

Prosperity



Our ambition: Creating economic value for our stakeholders through expanded and new forms of connectivity

Our Prosperity pillar focuses on how Telkom creates value for the economy by:

- Stimulating digital economic growth
- Creating direct job opportunities
- Developing new products, services and offerings
- Supplier diversification and localisation



Partnering with Aizatron to build a 5G-enabled agritech sandbox

For generations, South African wine farmers have made critical decisions about irrigation, fertilisation and crop health based on experience and instinct, not real-time data. Sensors were expensive, connectivity was unreliable, and data extraction required manual site visits every two weeks. The result was wasted water, unnecessary electricity costs and preventable crop losses.

Telkom established a multi-year partnership with Aizatron, a local agritech developer, to build a 5G-enabled agritech sandbox – a real-world testing environment – at Stellenbosch University's Welgevallen experimental farm. The sandbox combines Telkom's 4G and 5G connectivity with IoT sensors, computer vision cameras and AI analytics.



Smart poles equipped with Telkom connectivity, NVIDIA edge devices, solar panels and battery storage transmit real-time environmental data to a cloud dashboard. Aizatron designed and produced low-cost, locally manufactured data loggers capable of collecting up to nine sensor data sets simultaneously. Where students once connected a laptop in the vineyard every fortnight, researchers now access insights daily.

The initiative has since extended beyond research. At Stellenzicht High School in Jamestown, Stellenbosch, learners growing vegetables in donated greenhouses now use Aizatron's loggers to monitor temperature and soil conditions. Telkom's connectivity enables real-time dashboards, helping students optimise watering and feeding while learning modern agricultural technology.

For Telkom, the initiative advances the strategic transition to an intelligent network operator, enabling precision farming solutions across multiple crop types while driving resource efficiency and agricultural productivity.

Digital services

Empowering our customers through digital access

Telkom enables economic growth through technology-driven products and services that support meaningful digital participation. Telkom far exceeded its target of providing 4.3 million customers with access to its diversified digital platforms by 2025. By the end of FY2026, this number had reached 11.97 million customers.

A central driver of this access is the Mo'Nice platform, which uses AI and machine learning to deliver personalised offers to pre-paid subscribers. Telkom's Emergency Top Up also contributes significantly, allowing qualifying customers to borrow airtime or data bundles and to repay when they next recharge.

In education, Telkom Learn enables the Group to expand access to digital learning opportunities. Its online learning platforms give learners access to educational content, learning support and digital resources beyond the traditional classroom environment. This strengthens digital inclusion and enables continuous learning.

To enhance digital inclusion and empowerment, the Group provides the zero-rated e-learning Telkom Lightbulb platform. This platform delivers educational content aligned with the Curriculum Assessment Policy Statements (CAPS) for learners in Grades 7 to 12.

This focus on access is supported by a strategic shift to digital self-service channels. These allow customers to interact with Telkom more efficiently while reducing the carbon footprint associated with physical travel.



A trusted digital marketplace through Yep!

Access to everyday services such as plumbing, electrical work or personal care remains largely informal in South Africa. Consumers rely on personal networks or messaging groups, with limited price transparency and no consistent way to assess reliability. At the same time, small businesses struggle to access customers and grow beyond their immediate networks.

To address this, Telkom developed the Yep! platform, a mobile app and digital marketplace that connects consumers with service providers. Building on the legacy of Yellow Pages, the platform has evolved from a static listing service into a transactional marketplace where users can search, book and pay for services. The focus has evolved to driving consumer demand, creating a more active and reliable marketplace for users and merchants.



The platform reaches approximately 300 000 monthly users, connecting them to reliable service providers. Service providers gain access to Telkom's customer base of more than 24 million subscribers, increasing visibility and opportunities for work. The move to a fully transactional model, with a relaunch planned for FY2027, will improve price transparency, standardisation and service reliability.

The platform improves access to trusted services while supporting small business growth. It enables SMMEs to connect to a broader market, generate income and scale their operations, increasing participation in the digital economy.



Developing new products, services and offerings

Telkom develops new products, services and offerings to maintain relevance in a competitive landscape.

In FY2026, Telkom Consumer transitioned from standalone connectivity to converged, digital-first propositions. Tangible innovations include:

- **Fibre to the room (FTTR):** Openserve partnered with Huawei to introduce South Africa's first FTTR solution, which uses a fully optical in-premises network to eliminate Wi-Fi coverage gaps
- **Smart Wi-Fi and value-added services:** Integrating connectivity with content services, such as media streaming and web-based home security
- **Openserve Web Connect Air:** A broadband internet access service that uses wireless technology to connect a base station on a fibre network with multiple subscriber units spread out over a wide area. This extends the range of the fibre network in a quick and cost-effective manner
- **Openserve's wholesale pre-paid fibre to the home (FTTH) offering:** This operates on Openserve's internet service provider (ISP) platform, enabling the creation of customised pre-paid data bundles with varying validity periods, data caps and download speeds. The solution includes WebConnect pre-paid, available in lower-income areas, and Webstream pre-paid, available across all FTTH coverage areas

Managing product and service-related risks

While no product recalls were recorded during the year, we are developing a formal product risk disclosure framework to enhance our approach in future cycles.



Enabling smartphone adoption through pre-paid smart devices

For many lower-income and pre-paid customers, the primary barrier to digital participation is not network availability, but access to affordable, functional smartphone devices. Entry-level handsets often limit the ability to use messaging, video and other data-driven applications, restricting how users engage with digital services.

To address this, Telkom introduced a range of affordable pre-paid smartphone devices, designed to provide access to essential digital services from the point of purchase, with pre-installed applications such as WhatsApp, YouTube and Facebook. The offering provides a practical entry point into the digital ecosystem and is supported through Telkom's retail distribution channels.

The initiative has seen strong uptake, with close to one million Telkom Citrus devices distributed since launch. The device is now in its third iteration, with ongoing refinement based on user needs and performance. This has enabled more consistent access to core digital services across the target market.

By improving access to functional and affordable devices, the initiative enables engagement with digital platforms and meaningful participation in the digital economy. It also creates a foundation for access to services such as education, employment opportunities and digital content, reinforcing Telkom's role in expanding digital inclusion in underserved communities.





Driving growth in South Africa's business segments

Telkom acts as South Africa's digital backbone, investing in intelligent networks, cloud, data and AI to help businesses scale. The Group has made steady progress toward its goal of delivering digital platform solutions to half a million businesses. Through BCX, the Group integrates connectivity with managed services to provide outcome-based solutions.

Tangible examples of these enterprise solutions include:

- **Proprietary industry platforms:** The UniSolv pharmacy system powers over 1 100 healthcare sites, while retail platforms like Dolfin and ActiveRetail are deployed across more than 12 000 retail sites and 215 000 devices in the Southern African Development Community (SADC) region
- **SMME and start-up support:** Through Telkom FutureMakers, the Group supported 362 enterprises in FY2026, enabling R709.3 million in procurement opportunities ^(A). This included support for high-growth tech start-ups like Welo Health, an on-demand healthcare platform, and AdvannoTech, which provides the VantageX data fusion platform for business automation
- **Enterprise productivity:** BCX offers Everything-as-a-Service (XaaS) solutions and unified communication platforms that bundle voice, video and collaboration tools. These are delivered over BCX-managed networks that ensure quality of service and security

^(A) External moderate assurance on selected sustainability indicators. Refer to the FY2026 [Independent Assurance Report](#), available online.



Tuu Post: Enabling township digital inclusion through last-mile infrastructure

In many townships and rural communities, it is difficult to access services such as parcel delivery, online purchases and basic digital services. E-commerce providers often do not deliver to these areas, and customers do not always have reliable or convenient collection points. At the same time, local merchants, including internet cafés, can assist with tasks such as job applications, printing and accessing online services, but are not connected to broader service and logistics networks.

Through the FutureMakers Township Innovation Incubator programme, Telkom provides business incubation and enterprise development support to Tuu Post to improve the company's courier services to urban, semi-urban and rural communities.

Tuu Post works with a network of local merchants and equips them to act as service points within their communities. These merchants support services such as parcel collection and delivery, selling airtime and tickets, and helping customers place orders and send or receive parcels, linking local infrastructure into wider logistics networks.



For example, a customer can order a product online, have it delivered to a local merchant and collect it there, while also accessing services such as parcel sending and airtime purchases.

Tuu Post has 78 active merchant agents, with further sites undergoing integration. The business is expanding, with a pipeline of more than 1 000 additional sites.

The presence of a local merchant improves trust and accountability, as parcels are handled in person.

Through FutureMakers' support ecosystem, Tuu Post participated in pilot initiatives aimed at expanding its offering. This included a fibre-lead generation pilot through the Openserve dealer channel, which generated more than 250 leads in a single community within two weeks.

This model shows how local businesses can extend services into underserved areas. It improves access to deliveries, connectivity and online services, and creates opportunities for small businesses, supporting broader participation in the digital economy.

Empower communities

We agree with the World Bank and others that installing fixed and mobile broadband has positive economic impacts. Telkom exceeded its 2025 goal of empowering 15 million South Africans through mobile and fixed wireless broadband connectivity by 25%. By the end of FY2026, the Group had provided high-quality connectivity to 15.3 million customers. This was supported by our ongoing rollout of high-speed infrastructure, with the Group's FTTx footprint now reaching 1 539 209 homes and businesses.

This expansion of connectivity infrastructure supports broader digital participation by improving access to communication, digital services, learning, business activity and online opportunities across connected communities.





FTTx township expansion

The suburban fibre market in South Africa is reaching saturation, with limited growth potential remaining. Township communities represent a significant underpenetrated market: between 15 and 21 million people live in the country's 532 townships.

Expanding fibre into townships presents different operational challenges. These include higher population density, different infrastructure requirements, the need for community engagement, and the presence of opportunistic crime and informal access demands.

Telkom is expanding its FTTx rollout into township areas through Openserve. We are approaching this as both a commercial growth opportunity and a response to limited broadband access. The Group is continuously improving alignment with the requirements of this market, including product structuring and rollout execution.

In total, 1 539 209 homes and businesses were connected through our FTTx footprint by the end of FY2026, with a connection rate of 53.1%.

The FTTx initiative serves as a powerful driver of digital inclusion. It also significantly improves access to online education, healthcare, commercial and employment opportunities. By enabling such access, we actively support national GDP growth.

While the project is expanding from a small base, it is strategically positioned to unlock a significant market, extending the benefits of high-speed broadband to every sector of society.

Investing with purpose

Telkom contributes to indirect economic development through targeted investment in education and digital inclusion. We deliver these initiatives mainly through the Telkom Foundation. They focus on improving learning outcomes, expanding digital literacy and enhancing employability, particularly in underserved communities.

The Group's approach to economic development includes deploying ICT infrastructure and digital learning platforms, developing youth capabilities through accredited programmes and internships, and investing in Centres of Excellence that support research and innovation.



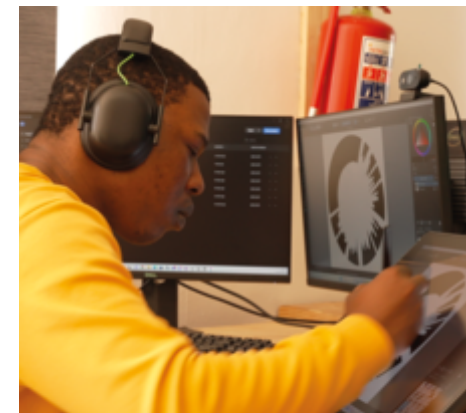
Supporting entrepreneurship: FutureMakers

Telkom recognises the role of SMMEs in driving economic growth and job creation. Over the last decade, we have anchored our position as a leading corporate partner in developing SMMEs in the ICT sector through our flagship enterprise and supplier development initiative, FutureMakers.

Since its launch in 2015, FutureMakers has supported more than 2 634 majority Black-owned SMMEs through incubation, investment, connectivity and business development services.

In FY2026, Telkom supported 362 enterprises with procurement opportunities worth R709.3 million. Collectively, FutureMakers businesses have impacted over 260 337 lives and, combined with our procurement spend, helped sustain more than 74 114 jobs across the country.

The programme remains a catalyst for inclusive growth, promoting innovation and localisation with a focus on Black-, youth- and female-owned technology start-ups.



FutureMakers programmes

	Life cycle	Focus areas
Telkom Township Innovation Incubator		
An 18-month structured innovation and digital skills training programme with software development support.	Seed and development	Enterprise development innovation
Hackathons and incubation		
Hackathons solve Telkom's innovation challenges in partnership with start-ups. These are followed by 12 to 18 months of incubation covering business and technology readiness.	Seed and development	Enterprise development innovation
ICT Venture Builder with Aions		
A scale-up programme fusing equity investment and business development support. The aim is to scale up tech start-ups by removing blockages in their development path and making them venture capital-ready.	Early stage (start-up)	Enterprise development innovation
Women in ICT Pre-Accelerator		
The I'M IN Women Pre-Accelerator programme develops female ICT entrepreneurs using a progressive elaboration process. The programme graduated 10 young women from previously disadvantaged backgrounds and aims to progress them to an accelerator in FY2027.	Early stage (start-up)	Enterprise development innovation
Telkom Future Fund managed by IDF Capital		
Established in 2015 with a R150 million investment from Telkom (R250 million including BCX) to fund the start-up life cycle phases. The fund is in the divestment phase and expires in September 2026. The fund manager is charged with optimising returns while meeting the set expiry date.	Later stage (growth, establishment and expansion)	Supplier development, diverse supply chains and localisation
Aions: ICT Venture Builder		
Established in FY2023 with a commitment of R150 million over five years depending on business performance. It builds technology companies from seed and development to early-stage phases and facilitates investments in those companies.	Later stage (growth, establishment and expansion)	Supplier development, diverse supply chains and localisation
BCX SMME Subcontractor Programme		
BCX partners with SMMEs when responding to clients through subcontracting.	Later stage (growth, establishment and expansion)	Supplier development, diverse supply chains and localisation
Supplier Development Funder		
Established in FY2023 with R100 million over five years depending on business performance. Provides capital to SMMEs in Telkom's supply chain that are part of FutureMakers.	Later stage (growth, establishment and expansion)	Supplier development, diverse supply chains and localisation

	Life cycle	Focus areas
Mentorship programme and business development support services		
An annual structured programme customised for Telkom's suppliers to increase their business growth and provide business development support.	Later stage (growth, establishment and expansion)	Supplier development, diverse supply chains and localisation
Direct support services per business unit		
Ad hoc material, marketing, and grant support to SMME suppliers for Telkom Consumer and Openserve.	Later stage (growth, establishment and expansion)	Supplier development, diverse supply chains and localisation
Early payment days		
Payment of invoices within seven to 14 days for all FutureMakers-approved SMMEs.	Later stage (growth, establishment and expansion)	Supplier development, diverse supply chains and localisation



Real-time sustainability from the Awareness Company

Corporate sustainability management is typically based on periodic reporting cycles, limiting real-time visibility into performance. This creates a gap between sustainability data and decision-making, particularly where organisations require timely insights to manage environmental and operational risks.

The Awareness Company is a growth-stage business operating in the sustainability technology space. It has developed a platform that provides real-time sustainability information, including monitoring and insights, with integrated security functionality.



FutureMakers supports the Awareness Company through two programmes. The Venture Builder programme focuses on business development, go-to-market strategy, solution refinement and equity investment. In parallel, the AI Growth Catalyst programme supports AI adoption, including readiness assessment, technical enablement and integration into the business offering.

Programme performance is measured through predefined key performance indicators, including revenue growth, partnerships and access to funding. Employment creation is tracked, and support is structured over a multi-year period, with engagement beyond the initial support period where needed.

The initiative reflects FutureMakers' commitment to supporting businesses beyond early-stage development, with an emphasis on building commercially viable solutions aligned with sustainability-related opportunities.