

Blue Label Telecoms Limited
(Incorporated in the Republic of South Africa)
(Registration number 2006/022679/06)
Share code: BLU ISIN: ZAE000109088
("Blue Label" or "the Group")

Trading statement for the six-month period ended 30 November 2022

Shareholders are advised that basic, headline and core headline earnings per share for the six-month period ended 30 November 2022 will decrease by more than 20% in comparison to the six-month period ended 30 November 2021. The table below illustrates the ranges anticipated against the comparative period:

	Nov 2021 cents per share	Range Nov 2022 cents per share	Decrease to Nov 2022 cents per share	Percentage Decrease
Earnings per share	60.71	(9.95) – (7.52)	70.66 – 68.23	116% – 112%
Headline earnings per share	60.86	0.87 – 3.30	59.99 – 57.56	99% – 95%
Core headline earnings per share	62.69	2.69 – 5.19	60.00 – 57.50	96% – 92%

Core headline earnings for the period ended 30 November 2022 amounted to R35 million, equating to core headline earnings of 3.94 cents per share.

Although the core businesses of the Blue Label group continued to generate further growth in revenue, gross profit and core headline earnings per share for the six-month period ended 30 November 2022, the predominant extraneous contributions to the November 2022 basic, headline and core headline earnings per share, resulting primarily from the recapitalisation transaction of Cell C, were attributable to:

- Extraneous expenditure and income;
- Loss on modification of a financial instrument as a result of the CEC deferral amount of R1.1 billion, owing by Cell C, being renegotiated and reclassified from 'trade and other receivables' to 'loans to associates'.
- Partial reversal of the initial impairment of Blue Label's investment in Cell C; and
- Recognition of the Group's share of Cell C's accumulated losses not guaranteed, up to the extent of the aggregate of the reversal of the initial impairment of Blue Label's investment in Cell C as well as any additional investments therein.

In the comparative period, core headline earnings amounted to R549 million, of which R548 million related to continuing operations and R1 million to discontinued operations. Core headline earnings amounted to 62.69 cents per share.

On exclusion of the above extraneous contributions of R421 million in the current period and non-recurring income of R148 million in the prior period, core headline earnings increased by R55 million (14%) from R400 million to R455 million. Core headline earnings per share increased by 13% from 45.68 cents per share in the prior period to 51.72 cents per share.

On exclusion of the extraneous contributions and non-recurring income in both the current and prior periods, earnings per share and headline earnings per share increased by 14% to 49.66 cents per share and 49.86 cents per share, respectively.

The financial information on which this trading statement is based has not been reviewed or audited by the Group's auditors.

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17 February 2023

Sponsor: Investec Bank Limited