



OUR RECAPITALISATION PROCESS

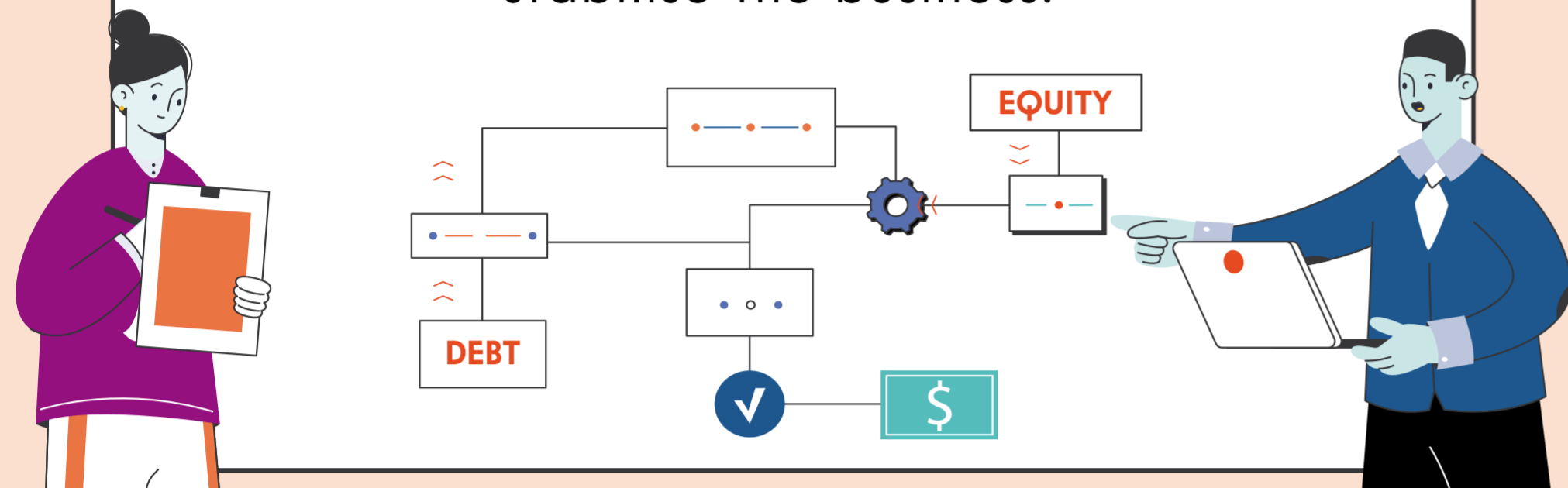
The four pillars of the turnaround strategy

<p>01</p> <p>✓</p> <p>IMPROVING OPERATIONAL EFFICIENCIES</p> <p>Focused on operational performance and accountability throughout the business.</p> <p>Reduced our operational expenditure.</p> <p>Cleaned up our subscriber base and are developing the right solutions for profitable customers.</p>	<p>02</p> <p>✓</p> <p>AN INNOVATIVE NETWORK STRATEGY</p> <p>Changed from a 'build to own' model to an 'infrastructure sharing model' that is scalable.</p> <p>More affordable as it lessens our capital costs and finance leases.</p> <p>Our customers will have access to world-class infrastructure and benefit from the size of the network.</p> <p>Focused on optimising our network revenue and usage.</p>	<p>03</p> <p>✓</p> <p>IMPROVING LIQUIDITY</p> <p>Establish a liquidity platform and manage liquidity carefully since 2019.</p>	<p>04</p> <p>✓</p> <p>RESTRUCTURING THE BALANCE SHEET</p> <p>All long-form agreements have been signed.</p> <p>All conditions precedent for the transaction have been met.</p> <p>Funds flow and completion of the transaction is expected by end-September.</p>
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What is Cell C's recap all about?

It is a process of restructuring Cell C's balance sheet for growth and to be market ready and competitive.

Our **debt** – the monies we owe as a business – is being 'financially reorganised' and together with our equity – the residual value of our brand and other assets – will stabilise the business.



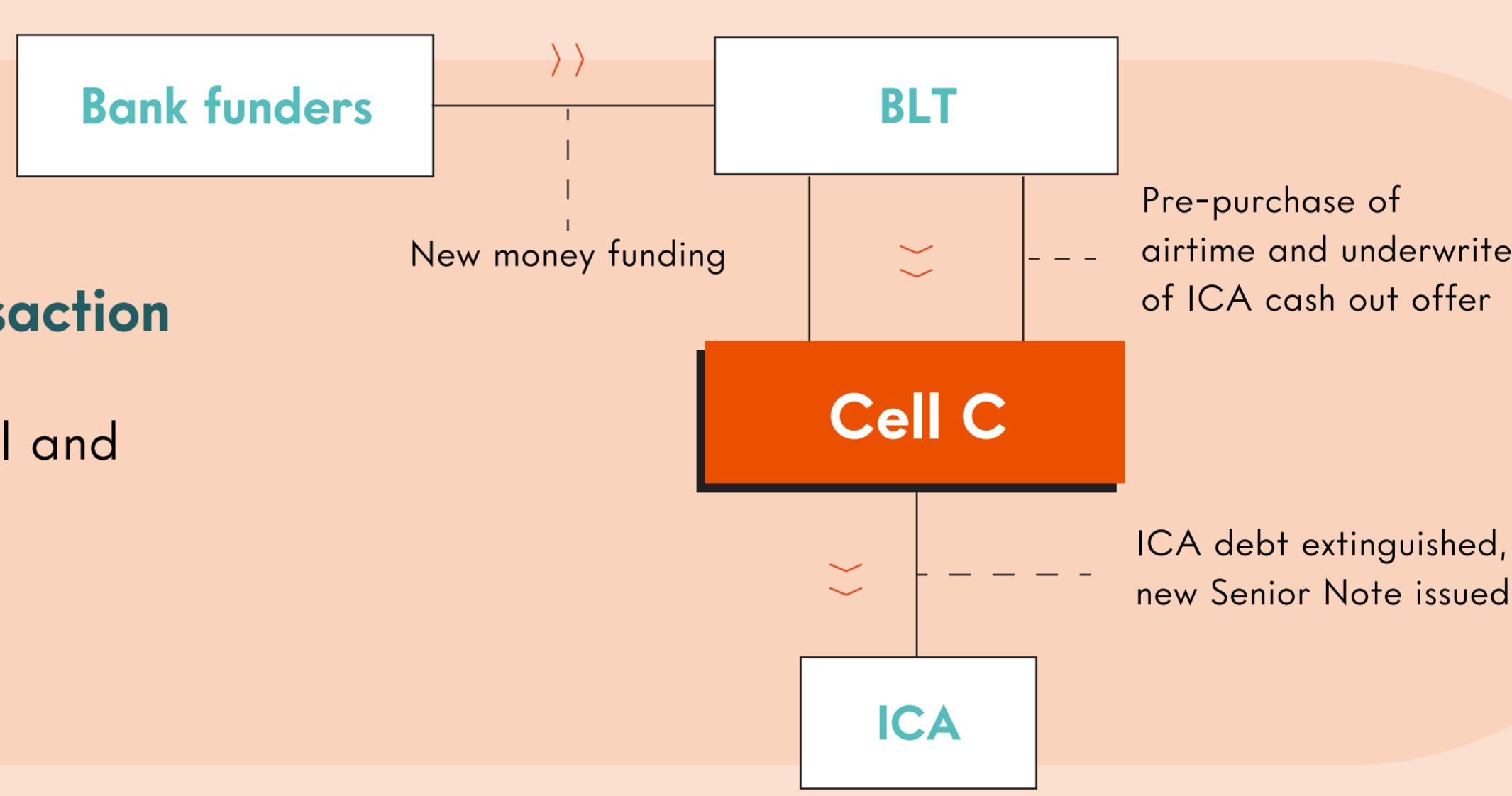
Why is it important?

Our new stable structure will position Cell C for future growth.

It will assist us to grow our prepaid customer base and we will be stronger as a re-seller in the post-paid market. We are currently one of the most recognisable and valuable brands in South Africa.



The construct of the transaction in the form of new money to restructure Cell C's financial and operational liabilities.



Significant stakeholder support

Substantial stakeholder support from creditors and distributors will be provided as part of the recapitalisation.

Creditors

Terms of offer

- To facilitate the restructuring of Cell C debt owed to certain secured lenders totaling R7.3bn, (fixed as at Nov 2019), Blue Label will provide liquidity via a secured lone of R1.46bn.
- A portion of R1.03bn of this debt funding will be used to pay out the secured lenders as per the accepted compromise offer of 20c for every R1 of debt.
- ICA lenders can reinvest bilaterally in new Senior Debt instrument with a claim of 55c of November 2019 balance.
- No cash interest or capital payments the first 24 months.

Senior secured ICA lenders

Third party

Capex and other

Major suppliers

Debtors

Terms of offer

- BLT to raise funding from New Money Lenders, as per the SENS announcement of 26 August 2021 and 15 March 2022. Proceeds from the facility will be used to:
 - Advance R1.3bn of new senior debt.
 - Pre-purchase of R1.2bn of gross airtime on day 1 of recapitalisation to support liquidity, amortised over 12 months.
 - Four quarterly pre-purchases of R300m in second year post recapitalisation amortised each quarter.
- Additional financing in the first 24 months via:
 - Minimum purchase agreement for airtime and COD terms.
 - Airtime stock holding maintained throughout forecast period until month 42 unless Cell C outperforms the Business Plan. Cell C understands that BLT does not intend to sell all excess stock in month 42 once stock holding mechanism falls away.
 - CEC liability secured on postpaid base: R1.1bn repaid on day 1, remaining balance amortised over 60 months.

BLT / CEC / Airtime Facility

What will Cell C look like?

01

We will effectively manage the network transition process and will continue to look for opportunities to create revenue from excess capacity.

'Post recap' is the time period after the injection of new capital into the business. This is expected end September 2022. Once our balance sheet is strengthened, we will have greater capacity to pursue our focus areas.

02

We will create value for our prepaid; fixed LTE; and mobile broadband customers as we shift from being a product-led company to creating compelling products with real value for our customers.

03

We will progress our digital strategy and create ecosystems & partnerships to innovate on products and services.



04

Continue to invest in key technology projects aligned to our strategy.

05

There will be an ongoing focus on managing costs tightly, we will also rationalise our lease portfolio.

06

We plan to grow and reskill our talent with a focus on driving digital innovation throughout the business.



THE RESULT BY 2024:

AN ADMIRER DIGITAL LIFESTYLE COMPANY THAT CREATES OPPORTUNITIES FOR INNOVATION AND GROWTH.