Telkom SA SOC Ltd

Interim Results

For the six months ended
30 September 2025

Seamlessly connecting
our customers to a better life

Telkom SA SOC Ltd
(Incorporated in the Republic of South Africa)

Registration number
1991/005476/30
JSE share code: TKG
JSE bond code: BITEL
ISIN: ZAE000044897

(Telkom, the Company, or the Group)

Telkom SA SOC Ltd is listed on the JSE Ltd. Information can be accessed on LSEG Data & Analytics (Refinitiv) under the symbol TKGJ.J and on Bloomberg under the symbol TKG.SJ. Information on LSEG and Bloomberg is provided by a third party and is not incorporated by reference herein. Telkom has not approved or verified such information and does not accept any liability for the accuracy of such information.

https://group.telkom.co.za/ir/

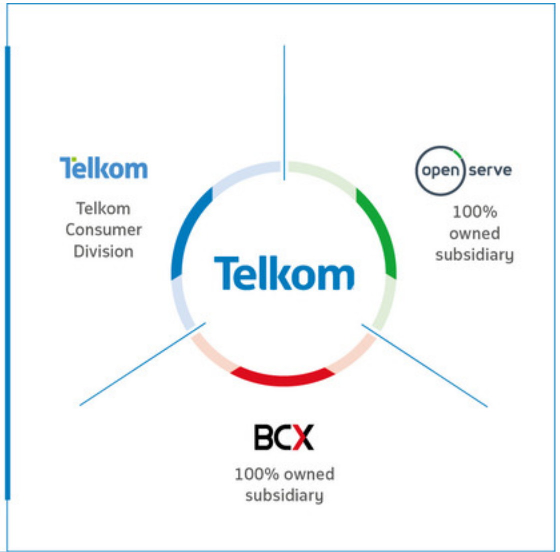
Telkom operating structure

Telkom SA SOC Ltd represents Telkom Group (Telkom or the Group), which comprises Telkom Company and its subsidiaries. Telkom Company comprises divisions, namely Telkom Consumer and Corporate Centre. Telkom Group's operating subsidiaries are Openserve and BCX.

Telkom Consumer & Small Business or simply Telkom Consumer is South Africa's fastest-growing mobile and fixed-broadband provider, focusing on holistic connectivity solutions and enriched value-added services for the consumer, home, and small and medium business segments.

Openserve is South Africa's leading wholesale infrastructure connectivity provider with the largest open-access network across South Africa.

BCX is a systems integrator and digital transformation partner,delivering end-to-end information and communications technology (ICT) solutions across cloud, cybersecurity, Internet of Things (IoT), data analytics, and converged communications.



The following four SDGs were identified as presenting the most material opportunities for Telkom to enhance its positive impact and minimise its negative impact:

- **SDG 4** Quality education
- **SDG 8** Decent work and economic growth
- **SDG 9** Industry, innovation and infrastructure
- **SDG 12** Responsible consumption and production

Telkom can further support and influence the following SDGs:

- **SDG 1** No poverty
- **SDG 6** Clean water and sanitation
- **SDG 10** Reduced inequalities
- **SDG 16** Peace, justice and strong institutions

The relevant SDG icon indicates where related information is discussed throughout this report.

The United Nations Sustainable Development Goals (SDGs)

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Group highlights

Group revenue
up 3.4%
to R22 104 million, driven by robust mobile and fibre-related data revenue growth

Group data revenue
up 7.9%
contributing 59.1% to total revenue

EBITDA[1,2]
up 7.4%[3]
to R6 023 million due to revenue growth and ongoing cost optimisation initiatives, resulting in the EBITDA margin[1] expanding to 27.2%

Net debt to EBITDA[1,2,4]
stable at 0.7x
indicating a robust financial position and allowing for investment in future growth opportunities

Free cash flow[1,5]
at R724 million
reflecting disciplined and sustainable cash generation

Headline earnings per share[1]
up 16.4%[3]
to 305.6 cents, underscoring the benefits of focused execution and improved profitability

Basic earnings per share
up 12.7%[3]
to 325.7 cents

Group financial performance measures for continuing operations

Financial indicators Rm	Reported H1 FY2026	Reported H1 FY2025	Reported % change	Adjusted[3] H1 FY2025	Adjusted[3] % change
Revenue	22 104	21 382	+3.4		
Mobile service revenue	11 027	10 220	+7.9		
Fibre-related data revenue	4 102	3 654	+12.3		
Total expenses	16 765	17 189	+2.5	16 411	(2.2)
Profit for the period	1 604	853	+88.0	1 421	+12.9
Basic earnings per share (cents)	325.7	173.2	+88.0	288.9	+12.7
Headline earnings per share (cents)[1]	305.6	146.9	+108.0	262.6	+16.4
Net debt to EBITDA (times)[1,2,4]	0.7	1.5	(0.8)	1.3	(0.6)

Key performance indicators Rm	Reported H1 FY2026	Reported H1 FY2025	Reported % change	Adjusted[3] H1 FY2025	Adjusted[3] % change
EBITDA[1,2]	6 023	4 828	+24.8	5 606	+7.4
EBITDA margin (%)[1]	27.2	22.6	+4.6 ppts	26.2	+1.0 ppt
Capital expenditure	2 870	2 543	+12.9		
Capital intensity (%)	13.0	11.9	1.1 ppt		
Free cash flow[1,5]	724	768	(5.7)		

Earnings from total operations

Financial indicators	Reported H1 FY2026	Reported H1 FY2025	Reported % change
Basic earnings per share (cents)	325.7	217.6	+49.7
Continuing	325.7	173.2	+88.0
Discontinued[6]	—	44.4	—
Headline earnings per share (cents)[1]	305.6	191.5	+59.6
Continuing	305.6	146.9	+108.0
Discontinued[6]	—	44.6	—

1 *This is a non-IFRS financial measure.*
2 *Earnings before investment income and finance costs (which includes gains and losses on foreign exchange transactions), tax, depreciation, amortisation, write-offs, impairments and losses of property, plant and equipment and intangible assets, and is also presented inclusive of interest revenue and interest on overdue accounts.*
3 *This financial measure is presented to show the adjusted performance of the Group's operations for the prior period and is internally used by management to assess the performance of the business. Refer to page 7 for the reconciliation of the reported figures to the pro forma adjusted figures relating to the prior period.*
4 *EBITDA is annualised to ensure comparability between EBITDA and the cumulative balance of net debt when determining the net debt to EBITDA ratio.*
5 *Free cash flow is defined as cash generated from operations before dividend paid, excluding the repayment and proceeds from derivatives less cash paid for capital expenditure and repayment of principal lease liabilities.*
6 *Swiftnet met the IFRS 5 requirements and was classified as held for sale as a discontinued operation and it was therefore excluded from the results for continuing operations. Telkom disposed of its 100% equity shareholding in Swiftnet effective 31 January 2025.*

Key operational measures

Mobile data subscribers
up **26.7%** to **18.5 million**

Average revenue per user
Pre-paid at **R60** and post-paid at **R190**

Mobile data traffic up
16.8% to **993 petabytes**

Fibre broadband lines
up **11.5%** to **568 217**

Carrier services
up **9.3%** to **21 760**

Active fibre connectivity rate
up **2.3 ppts** to **52.0%**

Overview of our business

Telkom announced its Group interim results for the six months ended 30 September 2025 (H1 FY2026 or the period) on 18 November 2025 in Centurion, South Africa.

Message from Serame Taukobong, Group CEO

The Group's data-led strategy delivered quality earnings and growth. We built on our previous strong performance and demonstrated the competitive advantage of the Group's data-led strategy in the challenging operating conditions of the first half of FY2026. Telkom's commitment to delivering quality earnings and growth from its unique position as the backbone for South Africa's digital future is reflected in sustained performance delivered for the period. We are thus well positioned to deliver on the commitments of our medium-term objectives as we continue sharpening our competitive edge through the OneTelkom approach.

We laud the determination and commitment of all our employees in achieving these results. Our people focused relentlessly on executing our strategy and improving our competitiveness.

The Group continues leveraging the advantage of its extensive fibre footprint, consistently built over a long time to drive growth through strong mobile offerings in service and data. A remarkable example of such competitiveness is that our Mobile business delivered market-leading service revenue growth for the 11th consecutive quarter to June 2025, since its establishment 15 years ago.

Group revenue increased by 3.4% compared to the prior period. It was driven by a high single-digit increase in Group data revenue, contributing 59.1% to total revenue. This was partially offset by the deceleration in total revenue decline from BCX.

Our disciplined cost management yielded results, with Group EBITDA[1] growing by 7.4%[2] and delivering a margin of 27.2%. The improvement in the EBITDA margin[1] reflects the continued cost optimisation initiatives across the Group, with cost increases maintained below inflation in line with our strategic ambition.

This operational excellence was evident across our business units: Openserve continued to drive efficiencies through network simplification and energy transformation, while BCX achieved an expanded EBITDA margin[1] through strong cost management. Meanwhile, roaming costs remained stable in our Mobile business.

Headline earnings per share (HEPS)[1] grew by 16.4%[2], largely driven by an increase in operating profit. This growth was further supported by savings in finance charges from the repayment of debt, which partly offset the full externalisation of Swiftnet leases in the current period.

Our financial position remains strong. We maintained our leverage with a robust 0.7x net debt[1] to EBITDA[1,2] ratio, following the settlement of R4 834 million in interest-bearing debt during the period, resulting in finance charges decreasing by 27.3%.

We received R208 million in proceeds from the transfer of 18 non-core properties. Twelve properties worth R71 million remain in the conveyancing process and are expected to transfer by year-end. There was no auction for the sale of non-core properties during the period, and we do not expect future property sales to be significant, as they rely on further consolidation and exit of properties.

Smart capex deployment and free cash flow generation

We continued to invest in competitiveness, largely in mobile and fibre to expand our network and drive data-led growth. A portion of the investment was directed towards cost efficiencies and enhancing the customer experience.

Our investments during the period resulted in mobile sites surpassing 8 000, with population coverage improving to 85%. Furthermore, we increased the number of homes connected by 18.1%, improving our connectivity rate to 52.0%.

Free cash flow (FCF)[1] was stable based on the quality of the results reported for the period.

[1] *This is a non-IFRS financial measure.*
[2] *Refer to* *page 7* *for the prior period reconciliation of the reported figures to the pro forma adjusted figures.*

Performance of business units

Telkom | openserve | BCX

Telkom Consumer unveiled a refreshed brand identity, marking its transformation into a modern, customer-centric digital services provider. The branding aligns with our competitiveness focus to modernise the image and operations of the business and enhance its brand appeal beyond product relevance.

Revenue from the Consumer business increased by 6.4% despite an increasingly competitive landscape in the pre-paid segment in Mobile. The EBITDA margin expanded, driven by cost discipline.

Our **Mobile business** continued to record good service revenue growth. Service revenue grew by 7.9% on the back of a 10.3% increase in mobile data revenue as mobile data subscribers increased, to represent 75.3% of total mobile subscribers, from 64.0% in the prior period. Total mobile subscribers grew by 7.7% to 24.5 million subscribers, continuing to be fuelled by pre-paid subscribers, which rose by 9.0% to 21.6 million, with average revenue per user (ARPU) holding at R60. The post-paid base was stable, while the ARPU improved to R190. The EBITDA margin of the Mobile business expanded to 27.6%, attributable to service revenue growth.

Openserve's overall revenue grew by 2.7%, underpinned by growth in the enterprise, carrier services and broadband segments. Fibre-related data revenue increased by 10.1%. Homes passed reached 1.5 million, an increase of 163 348. The EBITDA margin was stable at 33.3%. Customer experience remains a beacon of Openserve's competitiveness, which maintained a world-class interaction net promoter score (iNPS) of 79.6.

BCX's improvement in the second quarter followed strategic actions recommended by the special task team, which included cost transformation, portfolio optimisation and digital enablement, which was vital amid pressure in the corporate sector. Encouragingly, annuity-based revenue remained stable, while the pace of revenue erosion slowed markedly from the first quarter, with revenue declining 4.4%. IT Services revenue was stable, while the hardware and software sales increased by 4.3%. Fibre-related data revenue increased by 13.8%. The results of the cost transformation programme saw the EBITDA margin expanding to 9.9% from 9.0%[1] in H1 FY2025 and 6.5% in Q1.

[1] *Excludes R157 million restructuring cost provided for in the prior period..*

Sustainability

We have set a new sustainability ambition for 2030, namely to enable digital infrastructure to foster growth for key economic sectors. The ambition is informed by the four interconnected themes of Prosperity, Planet, Practice and People. Defined targets will be shared in due course.

We continue to embed sustainability in our operations. We reduced our Scope 1 and 2 emissions by 12.5% and 15.7%, respectively, making progress towards becoming carbon neutral by 2035 and reaching net zero by 2040. E-waste recycled improved by 7.3%.

Our FutureMakers programme celebrated 10 years of impact. Its procurement spend on beneficiaries reached R222 million and supported 458 Black-owned SMMEs in the ICT sector. Telkom Foundation invested R36 million to drive digital inclusion.

Women in leadership representation improved to 36.7%, and investment in training and development increased to R77 million.

Outlook

Looking ahead to the remainder of the financial year, we are encouraged by the performance we achieved in the first-half of FY2026. Delivering quality earnings and growth by achieving our targets and medium-term guidance remains our top priority. Our data-led strategy will continue to act as a catalyst for growth, as we strengthen our unique position as the backbone of South Africa's digital future.

The country's economic growth is expected to be subdued in 2025. We also face intensifying competition in both mobile and fibre, coupled with muted corporate ICT spending. These conditions underscore the importance of leveraging the advantages of our extensive fibre footprint, consistently built over a long time to drive growth through strong mobile offerings in service and data, and sharpening our competitiveness through the OneTelkom approach. In the second half, revenue will remain a key area of focus across the Group and we will continue with our cost optimisation efforts. Although Group EBITDA margin was slightly above our medium term guidance of 25%-27% in the period, we believe we will operate within this range, particularly because the Mobile EBITDA margin is expected to moderate. Our focus on free cash flow will continue.

We expect to maintain service revenue growth at mid-single digits for the Mobile business, and EBITDA margin will moderate slightly due to the seasonality of investing in the summer campaign and the festive season. Openserve will continue to drive revenue growth in FTTH as well as in the key growth areas of the enterprise segment and carrier services. Additionally, it will continue with optimisation of costs to achieve targeted EBITDA margin. BCX will continue disciplined execution of their recommended strategic actions and focus on growing margin-accretive revenue.

We will continue to focus sharply on honing sustainably high performance by making the most of our strengths as a well-established Infraco and acting as OneTelkom.

Financial capital

Group EBITDA[1] up 7.4%[2] to R6 023 million, with Group EBITDA margin[1] improving to

27.2%

BEPS and HEPS[1] up by

12.7%[2]

and

16.4%[2],

respectively

Balance sheet remains robust, with **net debt[1] to Group EBITDA[1]** stable at

0.7x

FCF[1] at

R724 million

Group financial performance

Continuing operations	Reported September 2025 Rm	Pro forma[2] September 2024 Rm	Variance %
Group revenue	**22 104**	21 382	3.4
Group EBITDA[1]	**6 023**	5 606	7.4
Group EBITDA margin[1] (%)	**27.2**	26.2	1.0
Group capex	**2 870**	2 543	12.9
FCF[1]	**724**	768	(5.7)
BEPS (cents)	**325.7**	288.9	12.7
HEPS[1] (cents)	**305.6**	262.6	16.4
Net debt[1] to Group EBITDA[1] (times)	**0.7**	0.6	0.1

Group revenue

Group revenue increased by 3.4% to R22 104 million, driven by a 10.3% increase in mobile data revenue and a 12.3% rise in fibre-related data revenue, both supported by an increase in subscribers. Mobile handset sales grew 8.6% due to increased renewals and higher average device prices. These gains were partly offset by a 22.3% decline in fixed-voice and subscription revenue, reflecting the continued migration away from legacy fixed-voice services and ongoing declines in non-fibre data. The gains were further offset by a 1.6% decrease in IT revenue. This was due to macro-economic pressures in the enterprise business environment, resulting in delayed projects, contract downsizing and lower technology spend.

Mobile and fibre-related data now account for 57.7% of Group revenue, up from 53.8% in the prior period, with total data revenue accounting for 59.1% of Group total sales.

[1] This is a non-IFRS financial measure.
[2] Refer to page 7 for the prior period reconciliation of the reported figures to the pro forma adjusted figures.

Group EBITDA

Group EBITDA[1] increased by 7.4%[2] to R6 023 million, underpinned by a 3.4% rise in revenue and supported by stable operating expenses. The Group EBITDA margin[1] expanded by 1.0 percentage point (ppt) to 27.2%.

The growth in Group EBITDA[1] was primarily driven by higher revenue, partly offset by a modest 2.2%[2] increase in the Group's total expenses, which remained below the average inflation rate of 3.1%. This reflects our disciplined cost management and efficiency initiatives across all business units, focused on sustainable improvements to our cost-to-income ratio.

Key cost initiatives include network simplification, energy transformation, and roaming cost optimisation — the latter enabled through stringent traffic threshold efficiencies across our infrastructure. These initiatives are further supported by our ongoing strategy of rigorous credit vetting and re-vetting of existing customers.

The increase in total expenses is attributable to an 8.8%[2] increase in employee expenses[2], driven by the rise in employee costs resulting from a 5.8% average increase in salaries and higher employee incentives, partly offset by a 4.1% reduction in headcount. Additionally, the cost of handsets, equipment and directories rose by 3.0%, mainly due to a 12.9% increase in mobile handset costs, in line with the growth in handset sales. These higher costs were partially offset by lower costs at BCX, driven by the decline in IT hardware and software sales and impairments of receivables, contract assets and loans reducing by 12.5% during the period.

Earnings per share

HEPS[1] increased by 16.4%[2] from the prior period to 305.6 cents, while basic earnings per share (BEPS) rose by 12.7%[2] to 325.7 cents. The improvement was mainly due to a 12.9%[2] increase in operating profit, underpinned by a 7.4%[2] rise in Group EBITDA[1]. Profits were further supported by higher investment income and lower finance charges, which improved by 52.4% and 27.3%, respectively.

The increase in investment income reflected higher average cash balances, while the reduction in finance charges was driven by lower debt levels. These benefits were partly offset by an 11.0% increase in depreciation, amortisation, impairment and write-off expenses, and a negative foreign exchange movement attributable to a higher volume of open forward exchange contracts (FECs) in the current period relative to the prior year. Additionally, the decrease is influenced by the strengthening of the rand, as the currency was weaker at the time the contracts were initially entered into.

The weighted average number of ordinary shares increased by 0.3% to 492 453 984.

Capital allocation

Telkom Group's funding strategy is anchored in disciplined smart capex deployment at Group level. This ensures that capital is allocated efficiently to projects with the highest returns, supporting network expansion, sustainable growth and improved shareholder value. The Group remains focused on further enhancing return on invested capital in the long run while maintaining a robust and healthy balance sheet.

For the period, Group capex increased by 12.9% to R2 870 million, resulting in a capex intensity ratio of 13.0%, which is within the Group's guidance range.

Investments were directed primarily towards high-demand areas, in line with the Group's data-led strategy, to reinforce market leadership in connectivity and digital services.

This strategic approach to capital allocation has enabled Telkom to expand and modernise its network infrastructure, improve customer experience, and drive operational efficiencies. The Group continues to prioritise investments that support long-term growth, resilience and value creation, while maintaining financial discipline and flexibility to respond to market changes.

Capex	September 2025 Rm	September 2024 Rm	Variance %
Fibre	**745**	651	14.4
Mobile	**1 378**	1 299	6.1
IT solutions	**165**	138	19.6
Network rehabilitation/sustainment	**8**	113	(92.9)
Core network	**417**	286	45.8
Digital platforms and innovation	**20**	23	(13.0)
Property development and optimisation	**54**	2	>100
Shared services and other	**83**	31	>100
Continuing operations	**2 870**	2 543	12.9
Capex-to-revenue ratio on continuing operations (%)	**13.0**	11.9	1.1 ppt

Statement of financial position

Bank and cash balances for continued operations decreased by 48.6% to R5 682 million from 31 March 2025, following the utilisation of R4 843 million in the repayment of debt resulting in the total borrowings declining 27.0% to R13 532 million. Additionally, R1.3 billion was distributed to shareholders as a dividend.

Consequently, net debt[1] to Group EBITDA[1] remained strong at 0.7x. Leverage remains at optimum levels, comfortably within the Group's medium-term guidance.

The Group remains committed to a prudent approach, prioritising a strong balance sheet and liquidity management. This disciplined approach provides strategic flexibility to reinvest in growth, navigate market volatility, and sustain value creation for shareholders.

Balance sheet	September 2025 Rm	31 March 2025 Rm	Variance %
Bank and cash balances	**5 682**	11 054	(48.6)
Current borrowings[2]	**(2 987)**	(4 069)	(26.6)
Non-current borrowings[2]	**(10 545)**	(14 468)	(27.1)
Net debt[1]	**(7 850)**	(7 483)	4.9
Net debt[1] to Group EBITDA[1,3] (times)	**0.7**	0.6	0.1

1 This is a non-IFRS financial measure.
2 Current borrowings relates to current interest-bearing debt and lease liabilities, and non-current borrowings relates to non-current interest-bearing debt and lease liabilities.
3 Refer to page 7 for the prior period reconciliation of the reported figures to the pro forma adjusted figures.

Free cash flow

The Group delivered stable FCF[1] at R724 million (H1 FY2025: R768 million) having catered for a capex paid increase of 11.6%.

Cash receipts from customers grew by 3.1%. This performance is in line with the strong revenue growth in the underlying performance, which excludes the cash receipts from the Google transaction concluded in the prior period. Cash paid to suppliers and employees increased by 8.0%, driven by higher cost of sales related payments and an increase in prepayments from contract renewals. The prepayments are linked to annual fees payable in advance, which are subsequently amortised over the contract term.

The decline in principal lease repayments resulted from the full settlement of the Google fibre pair lease in the prior period. This was partly offset by the transition of Openserve and Consumer from internal to external lease agreements following the disposal of Swiftnet in FY2025.

Free cash flow generation in the first half typically trends lower due to higher capex spend relative to cash inflows. This is consistent with prior years, where stronger free cash flow generation is recorded in the second half. The Group's disciplined approach to free cash flow generation remains a focus.

Table on following page.

Free cash flow[1]	**September 2025 Rm**	September 2024 Rm	Variance %
Cash receipts from customers	**22 941**	22 255	3.1
Cash paid to suppliers and employees	**(17 316)**	(16 028)	(8.0)
Cash generated from operations	**5 625**	6 227	(9.7)
Repayment of principal lease liability	**(942)**	(1 672)	43.7
Interest received	**244**	248	(1.6)
Dividend received from the Cell Captive	**90**	—	100.0
Finance charges paid	**(841)**	(1 039)	19.1
Taxation paid	**(265)**	(140)	(89.3)
Cash generated from operations before dividend paid	**3 911**	3 624	7.9
Cash paid for capex	**(3 187)**	(2 856)	(11.6)
Free cash flow[1]	**724**	768	(5.7)

[1] *This is a non-IFRS financial measure.*

Medium-term guidance

The medium-term guidance, as previously reported on 10 June 2025, remains unchanged.

	Medium-term guidance FY2026 - FY2028	**H1 FY2026 Reported**
Revenue growth	**Mid-single digit**	3.4%
EBITDA[1] margin	**25% - 27%**	27.2%
Capex to revenue	**12% - 15%**	13.0%
Net debt to EBITDA[1]	**0.5x - 1.5x**	0.7x

[1] *This is a non-IFRS financial measure*

Pro forma financial information

Certain financial information presented in this results announcement constitutes pro forma financial information in terms of the JSE Listings Requirements. The Group presents various non-IFRS financial measures in the results announcement, including (i) net debt and (ii) FCF for both the current and prior period. In addition to these non-IFRS financial measures, the financial information in the prior period excludes the impact of the loss from the settlement of the Telkom Retirement Fund (TRF) and restructuring costs with the related tax impact. These measures constitute pro forma financial information and are annotated throughout the results announcement. The pro forma financial information is presented to achieve comparable year-on-year analysis and to highlight the underlying performance of the business.

Restructuring cost

In the prior period, the Group recognised restructuring costs of R160 million, which have not recurred in the current period.

Settlement of the Telkom Retirement Fund

In the prior period, a once-off cost of R618 million related to the loss from the derecognition of the TRF liability was recognised. This cost has not recurred in the current period.

The restructuring cost and loss from the derecognition of the TRF liability, against which this pro forma financial information was prepared, are set out below:

Extract of the reviewed condensed consolidated interim financial statements	**Pro forma**	**Pro forma adjustments**		**Reported**
Continuing operations	**September 2024 Rm**	**Restructuring costs Rm**	**TRF derecognition loss Rm**	**September 2024 Rm**
Employee expenses	**(3 921)**	**160**	**618**	**(4 699)**
EBITDA[1]	**5 606**	**160**	**618**	**4 828**
Operating profit	**2 663**	**160**	**618**	**1 885**
Profit before taxation	**1 927**	**160**	**618**	**1 149**
Taxation	**(506)**	**(43)**	**(167)**	**(296)**
Profit for the period	**1 421**	**117**	**451**	**853**
BEPS (cents)	**288.9**	**23.8**	**91.9**	**173.2**
HEPS (cents)[1]	**262.6**	**23.8**	**91.9**	**146.9**

Segment reporting

Segment reporting is provided in note 4 of the reviewed consolidated interim financial statements.

Results from operations

Group profit after tax from continuing operations increased by 12.9%[2] to R1 604 million (H1 FY2025: R1 421 million). This is mainly attributable to a 7.4%[2] increase in Group EBITDA[1] to R6 023 million, a 27.3% decrease in finance charges, and a 52.4% increase in investment income. It was partially offset by higher depreciation, amortisation, impairments, write-offs, foreign exchange losses, fair value movements and tax[2]. This resulted in a 16.4%[2] increase in HEPS[1] and a 12.7%[2] increase in BEPS to 305.6 and 325.7 cents per share, respectively.

[1] *This is a non-IFRS financial measure.*
[2] *Refer to Pro forma financial information on the left of this page for the prior period reconciliation of the reported figures to the pro forma adjusted figures.*

Productive capital

Telkom

Telkom Consumer continued to deliver a solid performance, underpinned by the data-led growth strategy and disciplined execution. Operating revenue increased by 6.4% to R14 250 million, driven by advanced data analytics, optimisation of the product portfolio and expansion of our distribution channels.

Fibre-related data revenue increased by 10.8% due to a 4.1% uplift in ARPU and fibre subscriber growth of 8.4%. Beyond Connectivity revenue expanded by 16.1%, reflecting the increasing traction of adjacent digital services designed to deepen customer engagement, enhance stickiness and expand our share of the wallet.

7.9% Mobile service revenue growth ↑

10.3% Mobile data revenue growth ↑

9.0% Pre-paid subscriber growth ↑

Accelerated Mobile growth

External revenue from the Mobile business reached R12 652 million, an 8.2% increase, driven by a 7.9% growth in mobile service revenue to R11 027 million, despite a competitive landscape that further intensified in the latter part of the period. Pre-paid service revenue continued to record double-digit growth.

Our total mobile subscriber base grew by 7.7% to 24.5 million subscribers at a blended ARPU of R77 (H1 FY2025: R80). This was underpinned by strategic customer acquisition initiatives and sustained value extraction from our existing base. In the post-paid segment, we maintained a stable subscriber base of 3.0 million with an ARPU of R190 (H1 FY2025: R186), reflecting our ability to preserve high-value customers and enhance long-term revenue visibility. In the pre-paid segment, subscribers accelerated by 9.0% to 21.6 million while the ARPU held at R60 (H1 FY2025: R61).

Despite a challenging operating environment, the Mobile business delivered a robust 9.5% increase in EBITDA to R3 506 million, with the EBITDA margin expanding to 27.6%. This improvement was mainly attributable to an increase in service revenue together with prudent cost management. Roaming costs and impairment of receivables continued to hold steady.

Telkom Consumer's EBITDA continued to grow strongly, increasing by 19.0% to R3 099 million, driving a 2.3 ppts increase in the EBITDA margin to 21.7%. Our commitment to cost discipline remains steadfast, underpinned by continuous refinement of operational efficiencies and strategic cost-optimisation initiatives.

Drive for broadband adoption

Our mobile data subscriber base continued to grow steadily, increasing by 26.7% to reach 18.5 million subscribers, now representing 75.3% of our total mobile subscriber base. This growth was driven by strong demand for seamless connectivity and value-focused plans tailored to our customers' needs. Consequently, mobile data revenue rose by 10.3% to R8 658 million.

We are seeing sustained demand for broadband, driven by increased digital adoption, the need for mobility, and broader affordability of devices and data access. Activities such as LTE coverage expansion, pre-paid bundle innovation, device financing initiatives, and hyper-localised campaigns enabled us to unlock growth in underserved areas while defending our market share in more saturated markets.

Our fibre portfolio continues to scale, aligned with our ambition to lead in high-speed home and SME connectivity. We have broadened accessibility through pre-paid fibre offers, simplified the installation process, and enabled our customers better control of their household connectivity. These actions are improving monetisation through higher ARPU and value-added service attachment.

Mobile network expansion

Demand for data surged, resulting in a 16.8% increase in data traffic to 993 petabytes. In line with our strategic imperative to lead in data services, we committed R1 378 million in capital expenditure towards our mobile programme, primarily for network expansion and upgrading of base stations. This was in order to provide faster data speeds and better signal coverage, particularly indoors and in remote areas. The investment facilitated an expansion in our integrated sites to 8 115. The expansion supports a reduction in roaming costs, despite growth in traffic and resulted in our population coverage increasing from 84% to 85%.

In relation to network resilience, we ensured consistently high network availability, while materially derisking it from vandalism, theft of batteries as well as reducing the cost associated with the repair of shelters. We also completed solar installations at 50 high-revenue sites.

Our voice over LTE (VoLTE) traffic ratio increased from 60% in the prior period to 69%. Concurrently, 5G device penetration surged by 13% to 1.7 million devices, underscoring the accelerating adoption of next-generation connectivity. The number of devices that support 4G is now at 94%, which puts Telkom in a good position to sunset 3G and make way for an all-data network supported by VoLTE for voice calls.

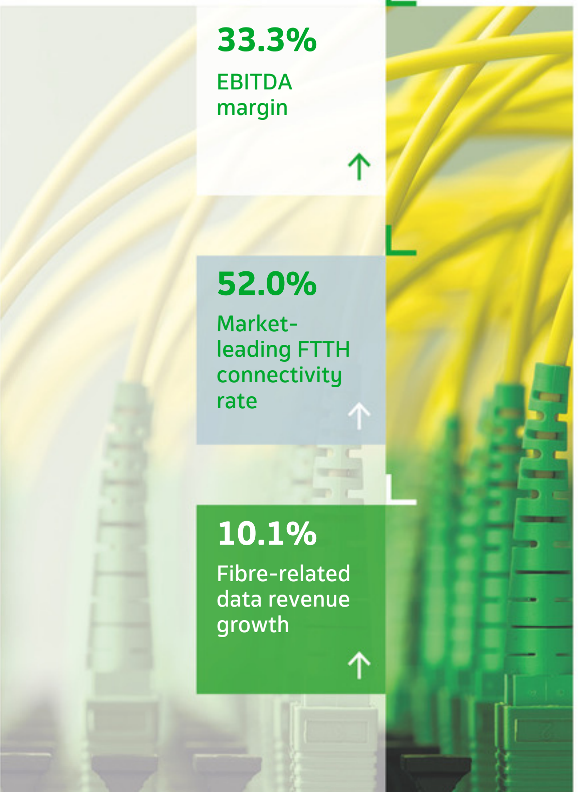
Driving revenue through digital and financial services

Our strengthened Beyond Connectivity strategy, encompassing airtime advance lending, insurance solutions, advertising services and a diverse portfolio of digital content offerings, has delivered a material contribution of R801 million to overall revenue growth. The airtime advance lending business continues to demonstrate strong resilience and profitability, accounting for 28.1% of total pre-paid recharge value. User adoption within this segment remained robust and consistent over the period, with approximately 6.1 million unique customers actively utilising the service.

Our insurance portfolio, a key pillar of our non-connectivity revenue stream, recorded a year-on-year increase of 1.4%, generating R146 million in revenue. This performance was underpinned by sustained momentum in device insurance uptake, complemented by enhanced policy management and customer retention strategies, which collectively strengthened the quality of the portfolio.

Productive capital

Openserve maintained its position as the leading provider of fibre connectivity while delivering on core strategic priorities. The revenue transformation is evident, with fibre-related revenue constituting 86.1% of total operating revenue and overall revenue improving, establishing a diverse product portfolio positioned for future expansion. Openserve sustained its commitment to growth via multiple channels and partnerships, while maintaining service excellence and network reliability to ensure seamless connectivity across all customer touchpoints.



33.3%
EBITDA margin

52.0%
Market-leading FTTH connectivity rate

10.1%
Fibre-related data revenue growth

Performance overview

Openserve delivered a resilient performance during the period, reflecting our strategic multi-faceted approach to channels and revenue streams. Overall revenue grew by 2.7% to R6 327 million, underpinned by growth across all segments. We saw an increase of 15.6% in the enterprise segment and 5.1% in the carrier segment, primarily driven by increased demand for submarine capacity as well as the provision of backhaul services. The growth of 7.3% in the broadband segment was underpinned by our innovative product enhancements, coupled with channel expansion to enable broader market reach. Fibre-related data revenue grew by 10.1% to R5 064 million and external revenue by 9.1% to R2 606 million.

Our commitment to cost reduction through network simplification and energy transformation remains a core pillar. These efforts are crucial not only for driving sustainability but also for enhancing business value and profitability. We continued to invest in the deployment of energy-efficient solutions and the decommissioning of legacy systems, which resulted in a total of 1 341 sites now being equipped with lithium-ion batteries and 326 with solar.

Our focus on revenue growth and cost efficiency continued to deliver results, with EBITDA increasing by 1.2% to R2 108 million, resulting in a resilient EBITDA margin of 33.3%.

Commercialising the network

Openserve's focus on connecting homes led to an 18.1% increase in homes connected, or 115 679 new connections, reaching an overall 756 409 homes. Our industry-leading connectivity rate of 52.0% reflects our successful commercialisation strategy and effective leveraging of infrastructure investments to meet the growing demand for high-speed connectivity.

We continued to monetise our fibre footprint and enhance our broadband product portfolio. We further refined our Openserve Fibre Connect, which now features a download speed of 30 Mbps and an upload speed of 30 Mbps (symmetrical). We also introduced our Openserve Fibre Connect/Webstream with speeds of 10/5 Mbps and Openserve Web Connect with speeds of 10/10 Mbps, specifically to cater for low-income households.

In line with our strategy to increase our coverage in low-income areas, we saw growth in our pre-paid offerings. To support this momentum, we expanded these offerings with a new symmetrical 25 Mbps speed and flexible three-day recharge bundles. These offers are part of our retention strategy and designed to improve our penetration in low-income households, allowing customers to seamlessly switch speeds based on their bundle purchase.

Scalable network

Openserve continues to prioritise investments in infrastructure development while optimising costs. Over the past year, we allocated R1 257 million towards network expansion and modernisation, digital transformation and customer-centric initiatives. A significant portion of this went towards expanding our fibre coverage, bringing the total number of homes passed with fibre to 1 453 810, representing an increase of 12.7% or 163 348 from the prior period.

Transforming service delivery

Automation is central to our service delivery evolution. We are systematically automating routine processes across ordering, provisioning, fault management and customer support functions. Our aim is to create seamless and intuitive interactions for our customers, foster loyalty and drive demand for our innovative products and services.

We continued to deliver exceptional network reliability, achieving 99.93% uptime across the access layer, 99.93% for the transport layer, and 100.00% for the core network layer. Openserve's combination of innovation and automation translates directly into improved customer satisfaction, as reflected in our world-class Net Promoter Score (NPS), which remained strong at 79.6 (FY2025: 74.1).

Productive capital

BCX

BCX strengthened its profitability in the second quarter following a weaker first quarter, during which lower service revenue and project timing delays weighed on performance. The improvement was due to disciplined execution and continued strong cost management. Revenue growth in our key segments remained subdued due to tough market conditions, cautious enterprise spending and rising price sensitivity. Clients are prioritising cost containment, leading to delays in non-essential tech investments – a trend that is increasingly evident across the sector.

9.9%
EBITDA margin ↑

10.4%
Cybersecurity services revenue ↑

13.8%
increase in fibre-related data revenue ↑

A disciplined and intentional shift in portfolio mix is enabling us to reposition the business to navigate headwinds while prioritising high-value, recurring services. We accelerated our transition to an Everything-as-a-Service (XaaS) model by securing consumption-based subscription and usage-driven contracts across infrastructure, cloud, applications and managed services. This strategic shift enhances our traditional hardware and software offerings, aligns with global digital transformation trends and strengthens our margin resilience and revenue predictability.

Performance overview

Total revenue declined by 4.4% to R5 868 million. The decline was primarily due to a decrease in revenue from Converged Communications. Encouragingly, annuity-based revenue remained stable.

EBITDA increased by 5.1%[1] to R581 million, resulting in a margin improvement of 0.9 ppts[1] to 9.9%. The increase was due to cost efficiencies realised from the cost transformation programme implemented in FY2025, which resulted in operational expenditure declining by 4.5%[1]. This decline was mainly attributable to a 6.4%[1] decrease in employee costs, facilities optimisation, and the implementation of automated tools to improve service delivery and productivity. Impairment of receivables declined by R99 million as we proactively managed receivables.

Information technology

The IT Services portfolio demonstrated resilience. Revenue was stable, with marginal growth in Infrastructure-as-a-Service (IaaS), applications and IoT services offsetting softness in traditional project-based work. The profitability of the IT services business showed a healthy improvement from the prior year.

The profitability of Platform-as-a-Service (PaaS) and IaaS improved, despite revenue declining in certain areas due to once-off projects completed in the prior year. This decline was offset by strong performances in the IoT business and own IP solutions business, which grew by 15.9% and 4.3%, respectively. Our cloud revenue growth was hindered by customers containing costs to fund their public cloud journeys, intensified competition from hyperscalers, and lower-than-expected levels of enterprise migration.

Cybersecurity (including network security) services revenue increased by 10.4%, reflecting sustained client demand for advanced threat management, advisory, and network protection services. We continue to expand our capabilities within the Threat Defence Centre (TDC), reinforcing our position as a trusted cybersecurity partner.

Overall, IT hardware and software revenue increased by 4.3%, driven by higher sales from the South African operations, largely due to projects concluded towards the end of the period. This was offset by lower International volumes and higher revenue from third-party agent-based software, where only the margin is recognised. Profitability has also improved, and we are attaching services that support annuity-based revenue. This is an indication that our strategy to intentionally curtail low-margin revenue in this segment is bearing fruit.

Converged Communications

Revenue for Converged Communications declined by 11.3% due to the managed migration to fibre-based platforms and lower voice revenue. Fibre-related data services, which now represent 83% of total data revenue, grew by 13.8%, partially offsetting the decline in traditional connectivity and voice services. The continued expansion of fibre capacity, together with the migration of customers to fibre networks, strengthens the sustainability of the business and supports the transition to a more resilient portfolio over time.

[1] *Excludes R157 million restructuring cost provided for in the prior period.*

Natural capital

Telkom Group continued to advance its carbon-reduction initiative and resource stewardship through energy efficiency, use of renewable energy, and responsible waste management practices. During the period, we made measurable progress towards achieving our long-term sustainability commitments.

Key highlights

- **Scope 1:** ↓12.5% to 13 761 tCO_2e
- **Scope 2:** ↓15.7% to 209 285 tCO_2e
- **Renewable energy:** 4.1 GWh generated, avoiding 3 805 tCO_2e
- **Electricity consumption:** ↓9% to 225 GWh
- **E-waste recycled:** ↑7.3% to 4 237 tonnes

9 Industry, innovation and infrastructure | 10 Reduced inequalities

Reducing our carbon footprint

Telkom remains committed to the Science Based Targets initiative (SBTi), pursuing our 2035 carbon neutral and 2040 net zero targets. In H1 FY2026, Scope 1 emissions decreased due to lower diesel use and optimisation through Project Spark, which deploys lithium-ion batteries at key sites. Scope 2 reductions were driven by energy-efficiency measures, such as solar generation, and account terminations. The Group is refining its Scope 3 emissions calculation methodology to reflect more complete and accurate reporting of its value chain emissions.

Driving energy efficiency and alternative energy

Energy efficiency and renewable energy projects delivered tangible outcomes during H1 FY2026. Telkom's solar plants collectively produced 4.1 GWh of renewable energy, avoiding 3 805 tCO_2e in emissions. Key initiatives contributing to efficiency gains include the Telkom Park 4 MW solar plant, Bellville solar PV, the rollout of LED lighting, and the decommissioning of legacy equipment. All of these reduce our energy intensity and operational costs.

Social and relationship capital

Our sustained expansion of the FutureMakers programme and the broadened reach of the Telkom Foundation resulted in measurable social impact, strengthened supplier development and deeper community engagement.

Key highlights

- **Number of SMMEs supported:** ↑13.6% to 458
- **FutureMakers procurement spend:** R222 million
- **Telkom Foundation total investment:** R36 million
- **Number of learners and teachers impacted:** ↑8.9% to 43 843

4 Quality education | 8 Decent work and economic growth | 10 Reduced inequalities

Supporting ESD – FutureMakers programme

The FutureMakers programme continued to support young black-owned SMMEs in the ICT sector, with 458 SMMEs participating in H1 FY2026. Key initiatives included the Telkom 10-X Hackathon and the AI Growth Catalyst programme. Telkom's procurement spend on FutureMakers beneficiaries reached R222 million and R1.5 million was provided in supplier development to consumer dealers. The Aions Venture Builder invested R18 million in six tech start-ups, while the Supplier Development Fund offered R38 million in financing, supporting sustainable supplier growth and job creation.

Supporting communities – Telkom Foundation

Telkom Foundation remained steadfast in advancing digital inclusion and enhancing educational outcomes. More than 3 360 students benefited from face-to-face learning opportunities, while an additional 35 571 engaged in online learning via the Lightbulb platform. Furthermore, 811 students accessed psychosocial support services. As part of its commitment to digital skills development and ICT integration, the Foundation delivered robotics and coding training to 250 learners and enrolled 210 unemployed youth in a 12-month accredited learnership programme.

Human capital

Telkom completed the first two phases of its Strategic Workforce Planning programme, which provided a number of key insights around our leadership levels and in the functional areas of sales and marketing, human resources and digital transformation. The analysis and insights are being integrated into occupational development, talent acquisition, learning, and recruitment initiatives focused on building capabilities for the future.

Key highlights

- **Women in leadership:** ↑ to 36.7%
- **Training and development:** ↑ 6% to R77 million
- **Top Employer status:** Retained Top Employer South Africa 2025 certification
- **Employee wellness:** 2 200 participants reached

4 Quality education | 8 Decent work and economic growth

Performance and growth

Telkom continues to strengthen workforce capability, leadership depth, and engagement as enablers of sustainable growth. The OneTelkom X-celer8 Talent Mobility programme, now at its halfway mark, broadens employee business exposure through cross-functional secondments that build readiness for senior roles and strengthen the internal leadership bench. The programme identifies, nurtures and empowers exceptional talent across the Group, driving collaboration, innovation and performance in line with the OneTelkom vision of a unified, future-ready organisation.

Sustainability

Our efforts were focused on embedding equity, inclusion and responsible workforce practices to drive long-term organisational resilience. Culture transformation guided phase 2 of the journey, reinforcing strategic values that underpin high performance and a unified workforce aligned with the Group's objectives.

Intellectual capital

Telkom continued to leverage innovation, artificial intelligence (AI) and digital transformation to enhance customer experience, improve efficiency and strengthen operational resilience across the Group.

Key highlights

- Continued the rollout of **AI-driven solutions,** such as Bafo and PoliPal
- **Enhanced operational efficiency** through Openserve's Operational support systems (OSS) transformation, the Business support systems (BSS) optimisation, and order-to-cash transformation

9 Industry, innovation and infrastructure

Customer experience

Telkom advanced its customer-centric innovation agenda through AI-led initiatives designed to improve efficiency and service quality.

The *Bafo* platform has already delivered tangible results, with R1.7 million in penalties avoided, 1 000+ tickets automated monthly, and 200 hours saved per month.

The *Voice of the Customer (VoC) AI* is currently in its beta phase. The platform enables teams to identify root causes, plan solutions and track sentiment in real time, strengthening Telkom's ability to proactively respond to customers' needs.

Operational efficiency and cost optimisation

Telkom is enhancing operational efficiency and reducing costs through targeted technology and process improvements. Key initiatives include Openserve's OSS transformation (with phase 2 products on track) and the BSS optimisation, and order-to-cash transformation. These initiatives streamline processes, reduce manual intervention, and enable efficient transactions for partners and customers.

Operational data

Operational data

	September 2025	September 2024	Variance %
Mobile subscribers			
Active mobile subscribers[1]	**24 542 533**	22 784 590	7.7
Pre-paid	**21 553 227**	19 777 721	9.0
Post-paid	**2 989 306**	3 006 869	(0.6)
ARPU blended (rand)	**77.27**	79.97	(3.4)
ARPU pre-paid (rand)	**60.07**	61.46	(2.3)
ARPU post-paid (rand)	**190.18**	185.62	2.5
Mobile data subscribers	**18 479 491**	14 582 031	26.7
Fixed subscribers			
Fixed-broadband lines[2]	**589 139**	553 312	6.5
Fibre	**568 217**	509 617	11.5
xDSL	**20 922**	43 695	(52.1)
ARPU fixed-voice	**279.84**	305.92	(8.5)
ARPU fixed-broadband	**400.06**	355.56	12.5
Managed data network sites	**19 959**	27 963	(28.6)
Internet all-access subscribers[3]	**189 349**	213 312	(11.2)
Fixed access lines ('000)[4]	**421**	533	(21.0)
Revenue per fixed access line (rand)	**2 406**	2 445	(1.6)
Network population coverage			
Homes passed	**1 453 810**	1 290 462	12.7
Homes connected	**756 409**	640 730	18.1
Enterprise business services	**45 407**	44 041	3.1
Next-generation technology services	**75 044**	74 672	0.5
Carrier services	**21 760**	19 912	9.3
Fibre to base station connections	**9 310**	9 146	1.8
Mobile sites integrated	**8 115**	7 814	3.9
Active fibre connectivity rate (%)	**52.0**	49.7	2.3
Volumes			
Mobile broadband (petabytes)	**993**	850	16.8
Total fixed-line traffic (millions of minutes)	**1 637**	1 941	(15.7)
Group employees	**9 492**	9 894	(4.1)
Telkom Company	**1 315**	1 320	(0.4)
Telkom Consumer	**1 027**	1 013	1.4
Corporate Centre	**288**	307	(6.2)
Openserve	**4 516**	4 549	(0.7)
BCX Group	**3 661**	4 025	(9.0)

1 *Based on a subscriber who participated in a revenue-generating activity within the last 90 days.*
2 *Includes xDSL and FTTH lines, of which 2 422 (H1 FY2025: 2 773) are internal lines.*
3 *Includes Telkom internet asymmetrical DSL, integrated services digital network (ISDN) and WiMAX subscribers.*
4 *Includes copper voice and broadband, ISDN and fixed look-a-like. Excludes Telkom internal lines.*

Financial performance

Group revenue

	Openserve		Telkom Consumer		BCX		Eliminations[1], IFRS 16 reversal[2] and other		Group[1]		Variance
	September 2025 Rm	September 2024 Rm	**September 2025 Rm**	September 2024 Rm	**September 2025 Rm**	September 2024 Rm	**September 2025 Rm**	September 2024 Rm	**September 2025 Rm**	September 2024 Rm	%
Mobile	**—**	—	**12 695**	11 743	**—**	—	**(43)**	(49)	**12 652**	11 694	8.2
Voice	**—**	—	**2 110**	2 132	**—**	—	**(14)**	(15)	**2 096**	2 117	(1.0)
Interconnection	**—**	—	**295**	284	**—**	—	**(22)**	(27)	**273**	257	6.3
Data	**—**	—	**8 665**	7 853	**—**	—	**(7)**	(7)	**8 658**	7 846	10.3
Handset and device sales	**—**	—	**1 441**	1 327	**—**	—	**—**	—	**1 441**	1 327	8.6
Interest revenue	**—**	—	**181**	147	**—**	—	**—**	—	**181**	147	23.1
Other	**—**	—	**3**	—	**—**	—	**—**	—	**3**	—	100.0
Fixed	**6 242**	6 092	**1 331**	1 434	**2 421**	2 730	**(3 732)**	(3 790)	**6 262**	6 466	(3.2)
Voice	**498**	691	**257**	383	**757**	923	**(498)**	(692)	**1 014**	1 305	(22.3)
Interconnection	**120**	144	**—**	—	**—**	—	**(26)**	(32)	**94**	112	(16.1)
Data	**5 287**	4 915	**974**	950	**1 226**	1 311	**(3 073)**	(2 912)	**4 414**	4 264	3.5
Fibre-related	**5 064**	4 598	**915**	826	**1 020**	896	**(2 897)**	(2 666)	**4 102**	3 654	12.3
Other data	**223**	317	**59**	124	**206**	415	**(176)**	(246)	**312**	610	(48.9)
Customer premises equipment sales and rentals	**60**	86	**90**	86	**438**	496	**(60)**	(86)	**528**	582	(9.3)
Sundry revenue	**277**	256	**10**	15	**—**	—	**(75)**	(68)	**212**	203	4.4
Information technology[1]	**—**	—	**—**	—	**3 447**	3 405	**(565)**	(477)	**2 882**	2 928	(1.6)
IT service revenue[1]	**—**	—	**—**	—	**2 266**	2 274	**(396)**	(361)	**1 870**	1 913	(2.2)
IT hardware and software[1]	**—**	—	**—**	—	**1 152**	1 104	**(169)**	(116)	**983**	988	(0.5)
Interest revenue	**—**	—	**—**	—	**29**	27	**—**	—	**29**	27	7.4
Other	**85**	69	**224**	219	**—**	—	**(1)**	6	**308**	294	4.8
Digital media sales	**—**	—	**64**	75	**—**	—	**(1)**	—	**63**	75	(16.0)
Insurance revenue	**—**	—	**146**	144	**—**	—	**—**	—	**146**	144	1.4
Lease revenue	**85**	69	**14**	—	**—**	—	**—**	6	**99**	75	32.0
Total	**6 327**	6 161	**14 250**	13 396	**5 868**	6 135	**(4 341)**	(4 310)	**22 104**	21 382	3.4

[1] *Inter-business unit transactions are eliminated to ensure that only transactions with external entities are recorded in the Income statement.*
[2] *The IFRS 16 reversal relates to inter-business unit lease transactions, which result in one entity receiving lease Income (which is recorded above EBITDA) and the counterparty business unit only recognising an interest expense and depreciation (which is below EBITDA).*

Summary of Condensed consolidated interim statement of profit or loss and other comprehensive income

Continuing operations	Reported 30 September 2025 Rm	Pro forma 30 September 2024 Rm	Variance %	
Group revenue	**22 104**	21 382	3.4	
Other income	**684**	635	7.7	
Direct expenses	**(5 590)**	(5 383)	(3.8)	
Payments to other operators	**(1 336)**	(1 332)	(0.3)	
Cost of handsets, equipment, software and directories	**(2 583)**	(2 507)	(3.0)	
Sales commission, incentives and logistical costs	**(1 671)**	(1 544)	(8.2)	A
Operating expenses	**(11 175)**	(11 028)	(1.3)	
Insurance service expenses	**(100)**	(138)	27.5	
Employee expenses[1]	**(4 268)**	(3 921)	(8.8)	B
Other expenses	**(1 176)**	(1 233)	4.6	
Maintenance	**(2 496)**	(2 548)	2.0	
Marketing	**(501)**	(457)	(9.6)	
Impairment of receivables, contract assets and loans	**(562)**	(642)	12.5	
Service fees	**(1 913)**	(1 885)	(1.5)	
Lease-related expenses	**(159)**	(204)	22.1	
Group EBITDA[1,2]	**6 023**	5 606	7.4	
Depreciation, amortisation, impairments and write-offs	**(3 268)**	(2 943)	(11.0)	C
Operating profit[1]	**2 755**	2 663	3.5	
Investment income	**250**	164	52.4	D
Finance charges and fair value movements	**(814)**	(900)	9.6	E
Net finance charges on lease liabilities	**(305)**	(267)	14.2	
Net finance charges	**(422)**	(733)	(42.4)	
Foreign exchange and fair value movements	**(87)**	100	>(100.0)	
Profit before taxation[1]	**2 191**	1 927	13.7	
Taxation[1]	**(587)**	(506)	(16.0)	F
Profit for the period from continuing operations[1]	**1 604**	1 421	12.9	
Profit for the period from discontinued operation	**—**	218	(100.0)	
Profit for the period	**1 604**	1 639	(2.1)	

[1] *Refer to page 7 for the prior period reconciliation of the reported figures to the pro forma adjusted figures.*
[2] *This is a non-IFRS financial measure.*

Notes

A **Sales commission, incentives and logistical costs** increased by 8.2% to R1 671 million due to growth in the commissionable base, as a result of increased connections via commissionable channels and higher airtime sales.

B **Employee expenses** increased by 8.8% to R4 268 million, as a result of the 5.8% average salary increase and higher employee incentives, which were partly offset by the 4.1% reduction in headcount.

C **Depreciation, amortisation, impairments and write-offs** increased by 11.0% to R3 268 million, mainly due to the increase in depreciation of right-of-use assets driven by the transition of Swiftnet leases, which were eliminated in the prior period, to external leases. Write-offs and impairments also increased due to equipment upgrades that resulted in some of the existing equipment no longer being serviceable.

D **Investment income** increased by 52.4% to R250 million due to higher average bank and cash balances, which were mainly attributable to the proceeds from the sale of Swiftnet.

E **Finance charges and fair value movements** decreased 9.6% to R814 million, mainly reflecting a reduction in net finance charges driven by the repayment of matured bonds and early repayment of term loans funded by the proceeds from the Swiftnet sale. This benefit was partially offset by a negative foreign exchange movement of 187.0% attributable to a higher volume of open forward exchange contracts in the current period relative to the prior year. Additionally, the decrease is influenced by the strengthening of the rand, as the currency was weaker at the time the contracts were initially entered into.

F **Taxation** increased by 16.0% to R587 million mainly due to an increase in the Group's profit before tax and effective tax rate (ETR). The increase in the ETR is primarily due to an increase in non-deductible capital losses relating to asset disposals.

Summary of Condensed consolidated interim statement of financial position

	30 September 2025 Rm	31 March 2025 Rm	Variance %	
Assets				
Non-current assets	**44 370**	44 530	(0.4)	
Property, plant and equipment	**27 933**	27 334	2.2	
Right-of-use assets	**6 146**	6 384	(3.7)	
Intangible assets	**5 355**	5 421	(1.2)	
Other investments	**113**	106	6.6	
Other receivables	**156**	155	0.6	
Employee benefits	**1 001**	993	0.8	
Other financial assets	**92**	94	(2.1)	
Finance lease receivables	**325**	307	5.9	
Deferred taxation	**3 249**	3 736	(13.0)	A
Current assets	**17 639**	23 005	(23.3)	
Inventories	**817**	747	9.4	
Income tax receivable	**54**	7	>100.0	B
Finance lease receivables	**149**	157	(5.1)	
Trade and other receivables	**7 580**	7 740	(2.1)	
Contract assets	**2 149**	2 344	(8.3)	C
Other current assets	**648**	619	4.7	
Other financial assets	**269**	63	>100.0	
Insurance contract assets	**218**	251	(13.1)	
Cash and cash equivalents	**5 682**	11 054	(48.6)	D
Restricted cash	**73**	23	>100.0	
Total assets	**62 009**	67 535	(8.2)	
Equity and liabilities				
Equity attributable to owners of the parent	**33 910**	33 601	0.9	
Share capital	**5 050**	5 050	—	
Share-based compensation reserve	**1 648**	1 610	2.4	
Non-distributable reserves	**579**	585	(1.0)	
Retained earnings	**26 633**	26 356	1.1	
Non-controlling interests	**(19)**	(16)	18.8	
Total equity	**33 891**	33 585	0.9	
Non-current liabilities	**12 320**	16 347	(24.6)	
Interest-bearing debt	**5 719**	9 368	(39.0)	E
Lease liabilities	**4 826**	5 100	(5.4)	
Provisions	**362**	381	(5.0)	F
Other financial liabilities	**181**	205	(11.7)	
Deferred revenue	**1 230**	1 194	3.0	
Deferred taxation	**2**	99	(98.0)	A

Summary of Condensed consolidated interim statement of financial position

	30 September 2025 Rm	31 March 2025 Rm	Variance %	
Current liabilities	**15 798**	17 603	(10.3)	
Trade and other payables	**9 128**	9 944	(8.2)	
Shareholders for dividend	**19**	19	—	
Interest-bearing debt	**1 062**	2 249	(52.8)	E
Lease liabilities	**1 925**	1 820	5.8	
Provisions	**1 226**	1 501	(18.3)	F
Deferred revenue	**1 867**	1 711	9.1	
Income tax payable	**—**	9	100.0	
Other financial liabilities	**571**	350	63.1	
Total liabilities	**28 118**	33 950	(17.2)	
Total equity and liabilities	**62 009**	67 535	(8.2)	

A **Deferred taxation** decreased by 10.7% to R3 247 million, attributable to the utilisation of assessed tax losses and the utilisation of the deferred tax asset that arose from the impairment of property, plant and equipment and intangible assets during the 2023 financial year.

B **Income tax receivable** increased by 671.4% to R54 million, mainly due to higher amounts of tax paid during the first half of the year, as a result of the increased estimated profit before tax for the 2026 financial year. Most of this estimated profit is anticipated to materialise in the second half of the current financial year.

C **Contract assets** decreased by 8.3% to R2 149 million, primarily due to the additional sale of books to the financial institutions in the current period.

D **Cash and cash equivalents** decreased by 48.6% to R5 682 million, driven by the utilisation of the proceeds from the sale of Swiftnet. These proceeds were applied towards the repayment of interest-bearing debt and the distribution of dividends to shareholders.

E **Interest-bearing debt** decreased by 41.6% to R6 781 million as a result of the repayment of debt utilising proceeds received from the disposal of Swiftnet.

F **Provisions** decreased by 15.6% to R1 588 million, primarily attributable to a lower incentive provision in the current period compared to FY2025.

Summary of Condensed consolidated interim statement of cash flows

	September 2025 Rm	September 2024 Rm	Variance %	
Cash flows from operating activities	**3 494**	5 263	(33.6)	
Cash receipts from customers	**22 941**	22 255	3.1	
Cash paid to suppliers and employees	**(17 316)**	(16 028)	(8.0)	
Cash generated from operations	**5 625**	6 227	(9.7)	A
Interest received	**244**	248	(1.6)	
Dividend received	**90**	30	>100.0	B
Finance charges paid	**(841)**	(1 039)	19.1	C
Taxation paid	**(265)**	(140)	(89.3)	D
Repayment of derivatives – FECs	**(96)**	(129)	25.6	
Proceeds from derivatives – FECs	**33**	70	(52.9)	
Cash generated from operations before dividend paid	**4 790**	5 267	(9.1)	
Dividend paid	**(1 296)**	(4)	>100.0	E
Cash flows generated utilised for investing activities	**(3 090)**	(2 702)	14.4	
Proceeds on disposal of property, plant and equipment and intangible assets	**208**	210	(1.0)	
Additions to assets for capital expansion	**(3 187)**	(2 856)	(11.6)	
Investments made by FutureMakers	**(5)**	(6)	(16.7)	
SMME loans repaid by external parties	**7**	5	40.0	
Repayment of derivatives – FECs	**(96)**	(116)	17.2	
Proceeds from derivatives – FECs	**33**	62	(46.8)	
Restricted cash	**(50)**	(1)	>(100.0)	
Cash flows utilised for financing activities	**(5 776)**	(2 665)	>100.0	
Loans raised	**1 594**	2 237	(28.7)	F
Loans repaid	**(6 428)**	(3 132)	>(100.0)	
Purchase of shares for the Telkom and subsidiaries' long-term incentive share scheme	**—**	(107)	(100.0)	
Repayment of principal lease liabilities	**(942)**	(1 672)	43.7	G
Repayment of derivatives – interest rate swaps	**(62)**	—	—	
Proceeds from derivatives – interest rate swaps	**62**	9	>100.0	
Net decrease in cash and cash equivalents	**(5 372)**	(104)	>100.0	
Net cash and cash equivalents at 1 April	**11 054**	3 939	>100.0	
Net cash and cash equivalents at the end of the period	**5 682**	3 835	48.2	

Notes

A **Cash generated from operations** decreased by 9.7% to R5 625 million, primarily impacted by a 10.1% increase in cash paid to suppliers, partly offset by stronger inflows from customers, supported by higher Group revenue and improved collections.

B **Dividend received** increased by 200.0% to R90 million due to the rise in dividends received from our cell captive relating to our insurance services portfolio.

C **Finance charges paid** decreased by 19.1% to R841 million, mainly driven by the 41.6% decline in debt.

D **Taxation paid** increased by 89.3% to R265 million due to an increase in the Group's tax payments for the 2025 financial year in contrast to the prior year's refunds received in FY2025 that were overpaid in prior years.

E **Dividend paid** increased to R1 296 million as a result of the ordinary and special dividends declared in June 2025.

F **Loans raised** of R1 594 million and **loans repaid** of R6 428 million resulted in a net repayment position of R4 834 million, as a result of the repayment of debt following the proceeds received from the Swiftnet sale. Committed facilities were also undrawn compared to the prior period.

G **Repayment of principal lease liabilities** decreased by 43.7% to R942 million, mainly due to the payment of the Google fibre pair that was made in the prior period, partly offset by the transition of internal leases to external leases following the disposal of Swiftnet.

Annexure

Mobile statement of profit or loss	September 2025 Rm	September 2024 Rm
Revenue	**12 715**	11 755
Other income	**279**	255
Direct expenses	**(4 440)**	(4 111)
Operating expenses	**(5 048)**	(4 696)
Employee expenses	**(508)**	(364)
Other expenses	**(1 966)**	(1 836)
Maintenance	**(1 009)**	(947)
Marketing	**(342)**	(300)
Impairment of receivables and contract assets	**(551)**	(550)
Service fees	**(599)**	(600)
Lease-related expenses	**(73)**	(99)
EBITDA	**3 506**	3 203

This has been extracted from management's internal financial reporting and is unaudited.

Reviewed condensed consolidated interim financial statements

for the six months ended 30 September 2025

Board approval

These condensed consolidated interim financial statements were authorised for issue on 17 November 2025 by the Telkom SA SOC Ltd Board of Directors and published on 18 November 2025.

Directors' responsibility and audit review report

The Directors of the Company take full responsibility for the preparation of the condensed consolidated interim financial statements. The condensed consolidated interim financial statements have been reviewed by our independent external auditor (hereafter referred to as "auditor"), PricewaterhouseCoopers Inc.

Preparer and supervisor of the condensed consolidated interim financial statements

These condensed consolidated interim financial statements were prepared by the Telkom finance staff under the supervision of the Group Chief Financial Officer, Nonkululeko Dlamini CA(SA).

Independent Auditor's Review Report on Condensed Consolidated Interim Financial Statements

To the Shareholders of Telkom SA SOC Limited

We have reviewed the condensed consolidated interim financial statements of Telkom SA SOC Limited, set out on pages 20 to 39, which comprise the condensed consolidated interim statement of financial position as at 30 September 2025 and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes.

Directors' Responsibility for the Condensed Consolidated Interim Financial Statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Accounting Standard No.34, Interim Financial Reporting (IAS 34), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical financial information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of condensed consolidated interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Telkom SA SOC Limited for the six months ended 30 September 2025 are not prepared, in all material respects, in accordance with IAS 34, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: SN Madikane
Registered Auditor
Johannesburg, South Africa
17 November 2025

The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the review of the condensed consolidated interim financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to these condensed consolidated interim financial statements since they were initially presented on the website.

Condensed consolidated interim statement of profit or loss and other comprehensive income

for the period ended 30 September 2025

	Notes	Reviewed six months ended 30 September 2025 Rm	Reviewed six months ended 30 September 2024 Rm
Continuing operations			
Revenue		**22 104**	21 382
Operating revenue		**21 748**	21 064
Interest revenue		**210**	174
Insurance revenue		**146**	144
Other income		**684**	635
Payments to other operators		**(1 336)**	(1 332)
Cost of handsets, equipment, software and directories		**(2 583)**	(2 507)
Sales commission, incentives and logistical costs	5.1	**(1 671)**	(1 544)
Insurance service expenses		**(100)**	(138)
Employee expenses	5.2	**(4 268)**	(4 699)
Other expenses		**(1 176)**	(1 233)
Maintenance		**(2 496)**	(2 548)
Marketing		**(501)**	(457)
Impairment of receivables, contract assets and loans	15	**(562)**	(642)
Service fees		**(1 913)**	(1 885)
Lease-related expenses		**(159)**	(204)
EBITDA		**6 023**	4 828
Depreciation of property, plant and equipment		**(1 790)**	(1 728)
Depreciation of right-of-use assets	5.3	**(1 001)**	(763)
Amortisation of intangible assets		**(307)**	(329)
Write-offs and impairments of property, plant and equipment and intangible assets	5.4	**(170)**	(123)
Operating profit		**2 755**	1 885
Investment income[1]		**250**	164
Net finance charges and fair value movements		**(814)**	(900)
Finance charges on lease liabilities		**(305)**	(267)
Net finance charges - other[2]		**(422)**	(733)
Foreign exchange and fair value movements[3]		**(87)**	100
Profit before taxation		**2 191**	1 149
Taxation	9.1	**(587)**	(296)
Profit for the period from continuing operations		**1 604**	853
Profit from discontinued operation		**—**	218
Profit for the period		**1 604**	1 071

	Notes	Reviewed six months ended 30 September 2025 Rm	Reviewed six months ended 30 September 2024 Rm
Other comprehensive loss			
Items that will be reclassified subsequently to profit or loss			
Exchange gain/(loss) on translating foreign operations[4]		**3**	(17)
Items that will not be reclassified to profit or loss			
Defined benefit plan actuarial losses		**(45)**	(40)
Income tax relating to other comprehensive loss		**12**	11
Other comprehensive loss for the period, net of taxation		**(30)**	(46)
Total comprehensive income for the period		**1 574**	1 025
Profit attributable to:			
Owners of Telkom		**1 604**	1 068
Non-controlling interests		**—**	3
Profit for the period		**1 604**	1 071
Total comprehensive income attributable to:			
Owners of Telkom		**1 574**	1 022
Non-controlling interests		**—**	3
Total comprehensive income for the period		**1 574**	1 025
Basic earnings per share (cents)			
Continuing operations	6	**325.7**	173.2
Discontinued operation	6	**—**	44.4
Total basic earnings per share (cents)		**325.7**	217.6
Diluted earnings per share (cents)			
Continuing operations	6	**322.7**	171.3
Discontinued operation	6	**—**	43.9
Total diluted earnings per share (cents)		**322.7**	215.2

1 *The increase in investment income is mainly due to the increase in cash balances invested in short-term deposits compared to the balance as at 30 September 2024. Proceeds from the sale of Swiftnet were also invested, thereby further contributing to the increase in investment income.*

2 *The decrease in net finance charges is mainly due to the repayment of bonds that matured in the current financial period and the early repayment of term loans from the proceeds from the sale of Swiftnet.*

3 *The decrease in foreign exchange and fair value movements is mainly due to a higher volume of open forward exchange contracts in the current period compared to the prior period. Additionally, the decrease is influenced by the strengthening of the rand, as the currency was weaker at the time the contracts were initially entered into.*

4 *This component of other comprehensive income does not attract any tax.*

Condensed consolidated interim statement of financial position

as at 30 September 2025

	Notes	Reviewed six months ended 30 September 2025 Rm	Audited 31 March 2025 Rm
Assets			
Non-current assets		**44 370**	44 530
Property, plant and equipment	7	**27 933**	27 334
Right-of-use assets		**6 146**	6 384
Intangible assets	7	**5 355**	5 421
Other investments		**113**	106
Other receivables[1]		**156**	155
Employee benefits		**1 001**	993
Other financial assets	10	**92**	94
Finance lease receivables		**325**	307
Deferred taxation	9.3	**3 249**	3 736
Current assets		**17 639**	23 005
Inventories		**817**	747
Income tax receivable	9.4	**54**	7
Finance lease receivables		**149**	157
Trade and other receivables	15.1	**7 580**	7 740
Contract assets	15.2	**2 149**	2 344
Other current assets		**648**	619
Other financial assets	10	**269**	63
Insurance contract assets		**218**	251
Cash and cash equivalents	8	**5 682**	11 054
Restricted cash		**73**	23
Total assets		**62 009**	67 535

	Notes	Reviewed six months ended 30 September 2025 Rm	Audited 31 March 2025 Rm
Equity and liabilities			
Equity attributable to owners of the parent		**33 910**	33 601
Share capital		**5 050**	5 050
Share-based compensation reserve		**1 648**	1 610
Non-distributable reserves		**579**	585
Retained earnings		**26 633**	26 356
Non-controlling interests		**(19)**	(16)
Total equity		**33 891**	33 585
Non-current liabilities		**12 320**	16 347
Interest-bearing debt	12	**5 719**	9 368
Lease liabilities[2]		**4 826**	5 100
Provisions	13	**362**	381
Other financial liabilities	10	**181**	205
Deferred revenue		**1 230**	1 194
Deferred taxation	9.3	**2**	99
Current liabilities		**15 798**	17 603
Trade and other payables[3]		**9 128**	9 944
Shareholders for dividend		**19**	19
Interest-bearing debt	12	**1 062**	2 249
Lease liabilities		**1 925**	1 820
Provisions	13	**1 226**	1 501
Deferred revenue		**1 867**	1 711
Income tax payable	9.4	**—**	9
Other financial liabilities	10	**571**	350
Total liabilities		**28 118**	33 950
Total equity and liabilities		**62 009**	67 535

[1] *The other receivables relate to prepayment of services or goods that will not be received within the next 12 months. The current portion of prepayments is disclosed in trade and other receivables (refer to note 15.1).*

[2] *The decrease in non-current lease liabilities is mainly due to a smaller number of new leases being recognised compared to the prior year. Furthermore, the expiration of some leases within the current period has further contributed to this decrease.*

[3] *Supplier finance arrangements (SFA) that do not result in extended payment terms are classified as trade payables based on management's judgement. A total of R1 519 million of the trade payables is subject to SFA. The Group continues to pay its suppliers based on the agreed payment terms and provides no guarantees to the participating funders. The arrangement does not have an impact on the Group's trade payables, net debt and cash flows. The Group also participates in SFA with extended payment terms which are transferred to other financial liabilities. The carrying amount transferred to other financial liabilities is R114 million. Refer to note 10 for details. Trade and other payables decreased during the current period, primarily due to the increased settlement of outstanding balances. This was driven by the timing of payments, as a significant portion of the 90-day payment cycle occurred within the current reporting period.*

Condensed consolidated interim statement of changes in equity

for the period ended 30 September 2025

	Attributable to equity holders of Telkom						
	Share capital Rm	Non-distributable reserves Rm	Share-based compensation reserve Rm	Retained earnings Rm	Total Rm	Non-controlling interests Rm	Total equity Rm
Balance at 1 April 2024	5 050	750	1 535	18 861	26 196	(21)	26 175
Total comprehensive (loss)/income	—	(17)	—	1 039	1 022	3	1 025
Profit for the period	—	—	—	1 068	1 068	3	1 071
Other comprehensive loss	—	(17)	—	(29)	(46)	—	(46)
Exchange losses on translating foreign operations	—	(17)	—	—	(17)	—	(17)
Net defined benefit plan remeasurements	—	—	—	(29)	(29)	—	(29)
Transactions with owners recorded directly in equity							
Escrow shares realised for settlement to employees	—	(10)	—	—	(10)	—	(10)
Increase in treasury shares from BCX	—	(45)			(45)		(45)
Increase in share-based compensation reserve	—	—	17	—	17	—	17
Increase in subsidiaries' share-based compensation reserve	—	—	22	—	22	—	22
Vesting of Telkom and BCX share scheme	—	(5)	—	—	(5)	—	(5)
Increase in treasury shares[1]	—	(107)	—	—	(107)	—	(107)
Dividend declared	—	—	—	—	—	(1)	(1)
Balance at 30 September 2024	5 050	566	1 574	19 900	27 090	(19)	27 071
Balance at 1 April 2025	**5 050**	**585**	**1 610**	**26 356**	**33 601**	**(16)**	**33 585**
Total comprehensive income	**—**	**3**	**—**	**1 571**	**1 574**	**—**	**1 574**
Profit for the period	**—**	**—**	**—**	**1 604**	**1 604**	**—**	**1 604**
Other comprehensive income/(loss)	**—**	**3**	**—**	**(33)**	**(30)**	**—**	**(30)**
Exchange gains on translating foreign operations	**—**	**3**	**—**	**—**	**3**	**—**	**3**
Net defined benefit plan remeasurements	**—**	**—**	**—**	**(33)**	**(33)**	**—**	**(33)**
Transactions with owners recorded directly in equity							
Increase in share-based compensation reserve	**—**	**—**	**25**	**—**	**25**	**—**	**25**
Increase in subsidiaries' share-based compensation reserve	**—**	**—**	**13**	**—**	**13**	**—**	**13**
Escrow shares realised for settlement to employees	**—**	**(9)**	**—**	**—**	**(9)**	**—**	**(9)**
Dividend declared	**—**	**—**	**—**	**(1 294)**	**(1 294)**	**(3)**	**(1 297)**
Balance at 30 September 2025	**5 050**	**579**	**1 648**	**26 633**	**33 910**	**(19)**	**33 891**

[1] *Treasury shares relate to the shares purchased for the Telkom Group employee share scheme.*

Condensed consolidated interim statement of cash flows

for the period ended 30 September 2025

	Notes	Reviewed six months ended 30 September 2025 Rm	Reviewed six months ended 30 September 2024 Rm
Cash flows from operating activities		**3 494**	5 263
Cash receipts from customers		**22 941**	22 255
Cash paid to suppliers and employees		**(17 315)**	(16 028)
Cash generated from operations	18	**5 626**	6 227
Interest received		**244**	248
Dividend received		**90**	30
Finance charges paid		**(841)**	(1 039)
Taxation paid	9.2	**(265)**	(140)
Repayment of derivatives - FECs		**(96)**	(129)
Proceeds from derivatives - FECs		**33**	70
Cash generated from operations before dividend paid		**4 791**	5 267
Dividend paid		**(1 297)**	(4)
Cash flows utilised for investing activities		**(3 090)**	(2 702)
Proceeds on disposal of property, plant and equipment		**208**	210
Additions to property, plant and equipment and intangible assets		**(3 187)**	(2 856)
Investment made in FutureMakers		**(5)**	(6)
SMME loans repaid by external parties		**7**	5
Repayment of derivatives - FECs		**(96)**	(116)
Proceeds from derivatives - FECs		**33**	62
Restricted cash		**(50)**	(1)
Cash flows utilised for financing activities		**(5 776)**	(2 665)
Loans raised	12	**1 594**	2 237
Loans repaid	12	**(6 428)**	(3 132)
Purchase of shares for the Telkom and subsidiaries long-term incentive share scheme		**—**	(107)
Repayment of principal lease liabilities[1]		**(942)**	(1 672)
Repayment of derivatives - interest rate swaps		**(62)**	—
Proceeds from derivatives - interest rate swaps		**62**	9
Net decrease in cash and cash equivalents		**(5 372)**	(104)
Cash and cash equivalents at 1 April		**11 054**	3 939
Cash and cash equivalents at the end of the period[2]	8	**5 682**	3 835

[1] *The decrease in the repayment of principal lease liabilities is mainly due to the payment of the Google fibre pair which was made in the prior period.*

[2] *Included in the cash and cash equivalents for the prior period was the Swiftnet cash to the amount of R75 million.*

Notes to the condensed consolidated interim financial statements

for the period ended 30 September 2025

1. Independent review

The Directors of the Company take full responsibility for the preparation of the condensed consolidated interim financial statements. The condensed consolidated interim financial statements for the period ended 30 September 2025 have been reviewed by the auditor, PricewaterhouseCoopers Inc., who has expressed an unmodified conclusion thereon. The auditor has performed its review in accordance with International Standards on Review Engagements (ISRE) 2410.

2. Corporate information

Telkom SA SOC Ltd (Telkom), the ultimate parent of the Group, is a company incorporated and domiciled in the Republic of South Africa (South Africa) whose shares and debt securities are publicly traded on the JSE Ltd. The main objective of the Group and its associates is to supply telecommunication, multimedia, technology, information, mobile communication services and other related IT services to the Group's customers in Africa.

3. Basis of preparation, significant accounting judgements, estimates and assumptions and new accounting pronouncements

3.1 Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with the IFRS® Accounting Standards of the International Accounting Standards Board (IASB), IAS 34 (Interim Financial Reporting) and in compliance with the JSE Listings Requirements, the South African Companies Act, 2008, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council. The condensed consolidated interim financial statements have been prepared on the going concern basis.

The condensed consolidated interim financial statements are disclosed in South African rand, which is also the parent Company's presentation and functional currency. Unless stated otherwise, all financial information presented in rand has been rounded to the nearest million.

The condensed consolidated interim financial statements are prepared on the historical cost basis, with the exception of certain financial instruments subsequently measured at fair value. Details of the Group's material accounting policy information are consistent with those applied in the previous financial year.

The results for the period are not necessarily indicative of the results for the entire year, and these condensed consolidated interim financial statements should be read in conjunction with the audited consolidated annual financial statements for the year ended 31 March 2025, which have been prepared in accordance with IFRS® Accounting Standards.

3.2 Significant accounting judgements, estimates and assumptions

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those applied to the consolidated annual financial statements for the year ended 31 March 2025.

3.3 New accounting pronouncements

3.3.1 Other standards, amendments to standards and interpretations

The standards and amendments to standards listed below were adopted, effective 1 April 2025, and did not have a material impact on the Group.

Consideration	Effective date
IAS 21 (The Effects of Changes in Foreign Exchange Rates) Amendment regarding the entity's transaction or operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose	Annual periods beginning on or after 1 January 2025

The standards and amendments listed below will be effective in future periods. It is expected that the Group will adopt the pronouncements on their effective dates.

Consideration	Effective date
IFRS 9 (Financial Instruments) and IFRS 7 (Financial Instruments: Disclosures) Amendment regarding classification and measurement of financial instruments	Annual periods beginning on or after 1 January 2026
IFRS 9 (Financial Instruments) and IFRS 7 (Financial Instruments: Disclosures) Amendment regarding contract referencing nature - dependent electricity	Annual periods beginning on or after 1 January 2026
Annual Improvements to IFRS® Accounting Standards - Volume 11 The IASB has issued various amendments and clarifications to existing IFRS, none of which is expected to have a material impact on the Group's financial statements	Annual periods beginning on or after 1 January 2026
IFRS 18 (Presentation and Disclosure in Financial Statements) IFRS 18 replaces IAS 1 (Presentation of Financial Statements)	Annual periods beginning on or after 1 January 2027
IFRS 19 (Subsidiaries without Public Accountability) IFRS 19 is a voluntary accounting standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements	Annual periods beginning on or after 1 January 2027

Notes to the condensed consolidated interim financial statements continued

for the period ended 30 September 2025

4. Segment information

The Group Executive Committee (Exco) is the Group's chief operating decision maker (CODM). Management has determined the operating segments based on the reports reviewed by Exco that are used to make strategic decisions, allocate resources and assess the performance of each reportable segment.

The operating segments' classification is based on the business units through which Telkom provides communications products and services via its customer-facing units: Telkom Consumer and Small and Medium Business (SMB), as well as its subsidiaries, BCX and Openserve. The customer-facing units are supported by the Corporate Centre and Gyro.

In the current period, the reportable segments have been determined as Openserve, Telkom Consumer, BCX and "Other".

Due to the sale of Swiftnet in the prior year, the "Gyro" segment is no longer a reportable segment in the current period and has been aggregated into the "Other" segment as it shares similar economic characteristics with the "Other" segment. Gyro provides support to customer-facing units and its internal customers and services are similar to those offered by functions included under the "Other" segment.

In the prior period, Swiftnet and Gyro were included within the "Gyro" segment. Due to the change in the organisational structure, the 30 September 2024 segment information has been restated to include Gyro within the "Other" segment while Swiftnet continues to be included within the "Gyro" segment. The "Gyro" segment for the prior period therefore includes the results of Swiftnet only. This approach ensures comparability between the current and prior periods.

The SMB segment is aggregated into the Telkom Consumer segment. The aggregation is based on the similarity in the nature of products and services. SMB customers include primarily sole proprietors and customers who typically consume simple products and are similar to the product nature and customer profiling within the Telkom Consumer segment. A large portion of the SMB customer base makes use of the Telkom Direct Stores channel, which is the same channel as that of the Telkom Consumer customers.

EBITDA is defined as earnings before investment income and finance costs (which includes gains and losses on foreign exchange transactions), tax, depreciation, amortisation, write-offs, impairments and losses of property, plant and equipment and intangible assets, and is also presented inclusive of the following items:

- Interest revenue
- Interest on overdue accounts

Interest revenue is included in operating revenue as a separate component of revenue. Interest on overdue accounts is included in other income.

The CODM reviews the performance of the operating segments on an adjusted EBITDA basis. EBITDA is adjusted for significant once-off costs and income, when applicable. The prior period EBITDA has been adjusted for the following costs:

- Restructuring costs of R160 million
- Loss on settlement of the TRF of R618 million

There are no significant once-off costs that have been adjusted for in the current period.

The difference in the financial statement line items between the comparative segment information and the statement of profit or loss and other comprehensive income relates to Swiftnet, which was disposed of in the prior year.

Notes to the condensed consolidated interim financial statements continued

for the period ended 30 September 2025

4. Segment information continued

30 September 2025	Openserve Rm	Telkom Consumer Rm	BCX Rm	Other Rm	Eliminations Rm	IFRS 16 reversal Rm	Consolidated Rm
Revenue from external customers[1]	2 606	14 196	5 302	—	—	—	22 104
Revenue from contracts with customers recognised over time[2]	2 313	12 543	4 157	—	—	—	19 013
Voice	—	2 353	757	—	—	—	3 110
Interconnection	94	273	—	—	—	—	367
Data	2 219	9 628	1 225	—	—	—	13 072
Information technology services	—	—	1 826	—	—	—	1 826
Customer premises equipment related services	—	42	320	—	—	—	362
Interest revenue	—	181	29	—	—	—	210
Sundry revenue	—	66	—	—	—	—	66
Revenue from contracts with customers recognised at a point in time	208	1 445	1 101	—	—	—	2 754
Customer premises equipment	—	1 441	118	—	—	—	1 559
Information technology hardware and software	—	—	983	—	—	—	983
Sundry revenue	208	4	—	—	—	—	212
Lease revenue	85	62	44	—	—	—	191
Insurance revenue	—	146	—	—	—	—	146
Intersegmental operating revenue	3 721	54	566	187	(4 487)	(41)	—
Other income	115	335	39	1 035	(840)	—	684
Total expenses	(4 334)	(11 486)	(5 326)	(946)	5 327	—	(16 765)
Cost of handsets, equipment, software and directories	—	(1 843)	(814)	—	74	—	(2 583)
Sales commission, incentives and logistical costs	—	(1 671)	—	—	—	—	(1 671)
Payments to other operators	(298)	(1 053)	(184)	—	199	—	(1 336)
Employee expenses	(1 503)	(719)	(1 640)	(406)	—	—	(4 268)
Other expenses	(119)	(3 043)	(1 976)	(181)	4 143	—	(1 176)
Insurance service expenses	—	(100)	—	—	—	—	(100)
Maintenance	(962)	(1 324)	(408)	(220)	418	—	(2 496)
Marketing	(32)	(402)	(60)	(6)	(1)	—	(501)
Impairment of receivables, contract assets and loans	6	(590)	21	1	—	—	(562)
Service fees	(1 324)	(651)	(261)	(108)	431	—	(1 913)
Lease-related expenses	(102)	(90)	(4)	(26)	63	—	(159)
EBITDA	2 108	3 099	581	276	—	(41)	6 023
Depreciation, amortisation, impairments and write-offs							(3 268)
Operating profit							2 755
Investment income							250
Net finance charges, hedging costs and fair value movements							(814)
Profit before taxation							2 191
Other segment information							
Capital expenditure of property, plant and equipment and intangible assets	1 257	1 385	166	62	—	—	2 870

[1] *Revenue includes transactions generated by subsidiaries of BCX in countries outside of South Africa. These are however not considered material to the Group and are thus not disclosed separately. Group revenue increased marginally, driven by an increase in data revenue as a result of an increase in subscribers. This was partially offset by a decrease in voice revenue, reflecting the continued migration away from legacy fixed-voice services and ongoing declines in non-fibre data.*

[2] *Revenue from contracts with customers recognised over time include interest revenue from customers.*

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for the period ended 30 September 2025

4. Segment information continued

Restated 30 September 2024[1]	Openserve Rm	Telkom Consumer Rm	BCX Rm	Gyro[1] Rm	Other[1] Rm	Eliminations[1] Rm	IFRS 16 reversal Rm	Consolidated Rm
Revenue from external customers[2]	2 388	13 337	5 651	413	6	—	—	21 795
Revenue from contracts with customers recognised over time[3]	2 123	11 826	4 480	—	—	—	—	18 429
Voice	—	2 500	922	—	—	—	—	3 422
Interconnection	112	257	—	—	—	—	—	369
Data	2 011	8 794	1 305	—	—	—	—	12 110
Information technology services	—	—	1 913	—	—	—	—	1 913
Customer premises equipment related services	—	48	313	—	—	—	—	361
Interest revenue	—	147	27	—	—	—	—	174
Sundry revenue	—	80	—	—	—	—	—	80
Revenue from contracts with customers recognised at a point in time	196	1 367	1 171	—	—	—	—	2 734
Customer premises equipment	—	1 365	183	—	—	—	—	1 548
Information technology hardware and software	—	—	988	—	—	—	—	988
Sundry revenue	196	2	—	—	—	—	—	198
Lease revenue	69	—	—	413	6	—	—	488
Insurance revenue	—	144	—	—	—	—	—	144
Intersegmental operating revenue	3 773	59	484	300	171	(4 475)	(312)	—
Other income	115	304	29	—	840	(653)	—	635
Total expenses (adjusted for once-off costs)	(4 192)	(11 095)	(5 611)	(186)	(567)	5 128	—	(16 523)
Cost of handsets, equipment, software and directories	—	(1 657)	(888)	—	—	38	—	(2 507)
Sales commission, incentives and logistical costs	—	(1 544)	—	—	—	—	—	(1 544)
Payments to other operators	(306)	(1 050)	(189)	—	—	213	—	(1 332)
Employee expenses	(1 449)	(562)	(1 753)	(14)	(158)	1	—	(3 935)
Other expenses	(168)	(3 034)	(1 925)	(79)	(56)	4 022	—	(1 240)
Insurance service expenses	—	(138)	—	—	—	—	—	(138)
Maintenance	(1 003)	(1 341)	(459)	—	(223)	478	—	(2 548)
Marketing	(31)	(361)	(60)	—	(5)	—	—	(457)
Impairment of receivables, contract assets and loans	24	(591)	(78)	—	3	—	—	(642)
Service fees	(1 161)	(690)	(248)	(93)	(113)	329	—	(1 976)
Lease-related expenses	(98)	(127)	(11)	—	(15)	47	—	(204)
EBITDA for reportable segments including intersegmental transactions and excluding once-off costs	2 084	2 605	553	527	450	—	(312)	5 907
Once-off costs								
Restructuring expenses								(160)
Loss on settlement of the TRF								(618)
EBITDA								5 129
Depreciation, amortisation, impairments and write-offs								(2 944)
Operating profit								2 185
Investment income								173
Net finance charges, hedging costs and fair value movements								(910)
Profit before taxation								1 448
Other segment information								
Capital expenditure of property, plant and equipment and intangible assets	1 074	1 304	137	191	31	—	—	2 737

[1] *In the 30 September 2024 segment, Swiftnet and Gyro were included within the "Gyro" segment. Due to the change in the organisational structure, the prior period segment information has been restated to include Gyro within the "Other" segment, while Swiftnet continues to be included within the "Gyro" segment. The "Gyro" segment for 30 September 2024 therefore includes the results of Swiftnet only.*

[2] *Revenue includes transactions generated by subsidiaries of BCX in countries outside of South Africa. These are however not considered material to the Group and are thus not disclosed separately.*

[3] *Revenue from contracts with customers recognised over time include interest revenue from customers.*

Notes to the condensed consolidated interim financial statements continued

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4. Segment information continued

Entity-wide disclosures

All material non-current assets, other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts related to the segments above, are located in South Africa. Assets belonging to the subsidiaries of BCX outside of South Africa are not considered material to the Group as a whole.

No single customer contributes more than 10% of the revenue from external customers, and thus no specific information relating to major customers is included in the segment information above.

For the purpose of assessing revenue contribution per customer, management does not treat government departments as a single customer.

5. Expenses

		Reviewed six months ended 30 September 2025 Rm	Reviewed six months ended 30 September 2024 Rm
5.1	**Sales commission, incentives and logistical costs**	**(1 671)**	(1 544)
	Sales commission, incentives and logistical costs increased due to growth in the commissionable base as a result of increased connections via commissionable channels and higher airtime sales.		
5.2	**Employee expenses**	**(4 268)**	(4 699)
	Employee expenses decreased mainly due to the restructuring costs amounting to R160 million for BCX and Gyro and the R618 million loss on settlement of the TRF, both of which were included in the prior period. This is partially offset by the increase in salaries and the bonus provision during the current period.		
5.3	**Depreciation of right-of-use assets**	**(1 001)**	(763)
	Depreciation of right-of-use assets increased mainly due to Swiftnet leases that were eliminated in the prior period. This is no longer eliminated since it has been disposed of toward the end of the prior financial year and no longer forms part of the Telkom Group.		
5.4	**Write-offs and impairments of property, plant and equipment and intangible assets**	**(170)**	(123)
	Write-offs and impairments of property, plant and equipment and intangible assets increased due to equipment upgrades that resulted in some of the existing equipment no longer being serviceable.		

Notes to the condensed consolidated interim financial statements continued

for the period ended 30 September 2025

6. Earnings and dividend per share

Continuing operations	Reviewed six months ended 30 September 2025 Cents	Reviewed six months ended 30 September 2024 Cents
Basic earnings per share	**325.7**	173.2
Diluted earnings per share	**322.7**	171.3
Headline earnings per share[1]	**305.6**	146.9
Diluted headline earnings per share[1]	**302.8**	145.3
Dividend per share [2]	**260.9**	—
Discontinued operation		
Basic earnings per share	**–**	44.4
Diluted earnings per share	**–**	43.9
Headline earnings per share[1]	**–**	44.6
Diluted headline earnings per share[1]	**–**	44.1
Reconciliation of weighted average number of ordinary shares:	**Number of shares**	Number of shares
Weighted ordinary shares in issue	**511 140 239**	511 140 239
Weighted average number of treasury shares	**(18 686 255)**	(20 269 574)
Weighted average number of shares outstanding	**492 453 984**	490 870 665
Reconciliation of diluted weighted average number of ordinary shares:		
Weighted average number of shares outstanding	**492 453 984**	490 870 665
Expected future vesting of shares related to Group employee share scheme incentive plans	**4 564 068**	5 444 084
Diluted weighted average number of shares outstanding	**497 018 052**	496 314 749

	Reviewed six months ended 30 September 2025 Rm		Reviewed six months ended 30 September 2024 Rm	
Continuing operations	**Gross**	**Net**	Gross	Net
Reconciliation between earnings and headline earnings:				
Profit for the period		**1 604**		853
Non-controlling interests		**–**		(3)
Profit attributable to owners of Telkom		**1 604**		850
Profit on disposal of property, plant and equipment	**(185)**	**(231)**	(196)	(222)
Write-offs and impairments of property, plant and equipment and intangible assets	**170**	**132**	123	93
Headline earnings		**1 505**		721
Discontinued operation				
Reconciliation between earnings and headline earnings:				
Profit for the period		**–**		218
Write-offs of property, plant and equipment and intangible assets	**–**	**–**	1	1
Headline earnings		**–**		219

[1] *The disclosure of headline earnings is a requirement of the JSE Listings Requirements. It has been calculated in accordance with the South African Institute of Chartered Accountants' circular 1/2023 issued in this regard as well as the requirements of IAS 33 (Earnings Per Share).*

[2] *The calculation of dividend per share is based on the ordinary and special dividend declared on 10 June 2025 and paid on 14 July 2025 of R833 million and R500 million, respectively. A total of 511 140 239 ordinary shares were outstanding on the date of the dividend declaration. No dividend was declared or paid in the prior period.*

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for the period ended 30 September 2025

7. Capital additions and disposals

	Reviewed six months ended 30 September 2025 Rm	Audited 31 March 2025 Rm	Reviewed six months ended 30 September 2024 Rm
Property, plant and equipment			
Additions	**2 596**	5 370	2 268
Disposals	**(68)**	(113)	(11)
Intangible assets			
Additions	**271**	716	277

Finance charges of R26 million (31 March 2025: R48 million) were capitalised to property, plant and equipment and intangible assets in the current financial period.

8. Cash and cash equivalents

	Reviewed six months ended 30 September 2025 Rm	Audited 31 March 2025 Rm
Cash and cash equivalents	**5 682**	11 054
Cash and bank balances	**2 513**	6 312
Short-term deposits	**3 169**	4 742
Undrawn borrowing facilities	**6 547**	6 546

The undrawn borrowing facilities are unsecured and bear interest at a rate that will be mutually agreed between the borrower and lender at the time of the drawdown. These facilities are subject to annual review and are in place to ensure liquidity. At 30 September 2025, R4 297 million (31 March 2025: R4 796 million) of these undrawn facilities were committed by the banks. The uncommitted portion of R2 250 million is subject to bank approval.

The decrease in cash and cash equivalents for the period is mainly attributable to the utilisation of the proceeds from the sale of Swiftnet. These proceeds were applied towards the repayment of interest-bearing debt and the distribution of dividends to shareholders.

9. Taxation and deferred taxation

9.1 Taxation

	Reviewed six months ended 30 September 2025 Rm	Reviewed six months ended 30 September 2024 Rm
Taxation	**(587)**	(296)

The taxation expense increased mainly due to an increase in the Group's profit before tax and effective tax rate (ETR). The increase in the ETR is mainly due to an increase in non-deductible capital losses relating to asset disposals.

9.2 Taxation paid

	Reviewed six months ended 30 September 2025 Rm	Reviewed six months ended 30 September 2024 Rm
Taxation paid	**(265)**	(140)

Taxation paid in the current financial period increased due to the top-up payment relating to the 2025 financial year. Also contributing to the increase is the higher estimated profit before tax for the current financial year.

9.3 Deferred taxation

	Reviewed six months ended 30 September 2025 Rm	Audited 31 March 2025 Rm
Deferred taxation balance is made up as follows:	**3 247**	3 637
Deferred taxation assets	**3 249**	3 736
Deferred taxation liabilities	**(2)**	(99)

The decrease in the net deferred tax asset (DTA) is attributable to the utilisation of assessed tax losses and the utilisation of the DTA that arose on the impairment of property, plant and equipment and intangible assets during the 2023 financial year.

Notes to the condensed consolidated interim financial statements continued

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9. Taxation and deferred taxation continued

9.3 Deferred taxation continued

The Group considered the following factors in assessing whether it is probable that the Group will have future taxable profits against which the DTA can be utilised:

- It is expected that the circumstances resulting in the Group's tax losses will not continue and that no additional tax losses will arise within the next two to three years; and
- The Group has started realising the DTA that arose on the impairment of property, plant and equipment and intangible assets in the 2023 financial year. It is forecasted that the full DTA in relation to this impairment will be utilised within approximately five years.

9.4 Net income tax receivable

	Reviewed six months ended 30 September 2025 Rm	Audited 31 March 2025 Rm
The net income tax receivable/(payable) is made up as follows:	**54**	(2)
Income tax receivable	**54**	7
Income tax payable	**—**	(9)

The increase in net income tax receivable relates to higher tax paid in the first half of the financial year, as a result of the higher estimated profit before tax for the 2026 financial year. Most of this estimated profit is anticipated to materialise during the second half of the current financial year.

10. Other financial assets and liabilities

	Reviewed six months ended 30 September 2025 Rm	Audited 31 March 2025 Rm
Other financial assets		
Non-current other financial assets	**92**	94
Other financial assets at amortised cost	**75**	77
SMME loans	**75**	77
Other financial assets at fair value through profit or loss	**17**	17
Investment in equity fund	**10**	10
Investment in first-party cell captive	**7**	7
Current other financial assets	**269**	63
Other financial assets at amortised cost		
Short-term SMME loans	**82**	—
Other financial assets at fair value through profit or loss		
Derivative instruments used for hedging	**187**	63
Forward exchange contracts[1]	**66**	35
Firm commitments[1]	**121**	28
Other financial liabilities		
Non-current other financial liabilities	**(181)**	(205)
Other financial liabilities at amortised cost		
Asset finance payables	**(181)**	(205)
Current other financial liabilities	**(571)**	(350)
Other financial liabilities at amortised cost	**(296)**	(249)
Asset finance payables	**(182)**	(155)
Supplier finance arrangements[2]	**(114)**	(94)
Other financial liabilities at fair value through profit or loss		
Derivative instruments used for hedging	**(275)**	(101)
Forward exchange contracts[1]	**(245)**	(61)
Firm commitments[1]	**(3)**	(31)
Interest rate swaps	**(27)**	(9)

1 The movement in forward exchange contracts and firm commitments is primarily attributable to a higher volume of open forward exchange contracts in the current period compared to the prior year. Additionally, the increase is influenced by the strengthening of the rand, as the currency was weaker at the time the contracts were initially entered into.

2 This relates to BCX supplier finance arrangements with extended payment terms.

Notes to the condensed consolidated interim financial statements continued

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11. Financial risk management

Exposure to continuously changing market conditions has made the management of financial risk for the Group critical. Treasury policies, risk limits and control procedures are continuously monitored by the Board through its Audit Committee and Risk Committee.

11.1 Fair value measurement

11.1.1 Fair value of financial instruments

Valuation techniques and assumptions applied for the purposes of measuring fair value:

Type of financial instrument	Fair value at 30 September 2025 Rm	Valuation technique	Significant inputs
Derivative assets	187	Discounted cash flows	Yield curves Market interest rates
Derivative liabilities	(275)		
Investment in FutureMakers entities	103	Discounted cash flows	Cash flow forecasts and market-related discount rates
Investment in equity fund	10	Discounted cash flows	Cash flow forecasts and market-related discount rates
Investment in first-party cell captive	7	Discounted cash flows	Cash flow forecasts and market-related discount rates
Contingent consideration (refer to note 13)	(27)	Discounted cash flows	Weighted average cost of capital
Interest-bearing debt	(6 788)	Discounted cash flows and quoted bond prices	Market interest rates

Derivatives

Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or economic hedges that do not meet the hedge accounting requirements.

Derivatives that do not meet the hedge accounting requirements

The Group uses forward exchange contracts and interest rate swaps to economically hedge its foreign exchange and interest rate exposures. These derivative instruments are measured at fair value through profit or loss.

Derivatives that meet the hedge accounting requirements

The Group uses forward exchange contracts to hedge its exposure to changes attributable to movements in the spot exchange rate of its firm commitments. These derivatives are designated as fair value hedges.

Fair value hedges

The foreign forward exchange contracts, designated as fair value hedges, are being used to hedge the exposure to changes attributable to movements in the spot exchange rate of firm commitments.

The estimated net fair values at the reporting date have been determined using available market information and appropriate valuation methodologies as outlined on the left. The fair values of the financial assets and financial liabilities are sensitive to foreign exchange and interest rate movements.

Derivatives are recognised at fair value. The fair values of derivatives are determined using quoted prices or, where such prices are not available, a discounted cash flow analysis is used. These amounts reflect the approximate values of the net derivative position at the reporting date.

The fair values of the borrowings disclosed on the left are based on quoted prices or, where such prices are not available, the expected future payments are discounted at market interest rates. As a result, they differ from their carrying values.

The fair value of financial instruments is included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. The fair value of cash and short-term deposits, trade and other receivables, contract assets, finance lease receivables, shareholders for dividend, and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments and market-related interest rates included in finance lease receivables. Long-term receivables and borrowings are evaluated by the Group based on parameters such as interest rates, specific country factors and the individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit loss of these receivables. As at the reporting date, the carrying amounts of such receivables, net of allowances, are not materially different from their fair values. Fair values of quoted bonds are based on price quotations at the reporting date.

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11. Financial risk management continued

11.1 Fair value measurement continued

11.1.2 Fair value hierarchy

The table below analyses financial instruments carried at fair value and amortised cost by hierarchy level.

The different levels are defined as follows:

- Quoted prices in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices that are observable for the asset or liability (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

	Hierarchy levels[1]	Fair value Reviewed six months ended 30 September 2025 Rm	Fair value Audited 31 March 2025 Rm
Assets measured at fair value			
Derivative assets			
Forward exchange contracts	Level 2	**66**	35
Firm commitments	Level 2	**121**	28
Investment in FutureMakers entities	Level 3	**103**	96
Investment in equity fund	Level 3	**10**	10
Investment in first-party cell captive	Level 3	**7**	7
Liabilities measured at fair value			
Derivative liabilities			
Forward exchange contracts	Level 2	**(245)**	(61)
Firm commitments	Level 2	**(3)**	(31)
Interest rate swaps	Level 2	**(27)**	(9)
Contingent consideration	Level 3	**(27)**	(36)
Liabilities measured at amortised cost			
Interest-bearing debt[2]	Level 2	**(6 788)**	(11 720)

1 *There have been no transfers between the fair value levels in the period under review.*
2 *The carrying amount of interest-bearing debt is R6 781 million (31 March 2025: R11 617 million). Interest-bearing debt is measured at amortised cost, however, it is included in the fair value hierarchy table above to achieve the IFRS 13 disclosure requirements relating to the disclosure of fair value.*

11.2 Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group is exposed to liquidity risk as a result of variable cash flows and capital commitments of the Group.

Liquidity risk is managed by the Group's treasury department in accordance with policies and guidelines formulated by the Group's Executive Committee. In terms of its borrowing requirements, the Group ensures that sufficient facilities are available to meet its immediate obligations. Short-term liquidity gaps may be funded through undrawn facilities and commercial paper bills.

- The Group continuously monitors the short and long-term liquidity needs, taking into consideration its cash balances, cash generated from operations and available borrowing facilities.
- The Group continues to generate positive cash flows from core business activities, evidenced by the positive cash generated from operating activities of R3 494 million for the period ended 30 September 2025 (30 September 2024: R5 263 million).
- In the current reporting period, the Group entered into new short-term borrowings, paid some of its short-term debt and increased its liquidity facilities to R6 547 million (31 March 2025: R6 546 million) in undrawn borrowing facilities.
- The Group has cash and cash equivalents of R5 682 million (31 March 2025: R11 054 million).

The table below summarises the maturity profile of the Group's interest-bearing debt and lease liabilities based on undiscounted contractual cash flows at the reporting date:

30 September 2025	**Carrying amount Rm**	**Contractual undiscounted cash flows Rm**	**0 - 12 months Rm**	**1 - 2 years Rm**	**2 - 3 years Rm**	**3 - 4 years Rm**	**4 - 5 years Rm**	**>5 years Rm**
Interest-bearing debt (note 12)	**6 781**	**8 862**	**1 599**	**2 202**	**1 496**	**1 048**	**572**	**1 945**
Lease liabilities	**6 751**	**8 473**	**2 363**	**1 970**	**1 511**	**1 186**	**713**	**730**

31 March 2025	Carrying amount Rm	Contractual undiscounted cash flows Rm	0 - 12 months Rm	1 - 2 years Rm	2 - 3 years Rm	3 - 4 years Rm	4 - 5 years Rm	>5 years Rm
Interest-bearing debt (note 12)	11 617	15 031	3 045	2 974	3 569	795	1 371	3 277
Lease liabilities	6 920	7 540	1 965	1 738	1 444	1 183	604	606

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11. Financial risk management continued

11.3 Interest rate risk management

The Group's policy is to manage interest costs through the utilisation of a mix of fixed and floating rate debt. In order to manage this mix in a cost-efficient manner and to hedge specific exposure in the interest rate repricing profile of the existing borrowings, the Group makes use of interest rate swaps.

Management continues to monitor the developments regarding the transition from JIBAR to ZARONIA in order to determine the future impact on the Group.

The table below summarises the interest rate swaps outstanding as at the reporting date:

	30 September 2025		31 March 2025	
	Average maturity	Notional amount	Average maturity	Notional amount
Interest rate swaps outstanding		Rm		Rm
Pay fixed and receive floating	**1.35 years**	**2 668**	1.26 years	1 500

In the current period, additional interest rate swaps were taken to minimise the risk of potential increases in the interest rates due to uncertainty in the market.

11.4 Foreign currency exchange rate risk management

The Group enters into forward exchange contracts to hedge foreign currency exposure of the Group's operations and liabilities.

The following table details the forward exchange contracts outstanding at the reporting date:

	30 September 2025		31 March 2025	
	Foreign contract value	Contract value	Foreign contract value	Contract value
Purchased	m	Rm	m	Rm
Currency				
United States dollar	**157**	**2 724**	183	3 367
Euro	**14**	**280**	18	357
British pound sterling[1]	**—**	**3**	—	2
Chinese yuan[1]	**—**	**1**	52	132
Swiss franc[1]	**—**	**—**	—	1
		3 008		3 859

[1] *Foreign currency amount is less than one million and is disclosed as zero due to rounding to the nearest million.*

12. Interest-bearing debt

	Reviewed six months ended 30 September 2025 Rm	Audited 31 March 2025 Rm
Non-current interest-bearing debt	**5 719**	9 368
Local debt	**5 719**	9 368
Current portion of interest-bearing debt	**1 062**	2 249
Local debt	**1 062**	2 249
Total interest-bearing debt	6 781	11 617

The current portion of interest-bearing debt as at 30 September 2025 of R1 062 million (31 March 2025: R2 249 million) is expected to be repaid from available cash, operational cash flow or the issue of new debt instruments.

Debt covenants applicable to Telkom loans require the following for the Group:

- Net debt to EBITDA of less than 3:1
- EBITDA to finance charges of at least 3.5:1

As at 30 September 2025, Telkom's net debt to EBITDA ratio was 0.7:1 (31 March 2025: 0.7:1) and EBITDA to finance charges was 12:1 (31 March 2025: 6.6:1). The next measurement date for the covenants will be 31 March 2026. EBITDA is annualised to ensure comparability between EBITDA and the cumulative balance of net debt when determining the net debt to EBITDA ratio.

During the period, R1 594 million (30 September 2024: R2 237 million) debt was raised and R6 428 million (30 September 2024: R3 132 million) debt was repaid for the Group. Interest-bearing debt decreased during the current reporting period, mainly due to the repayment of debt using the proceeds generated from the sale of Swiftnet.

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13. Provisions

	Reviewed six months ended 30 September 2025 Rm	Audited 31 March 2025 Rm
Non-current provisions	**362**	381
Non-current employee-related provisions	**339**	334
Subsidiary defined benefit plans	**7**	7
Telephone rebates	**332**	327
Non-current non-employee-related provisions		
Other	**23**	47
Current provisions	**1 226**	1 501
Current portion of employee-related provisions	**896**	1 229
Annual leave	**441**	424
Telephone rebates	**43**	43
Bonus, termination packages and other benefits[1]	**412**	762
Current portion of non-employee-related provisions		
Other	**330**	272

[1] *The decrease in bonus, termination packages and other benefits is primarily attributable to a lower bonus provision in the current period.*

Annual leave

In terms of the Group's policy, employees are entitled to accumulate vested leave benefits not taken within a leave cycle, up to a cap of 22 - 30 days (31 March 2025: 22 - 30 days), which must be taken within a 12 - 19 month (31 March 2025: 12 - 19 month) leave cycle. The leave cycle is reviewed annually and is in accordance with legislation.

Bonus

The bonus scheme consists of performance bonuses that are dependent on the achievement of certain financial and non-financial targets. Bonuses are payable annually to all qualifying employees after the Group's results have been made public, and a 14th cheque is payable to a certain group of employees.

Non-employee-related provisions

Other provisions relate to the ICASA licence fee provision, onerous contracts, labour disputes, contingent consideration from the acquisition of Dotcom Software Solutions (Pty) Ltd, and other general provisions.

14. Commitments

	Reviewed six months ended 30 September 2025 Rm	Audited 31 March 2025 Rm	Reviewed six months ended 30 September 2024 Rm
Capital commitments authorised	**4 657**	7 475	7 163
Commitments against authorised capital expenditure	**2 674**	3 562	4 112
Authorised capital expenditure not yet contracted	**1 983**	3 913	3 051

Capital commitments comprise commitments for property, plant and equipment and intangible assets.

The decrease in capital commitments is mainly due to the commitments realised in expenditure during the first half of the current financial year.

Management expects these commitments to be financed from internally generated cash and borrowings.

15. Trade and other receivables and contract assets

15.1 Trade and other receivables

	Reviewed six months ended 30 September 2025 Rm	Audited 31 March 2025 Rm
Trade and other receivables	**7 580**	7 740
Trade receivables	**5 263**	5 913
Gross trade receivables	**8 706**	9 431
Impairment of trade receivables	**(3 443)**	(3 518)
Other receivables	**1 090**	1 110
Gross other receivables	**1 112**	1 132
Impairment of other receivables	**(22)**	(22)
Prepayments	**1 227**	717
Allowance account for expected credit losses - trade receivables	**3 443**	3 518
Opening balance	**3 518**	3 195
Charged to statement of profit or loss and other comprehensive income	**418**	838
Receivables written off	**(493)**	(515)

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. The repayment terms of trade receivables vary between 21 and 120 days from date of invoice. Interest charged on overdue accounts varies between the prime rate and a rate of 18%, depending on the contract terms.

Notes to the condensed consolidated interim financial statements continued
for the period ended 30 September 2025

15. Trade and other receivables and contract assets continued

15.1 Trade and other receivables continued

Gross trade receivables decreased mainly due to a focused cash collection drive during the first half of the 2026 financial year.

The amount charged to the statement of profit or loss remained relatively constant with R838 million reported for the year ended 31 March 2025. The R418 million reported as at 30 September 2025 pertains only to the first half of the 2026 financial year.

The expected credit loss on trade receivables varied slightly in relation to the decrease in gross trade receivables, mainly because customers are still in financial distress, resulting in the revised default rates during the current reporting period. Trade receivables written off during the six months ended 30 September 2025 amounted to R493 million, compared to R515 million written off over the 12 months of the prior year. The higher rate of write-offs in the current period is primarily due to the write-off of certain individually impaired customers.

Included in the allowance for impairment are individually impaired receivables with a balance of R408 million (31 March 2025: R440 million) that have been identified as being unable to service their debt obligation. The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the future cash flows. The Group does not hold any collateral over these balances.

Trade receivables are written off when there is no reasonable expectation of recovery. When there is no reasonable expectation of recovery, the Group performs actions such as sending reminders, pinging the accounts for additional debit order collections, blacklisting the customer and suspending the services offered to the customer. Furthermore, indicators such as receiving the debtors' negative feedback from the debt collectors, failure of a debtor to engage in a repayment plan with the Group and failure to make contractual payments confirm that the amounts are unlikely to be recoverable.

During the current financial period, R493 million (31 March 2025: R515 million) of trade receivables and R78 million (31 March 2025: R238 million) of contract assets were written off and are still subject to enforcement activity, such as external debt collection processes and credit bureau listings.

The majority of the Group's prepayment renewals occurred during June and July, resulting in an increase in prepayments in the current period compared to 31 March 2025.

	Reviewed six months ended 30 September 2025 Rm	Audited 31 March 2025 Rm
Post write-off recoveries credited within the impairment of receivables, contract assets and loans		
Post write-off recoveries	**266**	261

15.2 Contract assets

	Reviewed six months ended 30 September 2025 Rm	Audited 31 March 2025 Rm
Contract assets	**2 149**	2 344
Gross contract assets	**2 956**	3 085
Impairment of contract assets	**(807)**	(741)
Allowance account for expected credit losses - contract assets	**807**	741
Opening balance	**741**	604
Charged to statement of profit or loss and other comprehensive income	**144**	375
Contract assets written off	**(78)**	(238)

Contract assets decreased mainly due to additional sale of debtors' books to financial institutions during the current period.

While the gross contract assets decreased, the expected credit loss on contract assets increased, mainly due to an increase in credit risk resulting from changes in default rates.

Sale of contract assets
Telkom entered into agreements with financial institutions to factor a ring-fenced group of contract assets. The gross carrying amount of the contract assets factored is R669 million (30 September 2024: R453 million).

Telkom accounted for a derecognition gain of R98 million (30 September 2024: R38 million) within other income in the statement of profit or loss and other comprehensive income.

In terms of the arrangements, Telkom retains the contractual right to receive the cash flows and assumes the contractual obligation to pay cash received to the financial institutions.

Based on the structure of the agreements, the IFRS 9 (Financial Instruments) "pass through" criteria were met for the derecognition of the contract assets, and the contract asset portfolio was derecognised in its entirety as significant risks and rewards had been transferred. The total cash inflows related to the derecognition are included in cash flows from operating activities in the statement of cash flows.

As part of the agreement, Telkom is obligated to pay the financial institutions only from the cash collected from customers and, as such, Telkom assumes no further obligation in relation to the agreement. In the case that there is a credit note, Telkom is not required to refund the financial institution for the credit note. Telkom has no continuing involvement with the transferred contract assets.

Notes to the condensed consolidated interim financial statements continued

for the period ended 30 September 2025

16. Contingencies

Contingent liabilities

Other than the disclosures below, no significant movement or new matters have been noted on the contingent positions reported in the 31 March 2025 annual financial statements.

High Court

Radio Surveillance Security Services (RSSS)

On 27 August 2020, RSSS served a new summons on Telkom based largely on the same events that gave rise to its previous unsuccessful action. RSSS is claiming the return of 444 disputed alarm monitoring systems, alternatively payment of R210 million and a payment of R319 million for alleged outstanding rentals for the disputed alarm monitoring systems. Telkom is defending the matter. Telkom placed RSSS into provisional liquidation on 16 May 2023, and Telkom is proceeding with the steps necessary to place RSSS into final liquidation.

Phutuma Networks (Pty) Ltd (Phutuma)

In August 2009, Phutuma served a summons on Telkom claiming damages in the amount of R5.5 billion, arising from a tender published by Telkom in November 2007. The High Court granted absolution from the instance in Telkom's favour. The Supreme Court of Appeal (SCA) had initially dismissed Phutuma's application for leave to appeal in October 2014. On 4 November 2014, the SCA rescinded its order granted in October 2014. In early 2015, the SCA referred the application for leave to appeal back to the full bench of the North Gauteng High Court. The leave to appeal was heard in September 2016 and was upheld. The matter now needs to be re-enrolled for trial. To date, Phutuma has failed to set down the matter for hearing. Telkom has proposed that the matter begins anew before another judge. Telkom has not heard from Phutuma and it has taken no further steps to advance the litigation since 2016.

Arbitration

Masstores (Pty) Ltd (Masstores)

During November 2021, Masstores launched arbitration proceedings against BCX. This claim from 2021 is for an amount of approximately R166 million for alleged breach of contract. The matter is currently proceeding with steps being taken to prepare for a hearing in August 2026.

Supreme Court

Special Investigating Unit (SIU) - Appeal against High Court judgement setting aside Proclamation

On 19 July 2023, the Pretoria High Court handed down judgement setting aside Presidential Proclamation 49 of 2022 (the Proclamation). The Proclamation gave the SIU authority to investigate various historical matters including Telkom's contracting for network and advisory services, and the disposal of former Telkom subsidiaries. The High Court had declared the Proclamation unconstitutional, invalid and of no force or effect and awarded costs to Telkom.

On 11 December 2023, the High Court granted both the President and the SIU leave to appeal to the SCA. The appeal remains pending before the SCA, and Telkom will continue with steps to uphold the High Court order in its favour. Telkom currently expects the matter to be heard by the SCA in the first half of 2026.

Telkom follows robust corporate governance principles and has done so in executing the Telkom strategy to consolidate its operations in South Africa. The aforementioned matters date back as far as 2006 and most of them have been repeatedly reported on in the respective Telkom reports.

Therefore, at this point, Telkom expects no material impact on its interim financial statements resulting from the outcomes of the SIU investigation.

Notes to the condensed consolidated interim financial statements continued

for the period ended 30 September 2025

17. Related parties

The South African Government, represented by the Department of Communication and Digital Technologies, has the ability to exercise significant influence over the Group. Telkom is classified as a schedule 2 major public entity in terms of the Public Finance Management Act. Telkom is part of the national sphere of government, and its related parties in that sphere include national departments, constitutional institutions and public entities (schedules 1, 2 and 3). Telkom is therefore related to major public entities, national government departments and all other entities within the national sphere of government. A list of related parties is provided by the National Treasury on its website (www.treasury.gov.za).

Related parties include subsidiaries and associates of the Group. It also includes Directors and key management personnel of Telkom and close family members of these related parties. Key management personnel and Directors of Telkom include the Group's Board of Directors and Exco.

The Group has applied the exemption in IAS 24 paragraph 25 in respect of related party transactions and outstanding balances with government-related entities. The nature of the Group's transactions with these entities are within the ordinary course of operations.

The Group does not have any individually significant transactions and balances with related parties.

At 30 September 2025, the Government of South Africa held 40.5% (31 March 2025: 40.5%) of Telkom’s shares and had the ability to exercise significant influence, and the Public Investment Corporation held 10.37% (31 March 2025: 8.44%) of Telkom’s shares.

	Reviewed six months ended 30 September 2025 Rm	Audited 31 March 2025 Rm	Reviewed six months ended 30 September 2024 Rm
Key management personnel compensation (including Directors and Prescribed Officers' remuneration):			
Related party transactions			
Short-term employee benefits	**138**	270	92
Post-employment benefits	**8**	15	8
Termination benefits	**1**	9	—
Equity compensation benefits	**19**	21	6

Terms and conditions of transactions with related parties

Except as indicated above, outstanding balances as at 30 September 2025 are unsecured, include interest, and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 30 September 2025, the Group has not impaired any of the amounts owed by the related parties. This assessment is undertaken in each financial period by examining the financial position of the related party and the market in which the related party operates.

Notes to the condensed consolidated interim financial statements continued

for the period ended 30 September 2025

18. Reconciliation of profit before tax to cash generated from operations

	Reviewed six months ended 30 September 2025 Rm	Reviewed six months ended 30 September 2024 Rm
Cash generated from operations[1]	**5 626**	6 227
Profit before tax	**2 191**	1 448
Finance charges and fair value movements	**814**	910
Investment income	**(250)**	(173)
Interest received from trade receivables	**(87)**	(99)
Adjusted for:	**3 466**	3 873
Depreciation, amortisation, impairments and write-offs	**3 268**	2 943
Impairment of receivables, contract assets and loans	**562**	642
(Decrease)/increase in provisions	**(256)**	336
Insurance revenue	**(146)**	(144)
Insurance service expenses	**100**	138
Gain on termination of leases	**(2)**	(2)
Profit from disposal of property, plant and equipment	**(185)**	(196)
Gain on sale of contract assets	**(98)**	(38)
Foreign exchange movements	**(7)**	(74)
Share-based payment expenses	**38**	34
Movement in deferred revenue	**192**	234
Movement in working capital	**(508)**	268
(Increase)/decrease in inventories	**(50)**	183
Decrease in trade receivables, contract assets, finance lease receivables and other receivables	**478**	71
(Decrease)/increase in trade and other payables and prepayments	**(936)**	14

[1] *The comparative period includes Swiftnet cash generated from operations of R213 million. Swiftnet was sold effective 31 January 2025.*

19. Significant events

Dividends

The Telkom Board declared an ordinary dividend of 163.05 cents per share and a special dividend of 97.82 cents per share on 10 June 2025. These dividends were paid on 14 July 2025 to shareholders registered at the close of business on 8 July 2025.

20. Events after the reporting date

Other matters

The Directors are not aware of any other matter or circumstance since the financial period ended on 30 September 2025 and the date of this report, or otherwise dealt with in the condensed consolidated interim financial statements, which significantly affects the financial position of the Group and the results of its operations.

Abbreviations

AI	Artificial intelligence
ARPU	Average revenue per user
BCX	Business Connexion (Pty) Ltd
BEPS	Basic earnings per share
capex	Capital expenditure
cps	Cents per share
EBITDA	Earnings before investment income and finance costs (which includes gains and losses on foreign exchange transactions), tax, depreciation, amortisation, write-offs, impairments and losses of property, plant and equipment and intangible assets, and is also presented inclusive interest revenue and interest on overdue accounts.
ESD	Enterprise supplier development
ESG	Environmental, social and governance
Exco	Executive Committee
FCF	Free cash flow
FECs	Forward exchange contracts
FTTH	Fibre to the home
HEPS	Headline earnings per share
IoT	Internet of Things
ICT	Information and communications technology
IFRS	International Financial Reporting Standards
IT	Information technology
JSE	Johannesburg Stock Exchange
ROIC	Return on invested capital
ppt	Percentage point
SAICA	South African Institute of Chartered Accountants
SBTi	Science Based Targets initiative
SDGs	Sustainable Development Goals
SFAs	Supplier Finance Arrangements
SMB	Telkom Small and Medium Business
SMMEs	Small, medium and micro enterprises
TRF	Telkom Retirement Fund

Special note regarding forward-looking statements

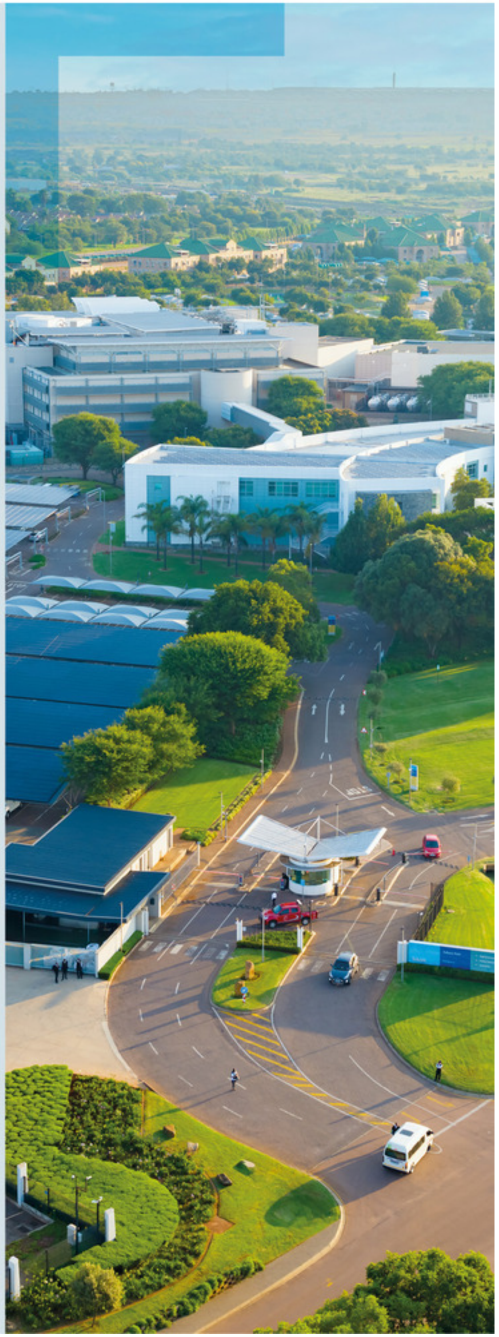
Many statements in this document, and verbal statements that may be made by Telkom or by officers, Directors or employees acting on Telkom's behalf, constitute or are based on forward-looking statements.

All statements, other than statements of historical facts, including, among others, statements regarding our strategy, future financial position and plans, objectives, capex, projected costs and anticipated cost savings and financing plans, and projected levels of growth in the communications market, are forward-looking statements. Forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "envisage", "intend", "plan", "project", "estimate", "anticipate", "believe", "hope", "can", and "is designed to", or similar phrases.

However, the absence of such words does not necessarily mean a statement is not forward looking. Forward-looking statements involve several known and unknown risks, uncertainties and other factors that could cause our actual results and outcomes to materially differ from historical results or any future results expressed or implied by such forward-looking statements. Factors that could cause our actual results or outcomes to differ materially from our expectations include, but are not limited to, those risks identified in Telkom's most recent integrated report available at https://group.telkom.co.za/ir/index.shtml.

Telkom cautions readers not to place undue reliance on forward-looking statements. All written and verbal forward-looking statements attributable to Telkom, or persons acting on Telkom's behalf, are qualified in their entirety by these cautionary statements. Unless we are required by law to update these statements, we will not necessarily update any of these forward-looking statements after the date of this document, so that they conform either to actual results or to changes in our expectations.

Any forward-looking financial information disclosed in these Group interim results for the six months ended 30 September 2025 ("results announcement") has not been reviewed or reported on by our independent external auditor, PricewaterhouseCoopers Inc.



Pro forma information

This Group presents various non-IFRS financial measures in the results announcement. These non-IFRS financial measures include i) the net debt, and ii) the FCF. In addition to the non-IFRS financial measures noted above, the financial information in the prior period excludes the loss recognised as a result of the settlement of the TRF and restructuring cost with the related tax impact on the results (the "pro forma adjustments").

These measures constitute pro forma financial information and are annotated throughout the results announcement. This pro forma financial information was presented to illustrate the impact of the pro forma adjustments on the reviewed condensed consolidated interim financial statements for the six months ended 30 September 2024 to achieve a comparable year-on-year analysis and show the adjusted performance of the business.

The pro forma financial information is the responsibility of the Board of Directors, and has been prepared for illustrative purposes only and, due to its nature, may not fairly present Telkom's financial position, changes in equity and results of operations or cash flows.

The independent external auditor's review report by PricewaterhouseCoopers Inc. does not report on all the information contained in this results announcement. Shareholders are therefore advised that to obtain a full understanding of the nature of the independent external auditor's engagement, they should obtain a copy of the independent auditor's review report together with the accompanying financial information from Telkom's registered office.

The Board of Directors takes full responsibility for the preparation of this results announcement, which has been correctly extracted from the underlying Group consolidated financial statements. The information contained in this document is also available on Telkom's investor relations website https://group.telkom.co.za/ir/.

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