Notes to the annual financial statements

for the year ended 31 March 2026

1. 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 are publicly traded on the JSE Ltd. The main objective of Telkom and its subsidiaries (the Group) and associates is to supply telecommunication, multimedia, technology, information, mobile communication services and other related IT services to the Group's customers in Africa. Refer to note 3.2 for a description of the products and services offered by the Group.

2. Accounting framework and significant judgements

2.1 Basis of preparation

These annual financial statements have been prepared in accordance with the IFRS Accounting Standards of the International Accounting Standards Board (IASB), and in compliance with the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE LR and the requirements of the Companies Act, 71 of 2008 (as amended) (the Companies Act). The annual financial statements have been prepared on the going concern basis.

The annual financial statements are prepared 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 off to the nearest million.

The annual financial statements are prepared on the historical cost basis, with the exception of certain financial instruments subsequently measured at fair value. The carrying values of the recognised assets and liabilities that are designated as hedged items in fair value hedges, which would otherwise be carried at amortised cost, are adjusted to record the fair values attributable to the risks that are being hedged in effective hedge relationships. Details of the Group's material accounting policies are set out below and are consistent with those applied in the previous financial year, except for the adopted standards and amendments as listed below.

2.2 New accounting pronouncements

2.2.1 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 reporting periods. It is expected that the Group will adopt the pronouncements on their respective effective dates.

Consideration	Effective date
IFRS 7 (Financial Instruments: Disclosures) and IFRS 9 (Financial Instruments) Amendment regarding classification and measurement of financial instruments. This amendment is not expected to have a material impact on the Group.	Annual periods beginning on or after 1 January 2026
IFRS 7 (Financial Instruments: Disclosures) and IFRS 9 (Financial Instruments) Amendment regarding contracts referencing nature-dependent electricity. This amendment is not expected to have a material impact on the Group.	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) The new standard on presentation and disclosure in IFRS 18 focuses on updates to the structure of the statement of profit or loss. This includes required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation that apply to primary financial statements and notes in general. IFRS 18 will be effective for annual reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Group has initiated an impact assessment and is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impact on presentation and disclosure is expected to be pervasive. In particular, the impact of the adoption is anticipated to include: – The presentation of new subtotals in the statement of profit or loss; – The review and alignment of income and expense classifications into categories; and – Additional disclosures for management-defined performance measures (MPMs).	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. This amendment is not expected to have a material impact on the Group.	Annual periods beginning on or after 1 January 2027
IAS 21 (The Effects of Changes in Foreign Exchange Rates) Amendment regarding translation procedures for entities with a presentation currency of a hyperinflationary economy. This amendment is not expected to have a material impact on the Group.	Annual periods beginning on or after 1 January 2027