACC + 2.5% (2021) Historically = WACC + 2.5% (2022) New target = WACC + 1%	Historically = WACC + 5% (2021) Historically = WACC + 5% (2022) New target = WACC + 2%

Achievement of policy objectives

Blue Label's remuneration philosophy and policy are effective in attracting, retaining, and motivating employees. We recognise the ever-changing business environment and will maintain a flexible approach in 2025, allowing us to adjust performance metrics and other components to ensure they remain relevant and aligned with our evolving needs.

The Committee achieved the following objectives during 2024:

- monitored the effectiveness of the policy in attracting and retaining critical skills and talent. This focus will continue in 2025;

- actively supported the transformation agenda and worked to eliminate bias in our practices. In 2025, we will further strengthen efforts to build a more diverse leadership team;
- aligned performance metrics to incentivise value-creating behaviour, ensuring rewards were tied to performance. This will remain a priority in 2025, as we refine the metrics to align with our evolving strategic goals;
- reviewed and approved succession plans for Executive Directors and senior management. In 2025, this focus will extend to all management levels;
- assessed the ESG scorecard for suitability and will continue integrating ESG considerations into our remuneration framework throughout 2025;

- continued benchmarking against best practices, refining our approach where necessary to ensure growth targets remain realistic given the current economic conditions;
- conducted best practice reviews on ESG goals to ensure they are measurable, with clear targets and verification mechanisms;
- continued annual engagement with institutional shareholders to seek their input and advice;
- reaffirmed our commitment to gender and equity pay parity, focusing on driving progress toward achieving our targets;
- continued to identify and develop future leaders through our leadership development programme; and
- introduced a new non-dilution LTI, namely the 2024 CSP, with awards under the 2024 plan to be settled with shares purchased on the open market.

We prioritised building a robust talent pipeline for the future. Our efforts to foster an inclusive culture have contributed to the retention of key employees, and our talent attraction strategy is undergoing a data-driven refresh to ensure we recruit the best candidates. We have made significant progress in succession planning, with comprehensive plans now in place for all management levels and specialist roles. Our commitment to ESG remains steadfast, and we are actively working toward achieving our gender and pay parity goals over the next few years. Enrolment in leadership development programmes has surged, and we will continue nurturing leadership talent equipped for the future. In summary, we are deeply committed to building a sustainable talent foundation for long-term success.

Transparency and policy adherence

There were no requests to deviate from the established remuneration policy in 2024. The Committee adjusted for the "normalisation" of EBITDA and core HEPS to account for the Cell C recapitalisation's accounting treatment and learnership programme expenses, as explained to shareholders in the 2023 remuneration report.

REMUNERATION REPORT CONTINUED

Culture, reward and performance

Building an inclusive leadership culture and fostering a 'performance with purpose' mindset remain key priorities for 2025. The Committee recognises the importance of the following areas:

- Employee Centricity: We will continue to prioritise employee well-being and engagement through leader-driven initiatives and the promotion of leadership behaviours aligned with our refreshed values.
- Flexible Work: In response to the evolving work landscape, we will explore flexible work arrangements to enhance employee retention in critical areas where necessary.
- Social Responsibility: As purpose-driven organisations gain more focus, we will continue to implement social responsibility projects in collaboration with employees.
- Culture and leadership:
 - finalised and approved succession plans for all subsidiaries to ensure smooth transitions in the event of employee departures;
 - developed a leader-led communication framework to enable leaders to effectively cascade key messages across their teams, ensuring all employees remain informed; and
 - co-created a new Company culture, “#AsBluWeBelong,” focused on promoting behaviours that bring the culture to life as a shared, lived experience.
- Talent acquisition and retention:
 - leveraged insights from Career Junction benchmarking to inform our talent attraction and retention strategy, helping us improve recruitment efforts; and
 - designed a career page that reflects our entrepreneurial and innovative culture, aimed at attracting candidates who align with the Company's values and vision.
- Employee well-being:
 - increased our social media presence to enhance Blue Label's brand awareness and attract potential talent.

Responding to employee needs

We have prioritised creating an employee-centric workplace that adapts to the evolving needs of our workforce. We are encouraged by the progress we've made in fostering flexibility, shared purpose, and well-being, all while cultivating a people-first experience that strengthens our inclusive culture. This approach ensures that every employee feels valued and empowered to deliver their best work.

The key is balancing employee expectations with achieving strong business results. We believe in intentional leadership that is grounded in our core values and behaviours. By empowering every individual to take ownership and lead themselves, we unlock the potential of a high-performing, motivated team:

- Person-first approach: We will continue recognising employees as individuals and create personalised work experiences that cater to their unique needs.
- Shared purpose: We will actively seek opportunities to align with employee values and enable them to contribute to meaningful initiatives.

By prioritising these principles in 2025, the Committee aims to maintain a competitive remuneration framework that attracts, retains, and motivates top talent, while fostering a positive and performance-driven culture at Blue Label.

2025 pay review

Paying for performance remained at the core of Blue Label's and the Committee's philosophy. For employees, management and executives, an increase in fixed pay of up to 6% was approved, based on an individual performance rating. These decisions were aligned with the reported inflation rate.

Changes to remuneration policy for 2025

The remuneration policy remains largely unchanged and aligned to the Group's remuneration objectives, with the only change for the year ahead relating to the forward looking change in the CSP structure.

ESG, sustainability, shared value and our purpose

At Blue Label, we are committed to creating a diverse, equitable, and sustainable work environment. This commitment extends to ensuring fair compensation practices and embedding ESG principles within our remuneration framework. Currently, 10% of our long-term incentive (LTI) non-financial key performance indicators (KPIs) are directly linked to ESG objectives.

We continuously refine our approach to promoting pay equity and integrating ESG considerations into our remuneration framework. By focusing on these areas, we aim to attract and retain top talent, build a more sustainable and responsible organisation, and deliver long-term value for our stakeholders.

Blue Label's remuneration metrics include ESG targets to ensure that Board members and senior executives align their objectives and performance with the Company's strategy, while effectively managing its impact on people, the environment, and the economy. The ESG metrics included in the long-term incentive plan performance targets are as follows:

- maintain a B-BBEE scorecard at level 4, leveraging procurement opportunities where possible;
- enhance management control;
- increase the number of enterprise and supplier development beneficiaries; and
- improve gender parity at senior and top management levels by balancing gender representation.

The specific weighting of these categories and the success rate in achieving ESG-linked KPIs will be reviewed internally.

REMUNERATION REPORT CONTINUED

Voting at the 2024 Annual General Meeting (AGM)

In line with the JSE Listings Requirements and King IV, we will table the following resolutions for shareholders voting at the AGM:

- non-binding advisory vote for the approval of the 2025 remuneration policy (section 2 of this report);
- non-binding advisory vote for the 2024 implementation report; and
- a binding vote on Non-Executive Directors' fees.

Shareholders are invited to engage with us regarding our remuneration policy and this remuneration report by sending a request for engagement to the Chairman of the Committee at investors@blts.co.za.

2023 AGM voting and shareholder feedback

Our remuneration policy and implementation reports were put forward for two separate non-binding advisory votes at the 2023 AGM held on 23 November 2023. The voting outcomes are set out below:

Ordinary resolution number 11: Non-binding advisory endorsement of the remuneration and reward policy	For: 74.13% Against: 25.87%
Ordinary resolution number 12: Non-binding advisory endorsement of the remuneration implementation report	For: 70.00% Against: 30.00%

In response to the voting outcomes outlined above, the Committee undertook to engage with shareholders by inviting them to submit written feedback on the remuneration policy and remuneration implementation report. However, no written submissions were received nor any verbal queries or dissenting statements from shareholders in the AGM.

The Committee welcomes feedback and looks forward to further dialogue with shareholders regarding the remuneration policy and implementation thereof.

Remuneration Committee focus areas for 2025

The Committee, as mandated by the Board, is responsible for continuously assessing the executive remuneration landscape and governance framework. In its review and implementation of the remuneration policy, the Committee takes into account current market conditions, Blue Label's strategic direction, and operational performance.

In the 2025 financial year, the Committee will focus on the following:

- reviewing and evaluating executive and management remuneration to ensure alignment with company performance and market benchmarks;
- continuing to monitor and analyse industry remuneration trends to maintain the Company's competitiveness in attracting and retaining top talent;
- monitoring the performance metrics introduced in 2023 for executive bonuses and incentives, ensuring they remain aligned with the Company's strategic objectives and long-term success;
- assessing the Group's remuneration practices to ensure fairness and equity, while promoting diversity and inclusion;
- staying informed about relevant laws and regulations, particularly amendments to the Companies Act concerning executive remuneration, including disclosure requirements and their implications for the Board;
- evaluating the effectiveness of long-term incentive plans (LTIPs) and considering adjustments to align them better with Company performance and shareholder interests;
- considering feedback from shareholders and other stakeholders on the remuneration policy, practices, and implementation report, addressing any concerns raised;
- ensure that the Group's succession plan across all levels remains vibrant and appropriate to attract and retain key staff and executives with a focus on transformation;
- ensuring that the Group's succession plan across all levels is dynamic and appropriate, with a focus on attracting and retaining key staff and executives with a focus on transformation;

- reviewing Cell C's remuneration policy to ensure alignment with the Group's policies, contingent upon regulatory approval for control during the current financial year; and
- continuing to identify and develop future leaders through the Group's leadership development programme and other human resource initiatives.

By focusing on these areas, the Remuneration Committee aims to ensure that the Group's remuneration practices remain effective, equitable, and aligned with its strategic goals.

The Committee remains committed to transparency and responsible practices in 2025 and beyond. We will continue refining the remuneration framework to meet Blue Label's evolving needs and to ensure it attracts, retains and motivates top talent.

SECTION 2

Our remuneration philosophy, policy and framework

At Blue Label, we recognise that our people are among our greatest assets. We believe it is vital to provide an environment where individuals can thrive and grow in their careers while collectively driving the success of the organisation. Our remuneration policy and practices, along with our *WeLead* programme, aim to foster resilience, drive achievement, and cultivate a winning mindset.

Through our EVP and employee engagement strategy, we differentiate ourselves from our peers. Our "all-in" culture creates a safe environment that enhances productivity and fosters innovation.

Our remuneration policy enables us to:

- deliver shareholder value by aligning our remuneration practices with our strategic goals;
- achieve our employment equity aspirations;
- align employee performance with shareholder interests;
- support our talent strategy by attracting, motivating, and retaining top-tier directors and employees with industry-leading expertise;

REMUNERATION REPORT CONTINUED

- build a competitive, entrepreneurial, innovative, and high-performance company by rewarding the achievement of ambitious performance goals in line with our strategy and shareholder growth expectations;
- reinforce our desired corporate culture by encouraging and rewarding ethical behaviour consistent with our values, leadership principles, and corporate citizenship; and
- drive our *WeLead* initiative to nurture a growth mindset and an innovative spirit, inspiring our people to “dare to win.”

This applies to all subsidiaries, associates and joint venture companies in which Blue Label holds a shareholding in excess of 40%, excluding Cell C which has its own remuneration policy and committee. The Committee may approve by exception for the policy to apply to Blue Label employees seconded to Cell C.

Employer of choice

Our objective is to be an employer of choice, and our employee brand and reward programme are designed to help us achieve this distinction.

Competitive pay levels

We benchmark guaranteed pay practices locally to ensure our remuneration packages are competitive and relevant to the role and experience required.

REMchannel® provided a market snapshot for 2023/24, outlining the STI and LTI performance targets of a selected group of JSE-listed companies. The comparator group was carefully selected based on its alignment with Blue Label, considering the following key criteria: founder-led companies, integrated Group structures or investment holding models, a strong focus on high dividend payments, data or technology-driven operations, a specific customer segment focus, and an emphasis on innovation and entrepreneurship, including retailers. This benchmarking exercise is conducted annually to ensure alignment with industry standards and best practices and is presented to the Committee to assist in determining the metrics for the following year.

Pay for performance

We are committed to a pay-for-performance philosophy, structuring remuneration to reward both individual and organisational excellence. We apply malus and clawback provisions to the short-term incentive plan (STIP) as well as vested and unvested long-term incentive plan (LTIP) awards for management.

Fair and responsible remuneration

We strive to ensure that remuneration differences among employees are based on fair and objective criteria. The Committee has a policy in place to monitor and continuously address any issues related to fair pay. In 2023, we completed a pay equity analysis, the results of which were communicated to leadership teams, who then developed implementation plans.

During the reporting year, a key focus for the Committee and the Board was increasing the representation of women and African employees in leadership positions. Key highlights include:

- a positive trajectory in top management across most equity demographics;
- a focus on increasing the appointment of African females and males in senior management;
- ongoing efforts to balance gender representation, with women comprising 45% (2023: 47%) and men 55% (2023: 53%) of our workforce. We continue striving for gender parity at senior and top management levels; and
- promotion opportunities primarily at the junior management level, with a focus on improving black representation. Of all 2024 promotions, 31% were for females, and 74.5% for black talent.

Our goal is to create an inclusive workplace where employees can bring their whole selves to work and live out their purpose. Our comprehensive strategy emphasises diversity and inclusive leadership, ensuring a supportive and fair work environment.

Our remuneration practices adhere to internal benchmarks based on job grades, with no employee being paid below the approved benchmark for their role. A recent analysis showed that we generally pay within the mid-compa-ratio for each occupational level. Additionally, the gender pay gap analysis indicated no significant disparities between males and females at the same job level. Our strategy for horizontal pay equity has proven effective, contributing to employee retention and transformation.

2025 business plan

In the 2023 remuneration report, the on-target performance for core HEPS and normalised EBITDA was aligned with the business plan, with threshold and stretch performance set at 20% below and above the 2024 business plan targets, respectively. Following the recapitalisation of Cell C and in light of the prevailing economic challenges, the Committee linked operational performance to the business plan, with this approach set to continue in 2025.

The preparation of the 2025 business plan is the responsibility of each subsidiary company. These business plans are developed by the subsidiary executive committees and reviewed by the Group Executive Committee. Following this, the Blue Label Executive Committee approves the plans, with final approval for the Group's consolidated business plan granted by the Board of Directors.

Our approach

At Blue Label, we adopt a holistic approach to rewards, incorporating guaranteed pay, variable pay, recognition, employee development, and benefits. We understand that both the philosophy and individual components of the remuneration policy are dynamic and must be reviewed regularly to stay aligned with our objectives and market trends. We ensure full compliance with legislative and regulatory requirements.

We provide clear and transparent information about our reward programmes, policies, and processes to all employees, ensuring they understand what they receive, why and when.

REMUNERATION REPORT CONTINUED

Our reward framework

Blue Label's reward framework consists of both financial and non-financial components and applies to all employees. The framework includes:

- fixed annual remuneration (FAR);
- STIPs;
- LTIPs;
- commissions for sales staff;
- ad hoc rewards for performance and behaviours aligned with our values, leadership programmes and competitions; and
- non-financial benefits aligned to our EVP.

At Blue Label, the pay-mix may vary depending on business needs, such as relocation or international assignment costs and allowances. We reimburse all necessary and reasonable business expenses.

BLUE LABEL REMUNERATION AND TALENT RETENTION STRATEGY

GUARANTEED		VARIABLE				NON-FINANCIAL
	Fixed annual remuneration	Sales commissions	Short-term incentive plan	Short-term variable remuneration	Long-term incentive plan	Employee Value Proposition
Objectives	Enables us to attract and retain talent, taking into consideration skills, experience, high-potential and value contribution.	Aligned to drive continuous improvement, improved customer service and increased revenue in sales and operations.	Reward the achievement of challenging strategic, financial and operational objectives, aligning individuals to divisional and Blue Label performance and the interests of our shareholders. The scheme is structured to reward collaborative work across Blue Label to ensure we leverage our capabilities, increase innovation, improve customer and consumer service, reduce inefficiencies and increase revenue and profits.	Special-purpose variable remuneration arrangements to help attract and retain high-potential talent who are the holders of scarce skills. Arrangements are subject to individual performance and time-based conditions to ensure an appropriate return on the remuneration investment.	Aligning employees to shareholder interests through incentivising performance in line with strategic goals and long-term shareholder value.	Create a differentiated EVP and work experience to increase the engagement and retention of existing employees and position Blue Label as an employer of choice within an increasingly competitive landscape, focusing on employee experience.
Eligibility	All.	Specific roles within sales and operations.	All.	• Critical and scarce skills. • High-performing employees with high-potential and critical skills.	Executives and management.	All.

REMUNERATION REPORT CONTINUED

	GUARANTEED	VARIABLE			NON-FINANCIAL	
	Fixed annual remuneration	Sales commissions	Short-term incentive plan	Short-term variable remuneration	Long-term incentive plan	Employee Value Proposition
2025 approach	The Committee recommended up to 6% increases for 2025 (2024: 7%). Increases awarded on exception to retain critical skills and high-performing talent.	As defined by the operational plan and budget.	Schemes with varying components linked to: • individual performance; • divisional performance (where applicable); and • Blue Label performance. Gatekeeper conditions are in place. Individual metrics are limited to five KPIs and must be verifiable and challenging. The following financial measures will be applied in determining the STIP for Blue Label head office and Executive Directors: • normalised EBITDA; and • core HEPS. The following financial measure will be applied in determining the STIP at divisional levels: • divisional NPAT; and • Blue Label normalised EBITDA and core HEPS. Further details on targets can be found in the remuneration policy.	Cash-based sign-on awards and retention bonuses are assessed on a case-by-case basis in line with policy.	Conditional shares are offered under the 2024 CSP plan. The following metrics apply: • core HEPS compounded cumulatively over three years; • return on capital employed; • strategy-focused balanced scorecard measure which is linked to the execution of critical strategic milestones; • ESG performance scorecard; and • individual KPIs.	Individualised employee engagement, development and growth.

REMUNERATION REPORT CONTINUED

Fixed annual remuneration

FAR is a critical component in attracting and retaining top talent, considering factors such as skills, experience, potential, and value contribution. The components of guaranteed fixed remuneration include:

- cash salary;
- medical aid benefits;
- allowances; and
- disability and death benefits.

To ensure we offer competitive remuneration, we utilise industry- and country-relevant benchmarks provided by Korn Ferry. Fair and competitive compensation is essential to maintaining our position as an employer of choice.

Annual salary review process

Blue Label's annual salary review process allows management to recognise performance and adjust salaries in line with market trends and organisational affordability. Performance-based salary increases are implemented each June. We aim to differentiate between non-performance, average performance, and exceptional performance. For 2025, the Committee has mandated salary increases of up to 6%. However, higher increases may be awarded in exceptional cases to retain critical skills, high-performing talent, or when a role has expanded in scope and responsibility.

Short-term incentive plan

Our STIP rewards the achievement of key short-term objectives, combining both financial and non-financial metrics. In addition to financial performance, the STIP encourages self-development, developing others, and contributing to the economic development of the communities we serve. Reflecting our entrepreneurial spirit, targets are challenging and align individual KPIs with divisional and overall Blue Label performance, as well as shareholder interests.

We have also introduced special-purpose short-term variable remuneration arrangements designed to attract and retain high-potential talent with scarce skills, offering managers greater flexibility in exceptional cases.

For 2025, the focus for Executive Directors will remain on achieving performance that surpasses targets:

- Individual goals will account for 20% of the STI. The key objectives for Executive Directors in 2025 are:
 - overall performance of Blue Label;
 - meeting facility targets with the banks;
 - achieving black economic empowerment (BEE) targets;
 - strengthening risk management and Compliance;
 - enhancing customer relationships and retention
- Blue Label's financial performance will account for the remaining 80% of the STIP:
 - Normalised EBITDA; and
 - Core HEPS.

The thresholds and maximum payouts for Executive Directors are structured as follows:

- For the CEOs, the threshold is set at 80% of FAR, with a target payout at 100% of FAR, and a maximum payout of 150% of FAR.
- For the Financial Director (FD), the threshold is set at 50% of FAR, with a target payout at 70% of FAR, and a maximum payout of 100% of FAR.

REMUNERATION REPORT CONTINUED

Executive Directors' STIP metrics for 2025*

Metrics		Threshold	Target	Stretch*
KPIs (20%)	Individual**	Pro rata of target	Specific	No stretch
	Payout % of FAR	16% – CEOs 10% – FD	20% – CEOs 14% – FD	20% – CEOs 14% – FD
Normalised EBITDA (40%)	Group	20% under performance of 2025 business plan	2025 business plan	20% over performance of 2025 business plan
	Payout % of FAR	32% – CEOs 20% – FD	40% – CEOs 28% – FD	65% – CEOs 43% – FD
Core HEPS (40%)	Group	20% under performance of 2025 business plan	2025 business plan	20% over performance of 2025 business plan
	Payout % of FAR	32% – CEOs 20% – FD	40% – CEOs 28% – FD	65% – CEOs 43% – FD

The bonus is calculated per metric. The value awarded to financial metrics will be a weighted average of scores attained versus target and pro-rated applying linear interpolation.

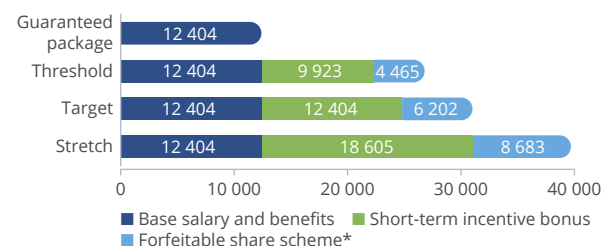
* Performance in excess of target will not automatically result in paying a bonus in excess of target, and the final award outcome is subject to the Committee's discretion, further subject to the applicable capping at stretch performance.

** The maximum award of individual KPIs is at target. Linear interpolation applies between threshold and target performance. Specific targets for each of the objectives listed above are agreed with executives in line with the goals listed above.

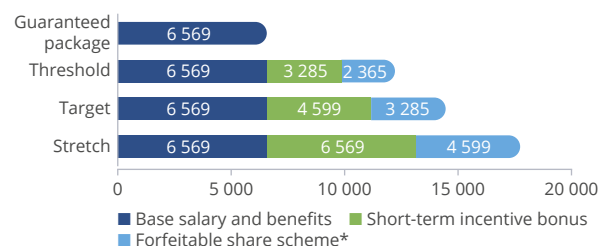
The Committee will be guided by prevailing economic conditions and will conduct an annual review of the performance targets, ensuring that the most relevant metrics are selected each year.

Executive Directors' composition of 2025 total remuneration

Joint CEOs R'000



Financial Director R'000



* Conditional share plan vesting in August 2027.

REMUNERATION REPORT CONTINUED

Long-term incentive plan

Blue Label's LTIP aligns employee incentives with shareholder interests by rewarding performance that supports the Company's strategic objectives and fosters long-term shareholder value creation. Additionally, the CSP aims to retain employees with scarce or critical skills. The Committee, through consultations with shareholders and guidance from market benchmark reviews conducted by external consultants, has established criteria for the CSP to ensure that the interests of all stakeholders are appropriately addressed.

These criteria may be reviewed and adjusted in the future following further shareholder engagement. LTIP awards are granted annually after the completion of our performance and pay reviews and are subject to the necessary governance and approval processes. All awards vest over a three-year period from the date of grant.

Employees on a performance improvement plan are ineligible for participation.

ASPECT	DESCRIPTION
Nature	Blue Label's LTIP is operated as a conditional share plan. The 2024 CSP will be used going forward. The 2024 CSP terms are therefore set out below.
Eligibility	Eligibility based on: • senior leadership; • talent key to driving business strategy; • retention of talent with high-potential and/or critical skills; and • transformation objective.
Allocation methodology	Allocation awards for Executive Directors are currently as follows: • 50% of FAR for the CEOs achieving target, with a threshold of 36% of FAR and a maximum of 70% of FAR; and • 50% of FAR for the FD achieving target, with a threshold of 36% of FAR and a maximum of 70% of FAR. Allocation awards for management are currently as follows: • 25% of FAR for management achieving target, with a threshold of 18% of FAR and a maximum of 35% of FAR.
Performance conditions	Refer to the table that follows for 2025 performance metrics, weightings and associated targets. • 60% of LTI award is measured on financial criteria; • 20% of LTI award is measured on strategic criteria; and • 20% of LTI award is measured on non-financial criteria.
Performance period	Three years.
Vesting period and profile	Three years from the date of the award. Cliff vesting applies.
Plan limits	Under the 2024 CSP, there are no plan limits as all awards will be settled with shares purchased off the market. Therefore, the scheme is not dilutive.
Termination of employment	Bad leavers: In cases of resignation or dismissal prior to vesting, all unvested awards are forfeited. Good leavers: In cases of retrenchment, death, ill health, disability of any other reason, a portion of unvested awards, or such greater portion as the Board may determine in its absolute discretion, shall vest and be settled upon the date of termination of employment, pro-rated for time served between the award date and the date of termination, as well as for the extent to which performance has been achieved over the relevant period. Retirement: Participants shall be entitled to the same rights and be subject to the same conditions as if they had continued to be an employee, unless the Board/Committee decides otherwise.

REMUNERATION REPORT CONTINUED

Group LTIP metrics for 2025 *

Metrics		Threshold	Target	Stretch
Core HEPS (30%) (compounded cumulatively over three years)	Group	CPI	CPI + 2%	CPI + 4%
	Vesting %	21.6%	30%	45%
ROCE (30%) (compared to WACC over the three-year period not compounded)**	Group	ROCE greater than or equal to WACC over three years	ROCE greater than or equal to WACC + 1% over three years	ROCE greater than or equal to WACC + 2% over three years
	Vesting %	21.6%	30%	45%
Strategy-focused balanced scorecard (20%)	Group	Linked to strategic milestones	Linked to strategic milestones	Linked to strategic milestones
	Vesting %	14.4%	20%	30%
ESG (10%) (specific ESG metrics***)	Group	Pro rata of target	Specific	No stretch
	Vesting %	7.2%	10%	10%
Individual KPIs (10%)***	Group	Pro rata of target	Specific	No stretch
	Vesting %	7.2%	10%	10%

* The Committee may review metrics and targets post-2025 for new awards to ensure they are relevant. The LTIP is calculated per metric. The value awarded to financial metrics will be a weighted average of scores attained versus target. All metrics will be assessed and vest on a pro rata basis applying linear interpolation basis (ESG and individual KPIs cannot vest above target).

** ROCE is calculated using the following formula:

$$\text{ROCE} = \frac{\text{Net operating profit (EBIT)}}{\text{Capital employed}}$$
 Capital employed = total assets – current liabilities (excluding interest-bearing borrowings). The Committee will review any prior year impairments to assess if adverse outcomes have occurred, and if so, make the necessary adjustments to the capital employed number such that the average performance is a more accurate indication to shareholders over the measurement period.

*** ESG and individual KPIs cannot vest above target, as indicated by the vesting percentages in the table above.

As noted in section 1, Blue Label continues to engage with REMchannel and PwC to review its remuneration policy and variable remuneration practices. In the coming year we will continue with the formal analysis to assess the participants of the long-term incentive plan. This analysis will determine which participants should remain on the equity-settled long-term incentive plan (conditional share plan) and which should transition to a similar cash-settled structure.

Malus and clawback provision

The malus and clawback provisions prevent excessive risk-taking by discouraging executives from misrepresenting Company earnings to inflate variable pay. This provision applies to both vested and unvested “at-risk” remuneration, covering STIP and LTIP awards made from June 2019 and September 2019 onward, respectively. It can be enforced up to 10 years after a trigger event and is applicable to the financial year ended 31 May 2020, and each financial year thereafter.

The Board, based on the Committee’s recommendation, may adjust (malus) unvested awards or recover (clawback) vested “at-risk” remuneration if it is determined that an employee has materially contributed to, or is responsible for, the need to restate financial results. This provision does not apply if the restatement is due to changes in accounting standards or interpretations approved by Blue Label’s auditors.

The CEOs or Company Secretary must notify the Committee and Board Chairpersons of any potential ‘trigger’ events under this policy as soon as practical. If the CEOs or Company Secretary are involved in the event, the Head of Group Risk and Compliance will notify the Chairpersons.

Before recommending to the Board any action under the malus and clawback provisions, the Committee will:

- review the situation to assess the impact of the misstatement;
- determine the employee’s involvement and level of responsibility regarding the trigger; and
- notify the employee in writing of the intended actions, allowing them fifteen working days to respond.

Having completed an investigation and following due process, the Board, on advice from the Committee, may decide to clawback, cancel or adjust any vested or unvested STIP or LTIP awards, where they are not satisfied that an award is appropriate or warranted due to exceptional circumstances.

REMUNERATION REPORT CONTINUED

Minimum shareholding requirements for Executive Directors

To align the interests of Executive Directors with shareholders and promote long-term commitment, Executive Directors must accumulate a prescribed minimum shareholding within five years from September 2019. Joint CEOs are required to accumulate shares equivalent to two times their fixed annual remuneration, while the FD must accumulate shares equivalent to one times his fixed annual remuneration.

Our joint CEOs own a significant shareholding in Blue Label, and we will continue to review this.

Executive Directors' service contracts

The service contracts for the following Executive Directors will expire on 4 November 2025 and are subject to renegotiation. Should the Joint CEOs' employment be terminated for whatever reason, a restraint clause will apply. There are no contractual termination benefits, including restraint of trade payments, for the Executive Directors:

- BM Levy
- MS Levy
- DA Suntup

Termination arrangements

Conditions of employment are comparable to those companies in our sector. In ordinary practice, no special or extraordinary conditions are applicable to senior executives. Exceptions may exist because of acquisitions and these must be reviewed and signed off by the Board and Remco.

There are currently no agreements in place that provide for ex gratia or other lump sum payments to executives on severance or retirement. Termination arrangements paid to Executive Directors or prescribed officers under a mutual separation arrangement will be considered and approved by the Remuneration Committee on a case by case basis. These decisions will be made in line with the Company's remuneration policy, considering the circumstances of each case and ensuring fairness and compliance with best governance practices.

Treatment of any unpaid bonus or unvested LTIP awards, will be dealt with in accordance with the Company's remuneration policy and applicable plan rules and will in all instances be subject to Group Remco and Board oversight and approval.

Non-Executive Director remuneration

The fees for the Group Chairman and Non-Executive Directors reflect their specific responsibilities, including membership on the Board and, where applicable, relevant Committees. Non-Executive Directors do not receive performance-related remuneration or employee benefits. For 2024, a 7% increase in NED fees was approved at the 2023 AGM. A 6% increase for 2025 will be proposed at the November AGM for approval by shareholders.

Non-binding advisory vote

Shareholders are requested to cast a non-binding advisory vote on the remuneration policy contained in section 2 of this report during the AGM.

SECTION 3

Implementation report

Short-term incentive bonus

Executive Directors

The performance metrics and weightings for Executive Directors, relating to the STIP for the year ended 31 May 2024, were 20% for individual goals and 80% for financial targets, of which 40% related to normalised EBITDA and 40% to core HEPS, both of which were based on the achievement of the 2024 business plan.

For the joint CEOs, achievement of threshold is calculated at 80% of FAR, target at 100% of FAR and a maximum payout at 150% of FAR. For the Financial Director, achievement of threshold is calculated at 50% of FAR, target at 70% of FAR and a maximum payout at 100% of FAR.

Individual goals (KPIs) – 20%

The individual goals set for the Executive Directors related to Blue Label's overall performance, facility targets with lenders, including debt to equity covenant ratios, succession planning and BEE targets.

Regarding Blue Label's overall performance, the decline in earnings compared to the 2024 business plan was primarily due to the extended working capital support provided to Cell C by both The Prepaid Company and CEC, which exceeded the levels anticipated in the business plan. This resulted in a larger-than-expected reduction in Blue Label's profits, driven by the cessation of certain rebates, a reduction in discounts from Cell C, and additional finance costs incurred.

All conditions and repayments pertaining to the banking facilities entered into with the banking consortium, post the recapitalisation of Cell C, have been met and no defaults have occurred.

Furthermore, in December 2023, CEC concluded a new working capital facility arrangement with African Bank Limited for an amount of up to R1.9 billion.

As part of the recapitalisation transaction of Cell C, and to further assist with their working capital requirements, The Prepaid Company purchased R1.2 billion of additional prepaid airtime through four quarterly payments of R300 million each. Instead of securing additional short-term working capital facilities with the banking consortium to fund these requirements for Cell C, management, through CEC, sold a portion of its handset receivable book to financial institutions. This approach allowed the company to fulfil its commitment at a lower cost of funding.

A succession planning strategy was implemented whereby critical positions within the organisation were identified and action plans were developed to enable key individuals to assume those positions, if required, across all subsidiaries and occupational levels.

Blue Label maintained a B-BBEE scorecard compliant level 4.

REMUNERATION REPORT CONTINUED

Financial targets – 80%

The financial metrics for the financial year ended 31 May 2024 were normalised EBITDA and core HEPS.

The target short-term incentive bonus payout percentage for the financial year ended 31 May 2024 was linked to the 2024 business plan for achieving specific financial metrics. Normalised EBITDA and core HEPS on-target performance were aligned with the 2024 business plan, with threshold and stretch performance set at 20% below and above the 2024 business plan, respectively.

As is consistent with the prior year, the measurement of normalised EBITDA and core HEPS in Blue Label's 2024 short-term incentive performance scorecard have been adjusted to consider the IFRS impact of the Cell C recapitalisation event, including the sale of a portion of the handset receivable book by CEC, and the learnership programmes.

The group did not meet the threshold performance set for core HEPS. The performance for normalised EBITDA was between threshold and target.

The performance metrics for Executive Directors, relating to the STIP for the year ended 31 May 2024, is illustrated in the table:

Executive Directors' STIP metrics[#]

Metrics		Threshold	Target	Stretch*	Actual performance and pro rata payout % achieved
KPIs (20%)	Individual **	Pro rata of target	Specific	No stretch	All targets relating to individual performance were achieved
	Payout % of FAR	16% – CEOs 10% – FD	20% – CEOs 14% – FD	20% – CEOs 14% – FD	20% – CEOs 14% – FD
Normalised EBITDA (40%)	Group	20% under performance against 2024 business plan	2024 business plan	20% over performance against 2024 business plan	Fell short by less than 20% against 2024 business plan
	Payout % of FAR	32% – CEOs 20% – FD	40% – CEOs 28% – FD	65% – CEOs 43% – FD	37% – CEOs 25% – FD
Core HEPS (40%)	Group	20% under performance against 2024 business plan	2024 business plan	20% over performance against 2024 business plan	Fell short by greater than 20% against 2024 business plan
	Payout % of FAR	32% – CEOs 20% – FD	40% – CEOs 28% – FD	65% – CEOs 43% – FD	0% – CEOs 0% – FD
Total payout % of FAR		80% – CEOs 50% – FD	100% – CEOs 70% – FD	150% – CEOs 100% – FD	57% – CEOs 39% – FD

[#] The bonus is calculated per metric. The value awarded to financial metrics was a weighted average of scores attained versus target and pro-rated applying linear interpolation.

* Performance in excess of target will not automatically result in paying a bonus in excess of target, and the final award outcome is subject to the Committee's discretion, further subject to the applicable capping at stretch performance.

** The maximum award of individual KPIs is at target. Linear interpolation applies between threshold and target performance.

With reference to the above, the total payout percentage of FAR equated to 57% for the Joint CEOs and 39% for the Financial Director.

The bonuses awarded to the three Executive Directors, amounted to R15.704 million, of which R6.649 million was payable to each joint CEO and R2.406 million to the Financial Director.

REMUNERATION REPORT CONTINUED

Prescribed officers

For prescribed officers, achievement of threshold is calculated at 25% of FAR, target at 50% of FAR and a maximum payout at 75% of FAR.

The performance metrics for JS Newman, relating to the STIP for the year ended 31 May 2024, were 40% for Individual goals and 60% for financial targets, of which 30% related to normalised EBITDA and 30% to core HEPS, both of which were based on the achievement of the 2024 business plan.

This is illustrated in the table that follows:

Group prescribed officer STIP metrics[#]

Metrics		Threshold	Target	Stretch*	Actual performance and pro rata payout % achieved
KPIs (40%)	Individual **	Pro rata of target	Specific	No stretch	All targets relating to individual performance were achieved
	Payout % of FAR	10%	20%	20%	20%
Normalised EBITDA (30%)	Group	20% under performance against 2024 business plan	2024 business plan	20% over performance against 2024 business plan	Fell short by less than 20% against 2024 business plan
	Payout % of FAR	7.50%	15%	27.50%	12%
Core HEPS (30%)	Group	20% under performance against 2024 business plan	2024 business plan	20% over performance against 2024 business plan	Fell short by greater than 20% against 2024 business plan
	Payout % of FAR	7.50%	15%	27.50%	0%
Total payout % of FAR		25%	50%	75%	32%

[#] The bonus is calculated per metric. The value awarded to financial metrics was a weighted average of scores attained versus target and pro-rated applying linear interpolation.

* Remco discretion to be applied for performance above target.

** The maximum vesting of individual KPIs is at target. Linear interpolation applies between threshold and target performance.

With reference to the above, the total payout percentage of FAR equated to 32% for JS Newman. The bonus awarded amounted to R1.656 million.

The performance metrics for GB Levin, relating to the STIP for the year ended 31 May 2024, were 20% for Individual goals and 80% for financial targets, of which 60% was linked to divisional financial targets and 20% to Blue Label financial targets. Of the 20% Blue Label financial targets, 10% related to normalised EBITDA and 10% to core HEPS, both of which were based on the achievement of the 2024 business plan. GB Levin was eligible for a bonus of 14%, but the Remuneration Committee exercised discretion to award a bonus of 16.67%, totalling R886 321.

REMUNERATION REPORT CONTINUED

LONG-TERM INCENTIVE PLAN

The long-term incentive plan related to the allocation of shares in 2021, which vested on 30 August 2024. The financial measurement was for the period 1 June 2021 to 31 May 2024 with the following vesting outcomes:

Performance metric	Threshold 72%	Actual performance	Weighting	Amount paid to			
				BM Levy R'000	MS Levy R'000	DA Suntup R'000	GB Levin R'000
Long-term incentive plan (2021 Conditional share plan vested 30 August 2024)*							
Environmental, social and governance and individual performance measures (100%)	Specific ESGs** and KPIs#	Threshold	72.00%	3 037	3 037	1 609	2 326
Total vesting related to performance conditions			72.00%	3 037	3 037	1 609	2 326

* None of the financial metrics (HEPS and ROCE) met target performance, as a result, following the communication in the 2023 remuneration report, the awards were assessed based on threshold performance of ESG and KPI measures only.

Refer to page 115 for executive key performance measures.

** The ESG metrics according to which performance was measured in terms of the LTI (over three years – 2022, 2023 and 2024 are set out below:

ESG metrics	Description	Performance outcomes achieved by management
Transformation and leadership development	Promote the development and advancement of under-represented groups	15% of candidates nominated for leadership development were equity candidates - Promoted two equity employees to senior management and two female employees to top management
Enterprise and socio-economic development	Participate in identified social and ethics initiatives	- Enabled Masibabane College in Orange farm to transition to a STEM-enabled school (assisted the school with support to during load shedding and online education) - Provided solar units to 100 merchant stores to operate during load shedding - Invested in a sustainable clean water project, to assist identified KZN communities with clean, running water
B-BBEE scorecard	Improve B-BBEE scorecard level	- Improved three levels in 2022 to Level 4, exceeding the target by one level - Resulted in savings of R8 million for the Company in 2023 and R19.3 million in 2024
Management control (element of B-BBEE scorecard)	Support three-year equity plan	- Supported employment equity by appointing an African female to the Company's Board (improvement of four points in 2023) - Disabled learnerships were introduced
Compliance and risk management	Improve compliance and risk management in line with the Company framework	Senior compliance officer was appointed to strengthen the Company's risk and compliance strategy
Social economic development investment	Support socio-economic development in communities	- Registered learners in in SETA-accredited training programmes through the BluTrain initiative in 2023 - Invested 1.5% of Company's net profit after tax in the SED project (through the Trust Blu Foundation) during 2023
Job creation	Create employment opportunities	Started the U-Belong initiative to support job creation and employed 170 learners through the Trust Blu Foundation in 2024

REMUNERATION REPORT CONTINUED

The long-term incentive plan related to the allocation of shares in 2020, which vested on 31 August 2023. The financial measurement was for the period 1 June 2020 to 31 May 2023 with the following vesting outcomes:

Performance metric	Threshold 72%	Target 100%	Stretch 140%	Actual performance	Amount paid to*				
					Weighting	BM Levy R'000	MS Levy R'000	DA Suntup R'000	GB Levin R'000
Long-term incentive plan (2020 Conditional share plan vested 31 August 2023)									
Growth in core HEPS (30%)	CPI + 5%	CPI + 10%	CPI + 15%	Above threshold	27.99%	1 405	1 405	744	303
Shareholder returns (30%)	JSE Capped All share Index	JSE Capped All Share Index Return + CPI + 5%	JSE Capped All Share Index Return + CPI + 15%	Above target	36.86%	1 849	1 849	979	399
Return on capital employed (20%)	Greater than or equal to WACC	Greater than or equal to WACC + 2.5%	Greater than or equal to WACC + 5%	Above target	24.29%	1 219	1 219	646	263
Environmental, social and governance (20%)	Specific ESGs	Specific ESGs	Specific ESGs	Target	20.00%	1 004	1 004	532	217
Total vesting related to performance conditions included in 2024 total single figure of remuneration					109.14%	5 477	5 477	2 901	1 182

* JS Newman, a prescribed officer, was employed in September 2021 after the award date and as such did not participate in the 2020 Conditional share plan.

The growth in core headline earnings per share over the three-year period fell short of the target, resulting in a vesting percentage of 27.99% out of the total target vesting percentage of 30% for the Executive Directors and senior management of both the head office and subsidiary companies.

BLT's share price, calculated using a 20-day VWAP for the years ended 31 May 2023 and 31 May 2020, was R3.86 and R2.35 respectively. This resulted in a TSR of 64% over the three-year period, compared to a growth of 48% in the JSE Capped All Share Index during the same period. The TSR, over the three-year period, was therefore achieved at a stretch level on a pro rata basis, resulting in a vesting percentage of 36.86%.

The average weighted ROCE over the three-year performance period was 18.78%, surpassing BLT's on-target WACC + 2.5% over three years of 17.44%. The ROCE metrics for the three-year period were attained at the stretch level, leading to a pro rata vesting percentage of 24.29%.

In the above calculation, Blue Label has excluded the financial impact of the recapitalisation transaction of Cell C. Consequently, this calculation reflects the ROCE for the BLT Group, with Cell C excluded.

Management achieved on-target performance for the ESG targets set for the performance period.

REMUNERATION REPORT CONTINUED

Tables of single total figure of remuneration for 2024

The single total figure of remuneration disclosure is based on the IoDSA and SARA application guidance issued in November 2017 on remuneration disclosure in accordance with King IV and presents the remuneration for the Executive Directors and prescribed officers of Blue Label. The comparative information has been presented in a manner consistent with the current year's presentation.

Executive Directors and prescribed officers' remuneration for the year ended 31 May 2024	Explanatory notes	BM Levy R'000	MS Levy R'000	DA Suntup R'000	GB Levin R'000	JS Newman* R'000	Total R'000
Fixed remuneration		11 701	11 701	6 198	5 318	5 172	40 090
Other benefits		—	—	36	240	—	276
2024 short-term incentive bonus	1	6 649	6 649	2 406	886	1 656	18 246
2021 conditional share plan	2	2 488	2 488	1 318	1 905	550	8 749
Single total figure of remuneration		20 838	20 838	9 958	8 349	7 378	67 361

1. Based on the performance for the period ended 31 May 2024 to be paid in the following financial year.
2. Calculated using a share price of R4.30 as at 31 May 2024, vesting at 72% as a result of outcomes over the three-year performance period ended 31 May 2024, to be settled in the following financial year. No dividends were applicable to the 2021 conditional share plan.

* Resigned 26 August 2024

Compliance with policy

The Remuneration and Nomination Committee is satisfied that the remuneration and reward policy has been complied with for the year under review in so far as executive management is concerned.

Termination of office

No payments were made on termination of employment to any members of executive management during the financial year ended 31 May 2024.

Executive Directors and prescribed officers' remuneration for the year ended 31 May 2023	Explanatory notes	BM Levy R'000	MS Levy R'000	DA Suntup R'000	GB Levin R'000	JS Newman* R'000	Total R'000
Fixed remuneration		10 936	10 936	5 792	4 970	4 833	37 467
Other benefits		—	—	—	206	—	206
2023 short-term incentive bonus	1	10 396	10 936	4 054	—	2 417	28 343
2020 conditional share plan	2	6 008	6 008	3 182	1 296	—	16 494
Single total figure of remuneration		27 880	27 880	13 028	6 472	7 250	82 510

1. Based on the performance for the period ended 31 May 2023, to be paid in the following financial year.
2. Calculated using a share price of R3.62 as at 31 May 2023, vesting at 109.14% as a result of outcomes over the three-year performance period ended 31 May 2023, to be settled in the following financial year. No dividends were applicable to the 2020 conditional share plan.

REMUNERATION REPORT CONTINUED

Forfeitable share scheme – granted and unvested instruments

	Issue date	Issue price R	Vesting date	Awards outstanding as at the beginning of the year	Number of shares awarded during the year ⁽¹⁾	Awards forfeited during the year	Awards vested during the year	Balance as at the end of the year	Fair value at vesting date R'000	Fair value at 31 May 2024 ⁽²⁾ R'000
FORFEITABLE SHARE SCHEME										
For the year ended 31 May 2024										
Executive Directors										
BM Levy	1 September 2020	3.20	31 August 2023	1 520 776	138 999	—	(1 659 775)	—	5 477	—
BM Levy	6 April 2022	6.42	30 August 2024	803 501	—	—	—	803 501	—	3 455
BM Levy	1 September 2022	6.25	29 August 2025	874 878	—	—	—	874 878	—	3 762
BM Levy	23 October 2023	3.22	31 August 2026	—	1 817 001	—	—	1 817 001	—	7 813
				3 199 155	1 956 000	—	(1 659 775)	3 495 380	5 477	15 030
MS Levy	1 September 2020	3.20	31 August 2023	1 520 776	138 999	—	(1 659 775)	—	5 477	—
MS Levy	6 April 2022	6.42	30 August 2024	803 501	—	—	—	803 501	—	3 455
MS Levy	1 September 2022	6.25	29 August 2025	874 878	—	—	—	874 878	—	3 762
MS Levy	23 October 2023	3.22	31 August 2026	—	1 817 001	—	—	1 817 001	—	7 813
				3 199 155	1 956 000	—	(1 659 775)	3 495 380	5 477	15 030
DA Suntup	1 September 2020	3.20	31 August 2023	805 462	73 619	—	(879 081)	—	2 901	—
DA Suntup	6 April 2022	6.42	30 August 2024	425 565	—	—	—	425 565	—	1 830
DA Suntup	1 September 2022	6.25	29 August 2025	463 369	—	—	—	463 369	—	1 992
DA Suntup	23 October 2023	3.22	31 August 2026	—	962 354	—	—	962 354	—	4 138
				1 694 396	1 035 973	—	(879 081)	1 851 288	2 901	7 961
Prescribed officers										
GB Levin	1 September 2020	3.20	31 August 2023	328 125	29 991	—	(358 116)	—	1 182	—
GB Levin	6 April 2022	6.42	30 August 2024	615 300	—	—	—	615 300	—	2 646
GB Levin	1 September 2022	6.25	29 August 2025	198 801	—	—	—	198 801	—	855
GB Levin	23 October 2023	3.22	31 August 2026	—	412 882	—	—	412 882	—	1 775
				1 142 226	442 873	—	(358 116)	1 226 983	1 182	5 276
JS Newman ³	6 April 2022	6.42	30 August 2024	177 570	—	—	—	177 570	—	764
JS Newman ³	1 September 2022	6.25	29 August 2025	193 344	—	—	—	193 344	—	831
JS Newman ³	23 October 2023	3.22	31 August 2026	—	401 549	—	—	401 549	—	1 727
				370 914	401 549	—	—	772 463	—	3 322

REMUNERATION REPORT CONTINUED

	Issue date	Issue price R	Vesting date	Awards outstanding as at the beginning of the year	Number of shares awarded during the year ⁽¹⁾	Awards forfeited during the year	Awards vested during the year	Balance as at the end of the year	Fair value at vesting date R'000	Fair value at 31 May 2023 ⁽²⁾ R'000
FORFEITABLE SHARE SCHEME PER DIRECTOR										
For the year ended 31 May 2023										
BM Levy	18 November 2019	2.55	31 August 2022	1 908 425	258 210	—	(2 166 635)	—	14 083	—
BM Levy	01 September 2020	3.20	31 August 2023	1 520 776	—	—	—	1 520 776	—	5 505
BM Levy	06 April 2022	6.42	30 August 2024	803 501	—	—	—	803 501	—	2 909
BM Levy	01 September 2022	6.25	29 August 2025	—	874 878	—	—	874 878	—	3 167
				4 232 702	1 133 088	—	(2 166 635)	3 199 155	14 083	11 581
MS Levy	18 November 2019	2.55	31 August 2022	1 908 425	258 210	—	(2 166 635)	—	14 083	—
MS Levy	01 September 2020	3.20	31 August 2023	1 520 776	—	—	—	1 520 776	—	5 505
MS Levy	06 April 2022	6.42	30 August 2024	803 501	—	—	—	803 501	—	2 909
MS Levy	01 September 2022	6.25	29 August 2025	—	874 878	—	—	874 878	—	3 167
				4 232 702	1 133 088	—	(2 166 635)	3 199 155	14 083	11 581
DA Suntup	18 November 2019	2.55	31 August 2022	1 010 776	136 758	—	(1 147 534)	—	7 459	—
DA Suntup	01 September 2020	3.20	31 August 2023	805 462	—	—	—	805 462	—	2 916
DA Suntup	06 April 2022	6.42	30 August 2024	425 565	—	—	—	425 565	—	1 541
DA Suntup	01 September 2022	6.25	29 August 2025	—	463 369	—	—	463 369	—	1 677
				2 241 803	600 127	—	(1 147 534)	1 694 396	7 459	6 134
Prescribed officers										
GB Levin	18 November 2019	2.55	31 August 2022	318 400	43 080	—	(361 480)	—	2 350	—
GB Levin	01 September 2020	3.20	31 August 2023	328 125	—	—	—	328 125	—	1 188
GB Levin	06 April 2022	6.42	30 August 2024	615 300	—	—	—	615 300	—	2 227
GB Levin	01 September 2022	6.25	29 August 2025	—	198 801	—	—	198 801	—	720
				1 261 825	241 881	—	(361 480)	1 142 226	2 350	4 135
JS Newman ³	06 April 2022	6.42	30 August 2024	177 570	—	—	—	177 570	—	643
JS Newman ³	01 September 2022	6.25	29 August 2025	—	193 344	—	—	193 344	—	700
				177 570	193 344	—	—	370 914	—	1 343

¹ Additional November 2019 awards resulting from outperformance targets pertaining to the performance period ended 31 May 2022, and additional September 2020 awards resulting from outperformance of targets pertaining to the performance period ended 31 May 2023.

² The estimated fair value for the CSPs was determined based on the number of shares initially awarded based on the spot rate of R3.62 and R4.30 for 2023 and 2024, respectively. It does not take into account the outcome of performance criteria.

³ Resigned 26 August 2024.

REMUNERATION REPORT CONTINUED

Non-Executive remuneration

	2024 R'000	2023 R'000
Non-Executive Directors		
LM Nestadt	2 486	2 323
KM Ellerin*	—	720
GD Harlow**	—	722
H Masondo***	507	—
NP Mnxasana	835	760
JS Mthimunya	1 358	1 274
LE Mthimunya****	1 212	632
SJ Vilakazi	1 223	1 102
PL Zim*****	—	514
	7 621	8 047

* Resigned 5 June 2023.

** Resigned 19 October 2022.

*** Appointed 1 August 2023.

**** Appointed 1 November 2022.

***** Resigned 22 February 2023.

The proposed fees payable to Non-Executive Directors are set out below:

	Current fee fee 2024 R	Proposed fee 2025* R
Services as Directors		
– Chairman of the Board (per annum)	2 296 446	2 434 232
– Board members (per annum)	506 569	536 963
Audit, Risk and Compliance Committee		
– Chairman (per annum)	459 289	486 846
– Member (per annum)	283 678	300 699
Remuneration and Nomination Committee		
– Chairman Remuneration (per annum)	270 170	286 380
– Chairman Nomination (per annum)	189 119	200 466
– Member (per annum)	162 102	171 828
Investment Committee		
– Chairman (per annum)	270 170	286 380
– Member (per annum)	162 102	171 828
Transformation, Social and Ethics Committee		
– Chairman (per annum)	162 102	171 828
– Member (per annum)	101 314	107 393
Ad hoc Committee		
– Chairman (per meeting)	60 789	64 436
– Member (per meeting)	36 472	38 660

* A 6% increase for 2025 will be proposed at the November AGM for approval by shareholders.



SJ VILAKAZI

Chairman

30 September 2024

The background image is a composite. On the left, a man in a dark suit and red shirt is shown in profile, looking towards the right. Overlaid on the right side is a large, semi-transparent globe composed of a network of white dots connected by thin white lines. In the background, there is a blurred image of a financial market with a green line graph and a candlestick chart. The overall color palette is dominated by teal, orange, and white.

Shareholder information and administration

- 124 ESG Reporting Index
- 136 Notice of virtual Annual General Meeting
- 142 Form of proxy
- 143 Notes to the form of proxy
- 144 Glossary
- 147 Administration

ESG REPORTING INDEX

We have included a reporting index table based on the JSE Sustainability Disclosure Guidance indicating the materiality assessment of the sustainability topics. Where the relevant disclosure is available and has been provided, a reference to such disclosure has been noted for ease of reference.

Certain disclosures require a process of data collection and verification and will be disclosed in future years' reports.

The JSE/BLT legend indicates disclosures and metrics required by the JSE Sustainability Disclosure Guidance (JSE) and metrics that are used by the Group (BLT) that extend beyond the metrics and disclosures recommended by the JSE.

The C/L legend indicates whether metrics and disclosures are considered core or leadership metrics as defined in the JSE Sustainability Disclosure Guidance.

The material and relevant column indicates the Initial assessment of whether sustainability topics are considered material and relevant or not. Certain topics are still being analysed as to materiality and an annual review will be conducted to review and confirm the materiality assessments.

Category	Topic	Sub-topic	JSE/Blue Label	C/L	Metric	Material and relevant	Page number in the report	Section in the report
Governance	Board composition	Board diversity	JSE	C	Composition of the Board and its Committees by race, gender, age group (under 30, 30–50, over 50) and, where relevant, any under-represented social groups.	Yes	Pages 13 and 14	Board of Directors
		Board competence	JSE	C	Description of the specific skills, competencies, and experience on the Board to address the organisation's significant sustainability-related impacts, risks, and opportunities.	Yes	Pages 13 to 17	Board of Directors
		Board independence	JSE	C	Composition of the Board regarding: executive or non-executive; independence; tenure on the governance body; and number and nature of each individual's other significant positions and commitments.	Yes	Pages 13 to 17	Board of Directors
	Remuneration	Remuneration practices	JSE	C	How the remuneration policies for Board members and senior executives relate to their objectives and performance in relation to delivery of the organisation's strategy and management of its impacts on people, the environment and the economy, noting the split between fixed pay and variable pay, and with variable pay split into short and long-term incentives.	Yes	Pages 103 to 122	Remuneration report
	Ethical behaviour	Anti-corruption	JSE	C	Total percentage of governance body members, employees and business partners who have received training or awareness-raising on the organisation's anti-corruption policies and procedures, broken down by employee category and region.	Yes	Page 76 (excluding governance body members)	Effective and ethical leadership – maintaining high ethical standards
			JSE	C	Total number and nature of incidents of corruption confirmed during the current year, related to this year and previous years, with a description of the activities taken to address confirmed incidents, and of the outcomes of these activities.	Yes	Page 77	Effective and ethical leadership – ethical breaches

ESG REPORTING INDEX CONTINUED

Category	Topic	Sub-topic	JSE/Blue Label	C/L	Metric	Material and relevant	Page number in the report	Section in the report
Governance continued	Ethical behaviour continued		JSE	C	A description of: (i) the internal and external grievance mechanisms (including whistleblowing facilities) for reporting concerns about unethical or unlawful behaviour and lack of organisational integrity; (ii) mechanisms for seeking advice about ethical and lawful behaviour and organisational integrity; and (iii) the extent to which these various mechanisms have been used, and the outcomes of processes using these mechanisms.	Yes	Page 76	Effective and ethical leadership – maintaining high ethical standards
			JSE	L	Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, to combat corruption.	Yes	Will be disclosed in future reports	N/A
			JSE	C	Total monetary value of financial and in-kind political contributions made directly and indirectly by the organisation, by country and recipient/beneficiary.	Yes	Page 76	Effective and ethical leadership – maintaining high ethical standards
			JSE	C	Identify the significant issues that are the focus of the Company's participation in public policy development and lobbying, including within any business association that the Company is a member of; describe the Company's strategy relevant to these areas of focus, identifying any differences between its lobbying positions and its purpose, policies, goals and other public positions.	No	N/A	N/A
			JSE	C	Number and nature of significant environmental, social and/or governance-related incidents during the reporting period, including incidents of legal non-compliance (whether under investigation, pending finalisation, or finalised) and directives, compliance notices, warnings or investigations, and any public controversies.	Yes	Page 95	Compliance report
	Compliance and risk management	Incidents	JSE	C				

ESG REPORTING INDEX CONTINUED

Category	Topic	Sub-topic	JSE/Blue Label	C/L	Metric	Material and relevant	Page number in the report	Section in the report
Governance continued	Compliance and risk management continued	Fines and monetary loss	JSE	C	Total number and monetary value of fines, settlements, penalties, and other monetary loss suffered in relation to ESG incidents or breaches, including individual and total cost of the fines, settlements and penalties paid in relation to ESG incidents or breaches; and description of plans to address any incidents or breaches.	Yes	Page 95	Compliance report
		Tax paid and estimated tax gap	JSE	C	A description of the organisation's approach to tax, including: (i) whether the organisation has a tax strategy and, if so, a link to this strategy if publicly available; (ii) the governance body or executive-level position within the organisation that formally reviews and approves the tax strategy, and the frequency of this review; (iii) how its approach to tax is linked to the business and sustainability strategies of the organisation.	Yes	Page 95	Compliance report
	Tax transparency		JSE	C	For each tax jurisdiction: the total global tax borne by the Company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the Company, by category of taxes.	Yes	Page 95	Compliance report
			JSE	L	Extent of exposure to countries and jurisdictions recognised for their corporate tax rate, tax transparency and tax haven status; estimated tax gap (gap between estimated effective tax rate and estimated statutory tax rate).	No	N/A	N/A
		Diversity and inclusion	JSE	C	Percentage of employees per employee category by race, gender, age group (under 30, 30-50, over 50), and where relevant other diversity indicators.	Yes	Page 59	Social impact: human capital
	Labour standards		Blue Label		Total headcount	Yes	Page 62	Social impact: human capital – balancing a young workforce
Social			JSE	C	Number of allegations and confirmed incidents of discrimination and/or human rights incidents relating to workers incidents during the reporting period, noting the investigation status of reported and actual incidents, actions taken, and total amount of monetary losses due to legal proceedings associated with labour law violation, employment discrimination, and/or human rights violations.	Yes	Page 58	Social impact: human capital – human capital profile

ESG REPORTING INDEX CONTINUED

Category	Topic	Sub-topic	JSE/Blue Label	C/L	Metric	Material and relevant	Page number in the report	Section in the report
Social continued	Labour standards continued	B-BBEE	Blue Label		B-BBEE status level and diversity indicators	Yes	Page 58	Social impact: human capital – human capital profile
		Employee engagement survey	Blue Label		Scores on: • Job satisfaction • Meaningful job • Overall engagement • Happy at work • Feeling valued and safe • Significant work	Yes	Page 60	Social impact: human capital – human capital profile
		Pay equality	JSE	C	Ratio between the CEO's total annual remuneration and the median, lower quartile, and upper quartile of the total annual remuneration of all the organisation's employees (excluding the CEO).	Yes	Will be disclosed in future reports.	Remuneration report
			JSE	L	The ratio of the average annual remuneration of the top 10% of the organisation's top earners, and the average annual remuneration for the bottom 10% of the lowest earners in the organisation.	Yes	Will be disclosed in future reports.	Remuneration report
			JSE	C	The total annual remuneration of both the highest paid employee and the lowest paid employee; the average remuneration; and the median remuneration of all employees.	Yes	Will be disclosed in future reports.	N/A
			JSE	C	Ratio of the total annual remuneration of women to men, and by race group, for each employee category, by "significant locations of operation" (as defined by the organisation).	Yes	Will be disclosed in future reports.	N/A
		Wage level and living wage	JSE	C	When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the standard entry level wage by race and gender compared to the applicable legislated minimum wage for the sector.	Yes	Page 67	Social impact: human capital – wage level and living wage
			JSE	C	Ratio of lowest wage to living wage for employees and non-employee workers for each significant location of operation.	Yes	Will be disclosed in future reports.	N/A
			JSE	L	Percentage of employees and non-employee workers whose wages fall below a specific living wage methodology or benchmark.	Yes	Will be disclosed in future reports.	N/A

ESG REPORTING INDEX CONTINUED

Category	Topic	Sub-topic	JSE/Blue Label	C/L	Metric	Material and relevant	Page number in the report	Section in the report
Social continued	Labour standards continued	Freedom of association and collective bargaining	JSE	C	Describe how the organisation manages freedom of association and collective bargaining, noting any policy or policies considered likely to affect workers' decisions to form or join a trade union, to bargain collectively or to engage in trade union activities.	Yes	Page 76	Effective and ethical leadership – maintaining high ethical standards
			JSE	C	Percentage of total employees covered under collective bargaining agreements.	Yes	Page 76	Effective and ethical leadership – maintaining high ethical standards
			JSE	C	Disclose the extent of major work stoppages (including both strikes and lockouts) due to disputes between the undertaking and its workforce, including the number of major work stoppages, and for each: number of workers involved; length in days of stoppage, reasons, and steps taken to resolve each dispute.	Yes	Page 60	Social impact: human capital – employee engagement
			JSE	L	An explanation of the due diligence assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk including measures taken by the organisation to address these risks.	Yes	Page 69	Social impact: customer and supply chain responsibility – monitoring human rights
		Characteristics of employees and workers in workforce	JSE	C	Describe key characteristics of employees in own workforce, including: total number of all employees by country; permanent employees; temporary employees; non-guaranteed hours employees; full-time employees; and part-time employees – with breakdown by race and gender for each.	Yes	Page 58	Social impact: human capital – human capital profile
	Community development	Community human rights	JSE	C	Total number and percentage of operations that have been subject to a human rights due diligence process or impact assessments, by country.	No	N/A	N/A
			JSE	C	Nature of processes for engaging with affected communities and their representatives, and channels for affected community members to raise concerns.	No	N/A	N/A
			JSE	C	Number and type of grievances reported with associated impacts related to a salient human rights issue in the reporting period, and an explanation of the percentage of these that are remedied in agreement with those who expressed the grievance.	Yes	Page 75	Effective and ethical leadership – maintaining high ethical standards

ESG REPORTING INDEX CONTINUED

Category	Topic	Sub-topic	JSE/Blue Label	C/L	Metric	Material and relevant	Page number in the report	Section in the report
Social continued	Community development continued		JSE	L	Number and percentage of relevant sites (typically those involved in extracting, harvesting, or developing natural resources or energy) that implement a human rights and security approach consistent with the Voluntary Principles on Security and Human Rights.	No	N/A	N/A
			JSE	L	Number and percentage of sites at which the ownership, use of or access to land is contested, and an explanation of actions taken to address related social risks.	No	N/A	N/A
		Skills for the future	JSE	C	Describe the employee and external skills development programmes aimed at developing skills that increase the recipient's future mobility, career development, and/or income-earning potential.	Yes	Page 64	Social impact: human capital – focusing on building skills
		Employment and wealth creation	JSE	C	Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity, and region.	Yes	Pages 59 and 63	Social impact: human capital – recruitment
			JSE	C	Total number and rate of employee turnover (for permanent employees) during the reporting period, by age group, gender, other indicators of diversity, and region.	Yes	Pages 59 and 61	Social impact: human capital – how we performed
		Economic contribution	JSE	C	Direct economic value generated and distributed on an accrual basis, covering the basic components for the organisation's global operations, ideally split out by: (i) Revenue (ii) Operating costs (iii) Employee wages and benefits (iv) Payments to providers of capital (v) Payments to government (taxes, royalties, levies, etc.) (vi) Community investment (including charitable giving, impact investment and other social investment).	Yes	Page 49	Value added statement
			JSE	C	Description of significant identified indirect economic impacts of the organisation, including for example: number of jobs supported in supply or distribution chain; number of suppliers/enterprises supported from defined vulnerable groups; nature of economic development in areas of high poverty; availability of products and services for those on low incomes or previously disadvantaged; enhanced skills and knowledge in a professional community or geographic location.	Yes	Pages 71 to 72	Social impact: corporate social responsibility and community development
			JSE	C	Percentage of the procurement budget used for significant locations of operation that is spent on local suppliers, noting the organisation's definitions of "local" and for "significant locations of operation".	Yes	Page 71	Social impact: corporate social responsibility and community development

ESG REPORTING INDEX CONTINUED

Category	Topic	Sub-topic	JSE/Blue Label	C/L	Metric	Material and relevant	Page number in the report	Section in the report
Social continued	Community development continued		JSE	L	Description (quantitative and qualitative) of the extent of significant infrastructure investment and services supported.	No	N/A	N/A
			JSE	L	Total monetary value of financial assistance received by the organisation from any government during the reporting period.	No	N/A	N/A
	Health and safety	Workplace health and safety	JSE	C	Number and rate of fatalities as a result of a work-related injury or ill-health during the reporting period across the organisation; the disclosure should include both employees and workers who are not employees, but whose work and/or workplace is controlled by the organisation.	Yes	Page 67	Social impact: human capital – health and safety performance
			JSE	C	Number of recordable work-related injuries, and number of work-related illnesses or health conditions arising from exposure to work-related hazards during the reporting period; the disclosure should include both employees and workers who are not employees, but whose work and/or workplace is controlled by the organisation.	Yes	Page 67	Social impact: human capital – health and safety performance
			JSE	L	An explanation of how the organisation facilitates workers' access to non-occupational medical and healthcare services and the scope of access provided for employees and workers, and a description of any voluntary health promotion services and programmes offered to workers to address major non-work-related health risks, including the specific health risks addressed.	Yes	Page 67	Social impact: human capital – health and safety performance
	Customer responsibility	High-risk products and services	JSE	C	Description of products and services that present specific risks to individuals, communities, or the environment; an outline of the nature of these risks, and the measures taken to mitigate these.	No	N/A	N/A
			JSE	C	Number and nature of any product recalls	No	N/A	N/A
		Wellness	Blue Label		Number of leave days per employee for the following categories: • Annual leave • Sick leave • Maternity leave • Paternity leave	Yes	Page 65	Social impact: human capital – investing in well-being at Blue Label
		Product innovation	JSE	C	Total research and development spend	No	N/A	N/A
			JSE	L	Total costs related to research and development aimed at enhancing social or environmental attributes of products and services.	No	N/A	N/A

ESG REPORTING INDEX CONTINUED

Category	Topic	Sub-topic	JSE/Blue Label	C/L	Metric	Material and relevant	Page number in the report	Section in the report
Social continued	Customer responsibility continued		JSE	L	Percentage of revenue from products and services designed to deliver specific social or environmental benefits or to address specific sustainability challenges; if the Company applies a taxonomy or benchmark to label their activities as sustainable, they should report on the benchmark used and how they meet the criteria of the benchmark.	No	N/A	N/A
		Consumer data and privacy	JSE	C	A description of the mechanisms and steps taken to ensure privacy of consumer data.	Yes	Page 95	Compliance report
			JSE	C	Total number of substantiated complaints received concerning breaches of customer privacy (categorised by complaints received from outside parties and substantiated by the organisation, and complaints from regulatory bodies), and total number of identified leaks, thefts, or losses of customer data.	Yes	Page 95	Compliance report
	Supply chain	Supply chain (Social)	JSE	C	Description of the operations and suppliers considered to have a significant risk of child labour, forced or compulsory labour, or other significant actual and potential negative social impacts, given the type of operation, commodities, or geographic region, and the nature of the measures taken by the organisation intended to contribute to eliminating these risks.	Yes	Page 69	Social impact: customer and supply chain responsibility – monitoring human rights
			JSE	C	The number and percentage of identified child labour or forced and compulsory labour incidents in its operations or value chain; and percentage of these where the reporting entity has played a role in securing remedy for those affected.	To be assessed	N/A	N/A
			JSE	C	Report wherever materials across the supply chain: mechanisms (e.g., supplier screening, and audits) to identify and address significant actual and potential negative social impacts, nature of these impacts, and measures to address these.	To be assessed	N/A	N/A
			JSE	L	Percentage of products certified by external agencies, Percentage of traceable origin.	To be assessed	N/A	N/A

ESG REPORTING INDEX CONTINUED

Category	Topic	Sub-topic	JSE/Blue Label	C/L	Metric	Material and relevant	Page number in the report	Section in the report
Environmental	Climate change	GHG emissions	JSE	C	Absolute gross greenhouse gas emissions expressed as metric tonnes of CO ₂ equivalent and measured in accordance with the Greenhouse Gas Protocol for: Scope 1, Scope 2, and Scope 3 emissions. Scope 1 and Scope 2 emissions should be disclosed separately for: (i) the consolidated accounting group (the parent and its subsidiaries) and (ii) associates, joint ventures, unconsolidated subsidiaries or affiliates not included in (i).	Yes	N/A	N/A
			JSE	L	Scope 3 emissions should include upstream and downstream emissions. The categories of Scope 3 emissions and basis for measurement for information provided by entities in the value chain should be disclosed. Recognising the challenges related to the disclosure of Scope 3 emissions, including data availability, reasons should be provided when Scope 3 emissions or categories of Scope 3 emissions are omitted.	To be assessed	N/A	N/A
			JSE	C	GHG emissions intensity for Scope 1, 2 and 3, expressed as metric tonnes of CO ₂ equivalent per unit of physical or economic output.	Yes	Will be disclosed in future reports.	N/A
		Energy mix	JSE	C	Total energy use and share of energy usage by generation type noting use of energy from renewable non-fossil sources, (namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas).	No	N/A	N/A
		Science-based targets	JSE	L	Define and report progress against time-bound short, medium, and long-term science-based GHG emissions targets that are in line with the goals of the Paris Agreement and Glasgow Climate Pact. This includes reducing global carbon dioxide emissions by 45% by 2030 relative to the 2010 level, and to net zero around mid-century, based on the best available scientific knowledge and equity, taking into account common but differentiated responsibilities and respective capabilities, and in the context of sustainable development and efforts to eradicate poverty. Science-based emissions reduction targets should be informed by recognised scientific methodologies and verified through approved processes; they should (as an absolute minimum) be consistent with relevant host country/ies' Nationally Determined Contribution.	No	N/A	N/A
		Just transition	JSE	C	Existence and nature of a "transition plan" that commits to stakeholder engagement with affected workers and communities (see the JSE Climate Disclosure Guidance for further detail).	No	N/A	N/A

ESG REPORTING INDEX CONTINUED

Category	Topic	Sub-topic	JSE/Blue Label	C/L	Metric	Material and relevant	Page number in the report	Section in the report
Environmental continued	Climate change continued		JSE	C	Number of workers in the past year recruited, retrained, retrenched, and/or compensated due to implementation of the decarbonisation plan.	No	N/A	N/A
			JSE	L	Number of engagements undertaken with affected parties by group and geography.	No	N/A	N/A
			JSE	L	Nature of climate-related lobbying activities, and those of relevant associations and membership groups, and their alignment with the objectives of the Paris Agreement and Glasgow Climate Pact.	No	N/A	N/A
			JSE	L	Nature of provision for delivery of the transition plan within executive remuneration.	No	N/A	N/A
			JSE	L	Nature of provision for impacts on workers and communities within climate scenario plans.	No	N/A	N/A
			JSE	L	Amount of capital and expenditure deployed on direct and indirect climate adaptation and climate mitigation efforts.	No	N/A	N/A
	Water security	Water usage	JSE	C	Total water consumption from all areas, and from areas with water stress.	Yes	Page 8	Our business model – Natural capital
			JSE	L	Total water withdrawal from all areas with water stress, with a breakdown by following sources if applicable: surface water, groundwater, seawater, produced water and third-party water.	No	N/A	N/A
			JSE	L	Freshwater consumption intensity: total freshwater use per material unit (e.g. sales revenue, unit of production, square metre of building, or other).	No	N/A	N/A
	Biodiversity and land use	Biodiversity footprint (ecosystems)	JSE	C	Number and area of sites owned, leased, or managed in or adjacent to areas of high biodiversity value (key biodiversity areas – KBAs), for operations (if applicable) and full supply chain (if material).	No	N/A	N/A
			JSE	C	Area of land used for the production of basic plant, animal or mineral commodities (e.g. the area of land used for forestry, agriculture or mining activities).	No	N/A	N/A
			JSE	C	Level of capital and expenditure deployed towards implementation of measures undertaken to manage positive impacts and avoid, minimise, restore/rehabilitate and/or offset negative impacts on biodiversity and ecosystems.	No	N/A	N/A
			JSE	L	Describe wherever material across the value chain mechanisms aimed at enhancing management of biodiversity and ecosystem impacts (such as policies, targets, certifications, and audits).	No	N/A	N/A

ESG REPORTING INDEX CONTINUED

Category	Topic	Sub-topic	JSE/Blue Label	C/L	Metric	Material and relevant	Page number in the report	Section in the report
Environmental continued	Biodiversity and land use continued		JSE	L	Describe and report results of any processes aimed at identifying, assessing and/or managing the biodiversity footprint of the organisation, including for example: size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals: and status of each area based on its condition at the close of the reporting period, noting the standards and methodologies used.	No	N/A	N/A
	Pollution and waste	Solid waste	JSE	C	Total weight of waste generated (non-recycled), with a breakdown by composition of waste, noting percentage directed to disposal (including landfill and incineration), and percentage diverted from disposal (e.g. reuse, recycling, recovery).	No	N/A	N/A
			JSE	C	Total weight of hazardous waste generated, noting percentage directed to disposal (including landfill and incineration), and percentage diverted from disposal (e.g. reuse, recycling, recovery).	No	N/A	N/A
			JSE	C	Waste intensity: total waste per material unit (e.g. sales revenue, unit of production, or other).	No	N/A	N/A
		Single-use plastic	JSE	L	Report wherever material along the value chain: estimated metric tonnes of single-use plastic consumed and share (%) of single-use plastic weight of total plastic weight.	No	N/A	N/A
		Atmospheric pollution	JSE	C	Report wherever material along the value chain: nitrogen oxides (NOx), sulphur oxides (SOx), volatile organic compounds (VOC), persistent organic pollutants (POP), particulate matter, and other significant air emissions identified in relevant regulations.	No	N/A	N/A
			JSE	L	Wherever possible estimate the proportion of specified emissions that occur in or adjacent to urban/densely populated areas.	No	N/A	N/A
		Water pollution	JSE	L	Total water discharge to all areas in megalitres, and list of priority substances of concern for which discharges are treated, including how these substances were defined, approach to setting discharge limits, and number of incidents of non-compliance with discharge limits.	No	N/A	N/A

ESG REPORTING INDEX CONTINUED

Category	Topic	Sub-topic	JSE/Blue Label	C/L	Metric	Material and relevant	Page number in the report	Section in the report
Environmental continued	Supply chain and materials	Supply chain (environmental)	JSE	L	Report wherever material across the supply chain: mechanisms (e.g. supplier screening, and audits) to identify and address significant actual and potential negative environmental impacts, nature of these impacts, and measures to address these.	No	N/A	N/A
		Materials of concern	JSE	C	Process to identify and manage emerging materials and chemicals of concern in products (materials of concern could include conflict minerals or recognised high-impact raw materials such as palm oil).	No	N/A	N/A
			JSE	L	Percentage of materials identified in point 1 above that are covered by a sustainability certification standard or formalised sustainability management programme.	No	N/A	N/A

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING

Notice is hereby given to Blue Label shareholders recorded in the Company's securities register on Friday, 20 September 2024, that the 17th AGM of shareholders of Blue Label Telecoms Limited will be held on Thursday, 28 November 2024 at 10:00 (South African Standard Time). This AGM shall be conducted entirely by electronic communication as permitted by the Companies Act, No 71 of 2008, as amended (Act or Companies Act) and by the Company's Memorandum of Incorporation (MOI). The AGM will conduct such business as may lawfully be dealt with at the AGM and to consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act, as read with the Listings Requirements of the JSE Limited (Listings Requirements).

In terms of section 63(1) of the Act, meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. Acceptable forms of identification include original and valid identity documents, driving licences and passports.

RECORD DATES, PROXIES AND VOTING

In terms of sections 59(1)(a) and (b) of the Act, the Board of the Company has set the record date for the purpose of determining which shareholders are entitled to:

- receive notice of the virtual AGM (being the date on which a shareholder must be registered in the Company's shareholders' register in order to receive notice of the virtual AGM) as at Friday, 20 September 2024;
- participate in and vote at the virtual AGM (being the date on which a shareholder must be registered in the Company's shareholders' register in order to participate in and vote at the virtual AGM) as at Friday, 22 November 2024; and
- the last date to trade before participating in and vote at the virtual AGM is Tuesday, 19 November 2024.

Certificated shareholders or own-name dematerialised shareholders may attend and vote at the virtual AGM, or alternatively appoint a proxy to attend, speak and, in respect of the applicable resolution(s), vote in their stead by completing the attached form of proxy and returning it to the Transfer Secretaries at the address given in the form of proxy for administrative purposes by no later than 10:00 (South African Standard Time) on Tuesday, 26 November 2024.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with own-name registration, should contact their central securities depository participant (CSDP) or broker in the manner and within the time stipulated in the agreement entered into between them and their CSDP or broker to furnish their voting instructions; or in the event that they wish to attend the virtual AGM, to obtain the necessary letter of representation to do so.

On a show of hands, every shareholder present in person or represented by proxy and entitled to vote shall have only one vote irrespective of the number of shares such shareholder holds. On a poll, every shareholder, present in person or represented by proxy and entitled to vote, shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by such shareholder bears to the aggregate amount of the nominal value of all shares issued by the Company.

Certificated shareholders or own-name dematerialised shareholders who are entitled to attend and vote at the virtual AGM are entitled to appoint a proxy to attend, participate in and vote at the virtual AGM in their stead. A proxy need not also be a shareholder of the Company. The completion of a form of proxy will not preclude a shareholder from attending the virtual AGM.

ELECTRONIC PARTICIPATION

Shareholders or their duly appointed proxy(ies) who wish to participate in the virtual AGM via electronic communication (Participant(s)) must either:

1. register; online using the online registration portal at www.meetnow.global/za; or
2. apply to Computershare, by sending an e-mail to proxy@computershare.co.za so as to be received by Computershare for administrative purposes by no later than 10:00 (South African Standard Time) on Tuesday, 26 November 2024.

Computershare will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communication facility will be provided. The Company will inform participants who notified Computershare of their intended participation by no later than 17:00 (South African Standard Time) on Wednesday, 27 November 2024 by e-mail of the relevant details through which participants can participate electronically.

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS AND REPORTS

The audited Group annual financial statements, including the external auditor, ARCC and directors' reports for the year ended 31 May 2024, have been distributed as required and will be presented to shareholders at the virtual AGM.

The ARCC's report is set out on pages 97 to 100.

ORDINARY RESOLUTIONS

In terms of sections 62(3)(c) and 65(7) of the Act, unless otherwise specified, in order for each of the following ordinary resolutions to be passed, each resolution must be supported by more than 50% (fifty percent) of the voting rights exercised.

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING CONTINUED

1. Ordinary resolution number 1: Re-election of Mr MS Levy as a Director of the Company

Resolved that Mr MS Levy, who was first appointed to the Board on 1 February 2007 and who retires in terms of the MOI, and who is eligible and available for re-election, is re-elected as a Director of the Company with immediate effect.

A brief biography of Mr MS Levy is on page 15.

2. Ordinary resolution number 2: Re-election of Mr DA Suntup as a Director of the Company

Resolved that Mr DA Suntup, who was first appointed to the Board on 14 November 2013 and who retires in terms of the MOI, and who is eligible and available for re-election, is re-elected as a Director of the Company with immediate effect.

A brief biography of Mr DA Suntup is on page 17.

3. Ordinary resolution number 3: Re-election of Mr SJ Vilakazi as a Director of the Company

Resolved that Mr SJ Vilakazi, who was first appointed to the Board on 19 October 2011 and who retires in terms of the MOI, and who is eligible and available for re-election, is re-elected as a Director of the Company with immediate effect.

A brief biography of Mr SJ Vilakazi is on page 17.

4. Ordinary resolution number 4: Reappointment of external auditor

Resolved that on the recommendation of the current Audit, Risk and Compliance Committee of the Company, SizweNtsalubaGobodo Grant Thornton Inc., is reappointed as independent registered auditor of the Company for the ensuing year until the conclusion of the next AGM of the Company.

5. Ordinary resolution number 5: Election of Ms NP Mnxasana as a member of the Audit, Risk and Compliance Committee for the year ending 31 May 2025

Resolved that, in terms of section 94(2) of the Act, Ms NP Mnxasana, an Independent Non-executive Director of the Company, is elected as a member of the Audit, Risk and Compliance Committee.

A brief biography of Ms NP Mnxasana is on page 16.

6. Ordinary resolution number 6: Election of Mr JS Mthimunye as a member and Chairman of the Audit, Risk and Compliance Committee for the year ending 31 May 2025

Resolved that, in terms of section 94(2) of the Act, Mr JS Mthimunye, an Independent Non-Executive Director of the Company, is elected as a member and Chairman of the Audit, Risk and Compliance Committee.

A brief biography of Mr JS Mthimunye is on page 16.

7. Ordinary resolution number 7: Election of Ms LE Mthimunye as a member of the Audit, Risk and Compliance Committee for the year ending 31 May 2025

Resolved that, in terms of section 94(2) of the Act, Ms LE Mthimunye, an Independent Non-Executive Director of the Company, is elected as a member of the Audit, Risk and Compliance Committee.

A brief biography of Ms LE Mthimunye is on page 17.

8. Ordinary resolution number 8: Election of Mr SJ Vilakazi as a member of the Audit, Risk and Compliance Committee for the year ending 31 May 2025

Resolved that, in terms of section 94(2) of the Act, but subject to his re-election as a Director of the Company in terms of resolution number 3, Mr SJ Vilakazi, an Independent Non-Executive Director of the Company, is elected as a member of the Audit, Risk and Compliance Committee.

A brief biography of Mr SJ Vilakazi is on page 17.

9. Ordinary resolution number 9: Non-binding advisory endorsement of the remuneration and reward policy

Resolved, by way of a non-binding advisory vote, that the Blue Label Telecoms Limited remuneration and reward policy (excluding the remuneration of Non-executive Directors and the members of the statutory and Board Committees for their services as Directors and members of Committees) as set out in the remuneration report in the integrated annual report 2024 is endorsed.

10. Ordinary resolution number 10: Non-binding advisory endorsement of the Group's remuneration implementation report

Resolved, by way of a non-binding advisory vote, that the Group's remuneration implementation report set out in the remuneration report in the integrated annual report 2024 is endorsed.

11. Ordinary resolution number 11: Directors' authority to implement ordinary and special resolutions.

Resolved that each and every Director of the Company is authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of the ordinary and special resolutions passed at the AGM.

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING CONTINUED

SPECIAL RESOLUTIONS

In terms of sections 62(3)(c) and 65(9) of the Act, the minimum percentage of voting rights required for each of the following special resolutions to be passed is 75% (seventy-five percent) of the voting rights exercised.

1. Special resolution number 1: Non-Executive Directors' remuneration

Resolved that in terms of section 66(9) of the Act, the following remuneration shall be payable to the Non-executive Directors for their services as Directors for the period 1 June 2024 to 31 May 2025.

The proposed fees payable to Non-Executive Directors are set out below:

	Current fee 2024 R	Proposed fee 2025 R
Services as Directors		
– Chairman of the Board (per annum)	2 296 446	2 434 233
– Board members (per annum)	506 569	536 963
Audit, Risk and Compliance Committee		
– Chairman (per annum)	459 289	486 846
– Member (per annum)	283 678	300 699
Remuneration and Nomination Committee		
– Chairman Remuneration (per annum)	270 170	286 380
– Chairman Nomination (per annum)	189 119	200 466
– Member (per annum)	162 102	171 828
Investment Committee		
– Chairman (per annum)	270 170	286 380
– Member (per annum)	162 102	171 828
Transformation, Social and Ethics Committee		
– Chairman (per annum)	162 102	171 828
– Member (per annum)	101 314	107 393
Ad hoc Committee		
– Chairman (per meeting)	60 789	64 436
– Board member (per meeting)	36 472	38 660

2. Special resolution number 2: General authority to repurchase shares

Resolved that, pursuant to the MOI, the Company or any of its subsidiaries are hereby authorised by way of a general approval, from time to time, to acquire ordinary shares in the share capital of the Company in accordance with the Act and the Listings Requirements, provided that:

- the number of its own ordinary shares acquired by the Company in any one financial year shall not exceed 20% (twenty percent) of the ordinary shares in issue at the date on which this resolution is passed;
- this authority shall lapse on the earlier of the date of the next AGM of the Company or the date 15 (fifteen) months after the date on which this resolution is passed;
- the Board has resolved to authorise the acquisition and that Blue Label will satisfy the solvency and liquidity test immediately after the acquisition and that since the test there have been no material changes to the financial position of Blue Label;
- the acquisition must be affected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- the Company only appoints one independent third-party agent to effect any acquisition(s) on its behalf;
- the price paid per ordinary share may not be greater than 10% above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which an acquisition is made;

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING CONTINUED

- (g) the number of shares acquired by subsidiaries of the Company shall not exceed 10% (ten percent) in the aggregate of the number of issued shares in the Company at the relevant times;
- (h) an announcement containing full details of such acquisitions of shares will be published as soon as the Company and/or its subsidiaries have acquired shares constituting, on a cumulative basis, 3% (three percent) of the number of shares in issue at the date of the meeting at which this special resolution is considered and if approved, passed, and for each 3% (three percent) in aggregate of the initial number (the number of that class of shares in issue at the time that the general authority from shareholders is granted) acquired thereafter; and
- (i) the acquisition of shares by the Company or its subsidiaries may not be effected during a prohibited period, as defined in paragraph 3.67 of the Listings Requirements, unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and have been submitted to the JSE in writing prior to the commencement of the prohibited period. The issuer must instruct an independent third party, which makes its investment decisions in relation to the issuer's, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE.

3. **Special resolution number 3:** Approval to grant financial assistance in terms of sections 44 and 45 of the Act

Resolved that the Board may, subject to the Act and the MOI, authorise the Company to provide direct or indirect financial assistance:

- by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company, as contemplated in section 44 of the Act, at any time during a period commencing on the date of passing of this special resolution and ending at the expiry of two years from the date of the adoption of this special resolution number 3; and/or to a Director of the Company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or member, as contemplated in section 45 of the Act, at any time during a period commencing on the date of passing of this special resolution and ending at the expiry of two years from the date of the adoption of this special resolution number 3.

The Listings Requirements require, in terms of paragraph 11.26, the following disclosures, which appear in the integrated annual report:

- major shareholders – refer to page 124 of the Group annual financial statements;
- material change – there were no material changes;
- share capital of the Company – refer to page 112 of the Group annual financial statements; and
- responsibility statement – refer to page 11 of the Group annual financial statements.

By order of the Board



J VAN EDEN

Group Company Secretary

Sandton

30 September 2024

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING CONTINUED

EXPLANATORY NOTES

Presentation of the annual financial statements

In terms of section 61(8)(a) of the Act, the Directors' report, audited Group annual financial statements for the immediately preceding financial year and the Audit, Risk and Compliance Committee report are to be presented to shareholders at the virtual AGM.

Ordinary resolution numbers 1 to 3 (inclusive):

Re-election of Directors

In accordance with the MOI, one-third of the Directors are required to retire at each AGM and may offer themselves for re-election. Messrs MS Levy, DA Suntup and SJ Vilakazi retire by rotation at the AGM in accordance with article 25.17 of the MOI, and have offered themselves for re-election.

Brief biographies of the Directors are on pages 15 and 17.

The Board is satisfied with the performance of each of the Directors standing for re-election and that they will continue to make an effective and valuable contribution to the Company and to the Board.

The Board recommends to shareholders that they should vote in favour of the re-election of each of the Directors referred to in ordinary resolution numbers 1 to 3 (inclusive).

Ordinary resolution number 4: Reappointment of external auditor

In terms of section 90(1) of the Act, each year at its AGM, the Company must appoint an auditor meeting the requirements of section 90(2) of the Act.

SizweNtsalubaGobodo Grant Thornton Inc expressed its willingness to continue in office and this resolution proposes the reappointment of SizweNtsalubaGobodo Grant Thornton Inc as the Company's auditor until the next AGM. In addition, Mr Alex Philippou is appointed as the individual registered auditor for the ensuing year as contemplated in section 90(3) of the Act.

The Audit, Risk and Compliance Committee has satisfied itself that the proposed auditor, SizweNtsalubaGobodo Grant Thornton Inc and Mr Alex Philippou, are independent of the Company in accordance with sections 90 and 94 of the Act and the applicable rules of the International Federation of Accountants.

The Audit, Risk and Compliance Committee has recommended the reappointment of SizweNtsalubaGobodo Grant Thornton Inc as independent registered auditor of Blue Label for the 2025 financial year.

Ordinary resolution numbers 5 to 8 (inclusive): Election of Audit, Risk and Compliance Committee members

In terms of section 94(2) of the Act, each Audit Committee member must be elected by shareholders at its AGM. King IV likewise requires shareholders of a public company to elect each member of an audit committee at an AGM.

In terms of Regulation 42 of the Companies Regulations 2011, relating to the Act, at least one-third of the members of the Company's Audit, Risk and Compliance Committee at any particular time must have academic qualifications, or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management. Each of the proposed members are duly qualified, as is evident from the biographies of each member, as contained on pages 16 and 17.

Ordinary resolution number 9: Non-binding advisory vote: Endorsement of the remuneration and reward policy

King IV requires a company to table its remuneration and reward policy for a non-binding advisory vote by shareholders at its AGM. This vote enables shareholders to endorse the remuneration policy adopted for Executive Directors. The Blue Label Remuneration Policy is contained on pages 106 to 114.

The advisory vote is of a non-binding nature only and therefore failure to pass this resolution will not have any legal consequences relating to existing arrangements. However, the Board will take cognisance of the outcome of the vote when considering the Company's remuneration and reward policy and the remuneration of Executive Directors. In the event that this non-binding advisory endorsement approving the Company's remuneration and reward policy is voted against by shareholders exercising 25% (twenty-five percent) or more of the voting rights exercised, the Company undertakes to engage with its shareholders in order to ascertain the reasons for objection, and to address appropriately legitimate and reasonable objections and concerns.

Ordinary resolution number 10: Non-binding advisory vote: Endorsement of the remuneration implementation report

King IV requires a company to table its remuneration implementation report for a non-binding advisory vote by shareholders at its AGM. This vote enables shareholders to endorse the remuneration implementation report for Executive Directors. The Blue Label remuneration implementation report is contained on pages 114 to 122.

The advisory vote is of a non-binding nature only and therefore failure to pass this resolution will not have any legal consequences relating to existing arrangements. However, the Board will take cognisance of the outcome of the vote when considering the Company's remuneration and reward policy and the remuneration of Executive Directors. In the event that this non-binding advisory endorsement approving the Company's remuneration implementation report is voted against by shareholders exercising 25% (twenty-five percent) or more of the voting rights exercised, the Company undertakes to engage with its shareholders in order to ascertain the reasons for objection, and to address appropriately legitimate and reasonable objections and concerns.

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING CONTINUED

Ordinary resolution number 11: Directors' authority to implement ordinary and special resolutions

The reason for ordinary resolution number 11 is to authorise any Director of the Company to do all things necessary to implement the ordinary and special resolutions passed at the AGM and to sign all such documentation required to give effect and to record the ordinary and special resolutions.

Special resolution number 1: Non-Executive Directors' remuneration

Special resolution number 1 is proposed to enable the Company to comply with the provisions of sections 65(11)(h), 66(8) and 66(9) of the Act, which stipulate that remuneration to directors for their services as directors may be paid only in accordance with a special resolution approved by shareholders.

Special resolution number 2: General authority to repurchase shares

Special resolution number 2 seeks to allow Blue Label, by way of a general authority, to acquire its own issued shares (reducing the total number of ordinary shares of the Company in issue in the case of an acquisition by the Company of its own shares). This resolution is required in order to allow the Company to take advantage of any opportunity that presents itself to enhance shareholder value by repurchasing shares where the Company's share price is at a level which results in a share repurchase being to the benefit of shareholders. Any decision by the Directors to use the general authority to acquire shares of the Company will be taken with regard to the prevailing market conditions, share price, cash needs of Blue Label, together with various other factors, and in compliance with the Act, Listings Requirements and the MOI.

Special resolution number 3: Approval to grant financial assistance in terms of sections 44 and 45 of the Act

The existing authority granted by shareholders at the AGM held on 24 November 2022 was valid for a two-year period and will expire at the virtual AGM unless renewed.

In the ordinary course of the Company business, it needs to provide financial assistance to certain of its Group companies in accordance with section 45 of the Act. Furthermore, it may be necessary for the Company to provide financial assistance in the circumstances contemplated in section 44 of the Act:

- Notwithstanding the title of section 45 of the Act, being "Loans or other financial assistance to Directors", on a proper interpretation thereof, the body of the section also applies to financial assistance provided by a company to any related or inter-related company or corporation, a member of a related or inter-related corporation, and to a person related to any such company, corporation or member.
- Furthermore, section 44 of the Act may also apply to the financial assistance so provided by a company to any related or inter-related company or corporation, a member of a related or inter-related corporation, or a person related to any such company, corporation or member, in the event that the financial assistance is provided for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company.
- Both sections 44 and 45 of the Act provide, inter alia, that the particular financial assistance may only be provided:
 - pursuant to a special resolution of shareholders, adopted within the previous 2 (two) years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category;
 - the Board is satisfied that immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test (as contemplated in the Act); and
 - the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

Electronic participation at the virtual AGM

- (a) Shareholders wishing to participate electronically in the virtual AGM are required to:
1. register online using the online registration portal at www.meetnow.global/za; or
 2. apply to Computershare, by sending an e-mail to proxy@computershare.co.za so as to be received by Computershare for administrative purposes by no later than 10:00 SAST on Tuesday, 26 November 2024.
- (b) In order for the electronic notice to be valid it must contain:
- (i) where the Blue Label shareholder is an individual, a certified copy of his/her identity document and/or driver's licence and/or passport;
 - (ii) where the Blue Label shareholder is not an individual, a certified copy of a resolution or letter of representation by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution or signed the relevant letter of representation. The letter of representation or resolution must set out from whom the relevant entity is authorised to represent the entity at the virtual AGM via electronic communication;
 - (iii) a valid e-mail address (contact address/number); and
 - (iv) by no later than 24 (twenty-four) hours before the virtual AGM the Company shall use its reasonable endeavours to notify a shareholder at its contact address/number of the relevant details through which the shareholder can participate via electronic communication.
- (c) The costs borne by the shareholder or his/her/its proxy(ies) in relation to the dial-in facility will be for his/her/its own account.

FORM OF PROXY

Blue Label Telecoms Limited

(Incorporated in the Republic of South Africa)

(Registration number: 2006/022679/06)

Share code: BLU ISIN: ZAE000109088

(Blue Label or the Company)

For use by certificated shareholders or own-name dematerialised shareholders at the Annual General Meeting (AGM) of the Company to be held entirely by electronic communication as permitted by the Companies Act, No 71 of 2008, as amended and by the Company's Memorandum of Incorporation at 10:00 South African Standard Time on Thursday, 28 November 2024.

If dematerialised shareholders, other than own-name dematerialised shareholders, have not been contacted by their central securities depository participant (CSDP) or broker with regard to how they wish to cast their vote, they should contact their CSDP or broker and instruct their CSDP or broker as to how they wish to cast their vote at the virtual AGM in order for their CSDP or broker to vote in accordance with such instructions. If dematerialised shareholders, other than own-name dematerialised shareholders, have not been contacted by their CSDP or broker, it would be advisable for them to contact their CSDP or broker, as the case may be, and furnish them with their instructions. Dematerialised shareholders who are not own-name dematerialised shareholders and who wish to attend the virtual AGM must obtain the necessary letter of representation from their CSDP or broker, as the case may be. This must be done in terms of the agreement entered into between the dematerialised shareholder and their CSDP or broker. If the CSDP or broker, as the case may be, does not obtain instructions from such dematerialised shareholders, it will be obliged to act in terms of the mandate furnished to it, or if the mandate is silent in this regard, to abstain from voting. Such dematerialised shareholders, other than own-name dematerialised shareholders, must not complete this form of proxy and should read note 10 overleaf.

Full name: I/We

of (address)

(BLOCK LETTERS)

Telephone: (Work)

Telephone: (Home)

Fax:

Cell number:

being the holder(s) of

Blue Label shares hereby appoint:

1. or failing him/her,

2. or failing him/her,

3. the Chairman of the AGM, as my/our proxy to vote for me/us on my/our behalf at the AGM of Blue Label shareholders to be held at 10:00 SAST on Thursday, 28 November 2024, or any adjournment thereof as follows:

Resolution	For	Against	Abstain
Ordinary resolution number 1: Re-election of Mr MS Levy as a Director of the Company			
Ordinary resolution number 2: Re-election of Mr DA Suntup as a Director of the Company			
Ordinary resolution number 3: Re-election of Mr SJ Vilakazi as a Director of the Company			
Ordinary resolution number 4: Reappointment of external auditor			
Ordinary resolution number 5: Election of Ms NP Mnexasana as a member of the Audit, Risk and Compliance Committee			
Ordinary resolution number 6: Election of Mr JS Mthimunya as a member and Chairman of the Audit, Risk and Compliance Committee			
Ordinary resolution number 7: Election of Ms LE Mthimunya as a member of the Audit, Risk and Compliance Committee			
Ordinary resolution number 8: Election of Mr SJ Vilakazi as a member of the Audit, Risk and Compliance Committee			
Ordinary resolution number 9: Non-binding advisory endorsement of the remuneration and reward policy			
Ordinary resolution number 10: Non-binding advisory endorsement of the remuneration implementation report			
Ordinary resolution number 11: Directors' authority to implement ordinary and special resolutions			
Special resolution number 1: Non-Executive Directors' remuneration			
Special resolution number 2: General authority to repurchase shares			
Special resolution number 3: Financial assistance in terms of sections 44 and 45 of the Act			

Signed at

on day of 2024

Signature

Assisted by (if applicable)

Please read the notes on the following page.

NOTES TO FORM OF PROXY

A shareholder entitled to attend and vote at the virtual AGM may appoint one or more persons as his/her/its proxy to attend, speak or vote in his/her/its stead at the virtual AGM. A proxy need not be a shareholder of the Company.

On a show of hands, every shareholder present in person or represented by proxy and entitled to vote shall have only one vote irrespective of the number of shares such shareholder holds. On a poll, every shareholder shall have, for each share held by him/her/it that proportion of the total votes in the Company which the aggregate amount of the nominal value of that share held by him/her/it bears to the aggregate amount of the nominal value of all the shares issued by the Company.

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of his/her/its choice in the spaces provided with or without deleting "the Chairman of the AGM", but any such deletion must be initialled by the Blue Label shareholder. The person whose name appears first on the form of proxy and who is present at the virtual AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert with an "X" or insert the number of shares in the relevant spaces according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of Blue Label shares exercisable by you, insert the number of Blue Label shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise and compel the Chairman, if the Chairman is an authorised proxy, to vote in favour of the resolutions, or to authorise any other proxy to vote for or against the resolutions or abstain from voting as he/she/it deems fit, in respect of all the shareholders' votes exercisable thereat. A shareholder or his/her/its proxy is not obliged to use all the votes exercisable by the shareholder or his/her/its proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or his/her/its proxy.
3. For administrative purposes, forms of proxy must be lodged with the Transfer Secretaries at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196. (Private Bag X9000, Saxonwold, 2132). Faxed to: +27 11 688 5238 or e-mailed to: proxy@computershare.co.za, to be received by no later than 10:00 South African Standard Time on Tuesday,

26 November 2024. Should the form of proxy not be delivered to the Transfer Secretaries by this time, you will be required to furnish a copy of such form of proxy to the Chairman of the meeting before the appointed proxy exercises any of their rights at the meeting.

4. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Transfer Secretaries or waived by the Chairman of the AGM.
6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the virtual AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
7. The Chairman of the AGM may accept or reject any form of proxy which is completed and/or received other than in accordance with these notes and instructions, provided that the Chairman is satisfied as to the manner in which the shareholder wishes to vote.
8. Where there are joint holders of shares:
 - 8.1 any such persons may vote at the virtual AGM in respect of such joint shares as if he/she/it were solely entitled thereto;
 - 8.2 any one holder may sign this form of proxy; and
 - 8.3 if more than one such joint holders are present or represented at the virtual AGM, the vote(s) of the senior shareholder (for that purpose seniority will be determined by the order in which the names of shareholders appear in the register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
9. Certificated shareholders and own-name dematerialised shareholders will be entitled to attend the virtual AGM in person or, if they are unable to attend and wish to be represented thereat, must complete and return the attached form of proxy to the Transfer Secretaries in accordance with the time specified on the form of proxy.
10. Shareholders who hold shares through a nominee should advise their nominee or, if applicable, their CSDP or broker timeously of their intention to attend and vote at the virtual AGM or to be represented by proxy thereat in order for their nominee or, if applicable, their CSDP or broker to provide them with the necessary letter of representation to do so or should provide their nominee or, if applicable, their CSDP or broker timeously with their voting instruction should they not wish to attend the virtual AGM in person, in order for their nominee to vote in accordance with their instruction at the virtual AGM.
11. A vote given in terms of an instrument of proxy shall be valid in relation to the virtual AGM notwithstanding the death of the person granting it, the transfer of the shares in respect of which the vote is given, unless an intimation in writing of such death or transfer is received by the Transfer Secretaries, before the commencement of the virtual AGM.
12. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless previously recorded by the Transfer Secretaries or unless this requirement is waived by the Chairman of the AGM.
13. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by Blue Label or the Transfer Secretaries.
14. Unless revoked, an appointment of a proxy pursuant to this form of proxy remains valid only until the end of the virtual AGM or any postponement or adjournment of the virtual AGM. This form of proxy shall be valid at any resumption of a postponed or adjourned meeting to which it relates although this form of proxy shall not be used at the resumption of the postponed or adjourned virtual AGM if it could not be used at the virtual AGM for any reason other than it was not lodged timeously for the virtual AGM. This form of proxy shall, in addition to the authority conferred by the Act, except insofar as it provides otherwise, be deemed to confer the power generally to act at the meeting in question, subject to any specific direction contained in this form of proxy as to the manner of voting.

GLOSSARY

Acronym	Definition
2024	Financial year 2024
2025	Financial year 2025
AGM	Annual General Meeting
ABT	Account-based Ticketing
AI	Artificial intelligence
AltBureau	Alternative Bureau for data services
API	Application Programming Interface
APS	Aligned Partnered Solutions
ARCC	Audit Risk and Compliance Committee
ASPU	Average spend per user
AUS	Australia
BA	Bachelor of Arts
B-BBEE	Broad-based black economic empowerment
B2B	Business to Business
BCompt	Bachelor of Accounting Science
BCM	Business continuity management
BI	Business Intelligence
BLC	Blue Label Connect
BLD	Blue Label Distribution
BLDS	Blue Label Data Solutions
Blu Voucher	Digital voucher system of Blue Label
BluAdvance	Advanced prepaid electricity solution
BluApproved	Blue Label's trust and quality emblem

Acronym	Definition
BluNova	Data and decision science platform of Blue Label
BMF	Black Management Forum
BO	Black-owned
BPO	Business process outsourcing
BProc	Baccalaureus Procurationis
BRM	Business Relationship Management
BUSA	Business Unity South Africa
BWO	Black women-owned
CA (SA)	Chartered Accountant
CEC	Comm Equipment Company
CEO	Chief Executive Officer
CI/CD	Continuous Integration/Continuous Deployment
COBIT	Control Objectives for Information Technologies
CSDP	Central Securities Depository Participant
CSP	Conditional share plan
CTA	College of Accounting Sciences
CVM	Customer Value Management
DE	Data engineering
DRP	Disaster recovery plan
EAP	Employee Assistance Programme
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EE	Employment equity
EME	Exempted Micro Enterprises

GLOSSARY CONTINUED

Acronym	Definition
EPS	Earnings per share
ERM	Enterprise-wide Risk Management
ERP	Enterprise resource planning
ESG	Environmental, social and governance
EU	European Union
EVP	Employee value proposition
FAR	Fixed annual remuneration
FD	Financial Director
GCRS	GloCell Retail Solutions
HEPS	Headline earnings per share
HR	Human Resources
ICASA	Independent Communications Authority of South Africa
ICT	Information and Communication Technology
IEC	International Electrotechnical Commission
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
IoT	Internet of Things
<IR> Framework	The International Integrated Reporting Framework
IRCC	Internal Risk and Compliance Committee
ISMS	Information Management Security System
ISO	International Organization for Standardization
IT	Information technology
ITIL	Information Technology Infrastructure Library

Acronym	Definition
JSE	Johannesburg Stock Exchange
King IV	The King IV Report on Corporate Governance for South Africa, 2016
KPI	Key performance indicator
LLB	Bachelor of Laws
LLM	Master of Laws
LTI	Long-term incentive
LTIP	Long-term incentive plan
MBA	Master of Business Administration
ML	Machine learning
MOI	Memorandum of incorporation
MVP	Minimum viable product
NFC	Near Field Communication
NIST	National Institute of Standards and Technology
NPAT	Net profit after tax
PAIA	Promotion of Access to Information Act
PIN	Personal identification number
POP	Persistent organic pollutants
POPIA	Protection of Personal Information Act
POPI	Protection of personal information
POS	Point of sale
QSE	Qualifying small enterprises
RINGAS	RINGAS product associated with prepaid offerings
RITE	Reach, Innovate, Trust, Efficiency
RNC	Remuneration and Nomination Committee

GLOSSARY CONTINUED

Acronym	Definition
ROCE	Return on capital employed
SADC	Southern African Development Community
SAICA	The South African Institute of Chartered Accountants
SANRAL ABT card	South African National Roads Agency Limited account-based ticketing
SDWAN	Software-defined wide area network
SED	Socio-economic development
SETC	Social, Ethics and Transformation Committee
SIM	Subscriber Identity Module
SLA	Service-level agreement
SME	Small and medium-sized enterprises
SMME	Small, medium and micro-enterprises
SOC	Security Operations Centre
SOE	State-owned entity
STI	Short-term incentive
STIP	Short-term incentive plan
TicketPro	End-to-end ticketing system

Acronym	Definition
TJ	Transaction Junction
TOPP	Training Outside Public Practice
TPC	The Prepaid Company
TT1	Real Time Transaction 1
U-Belong	U-Belong project
UCT	University of Cape Town
UNGC	United Nations Global Compact
Unisa	University of South Africa
UK	United Kingdom
VAS	Value-added service
VCC	Venture Capital Company
VOC	Volatile organic compounds
VRM	Visual Revenue Management
WACC	Weighted average cost of capital
Wits	University of Witwatersrand
YES	Youth Employment Service

ADMINISTRATION

DIRECTORS

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

(* Independent Non-Executive)

COMPANY SECRETARY

J van Eden

SPONSOR

Investec Bank Limited

AUDITORS

SizweNtsalubaGobodo Grant Thornton Inc.

BLUE LABEL TELECOMS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2006/022679/06)
("Blue Label" or "the Company")



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Facebook: www.facebook.com/BlueLabelTelecoms

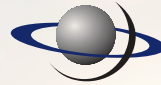
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YouTube: <https://www.youtube.com/channel/UC0iTTT4bc36QqRRS0o2QhJA>

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