Notes to the annual financial statements continued

for the year ended 31 March 2026

6. Financing structure and commitments continued

6.4 Interest-bearing debt

	Group		Company	
	31 March 2026 Rm	31 March 2025 Rm	**31 March 2026 Rm**	31 March 2025 Rm
Total interest-bearing debt	**6 593**	11 617	**6 593**	11 617
Non-current interest-bearing debt	**4 524**	9 368	**4 524**	9 368
Local debt	**4 524**	9 368	**4 524**	9 368
Current portion of interest-bearing debt	**2 069**	2 249	**2 069**	2 249
Local debt	**2 069**	2 249	**2 069**	2 249
Bonds	**1 623**	1 500	**1 623**	1 500
Accrued interest	**44**	125	**44**	125
Other loans[1]	**402**	624	**402**	624

[1] *Other loans relate to loans from local financial institutions.*

Interest-bearing debt decreased mainly due to the repayment of debt using the proceeds generated from the sale of Swiftnet in the prior year.

	Group		Company	
	31 March 2026 Rm	31 March 2025 Rm	**31 March 2026 Rm**	31 March 2025 Rm
Total interest-bearing debt is made up as follows:	**6 593**	11 617	**6 593**	11 617
(a) Local debt	**6 593**	11 617	**6 593**	11 617
Telkom debt instruments	**6 593**	11 617	**6 593**	11 617
Name, maturity, rate p.a., nominal value				
TL28, 2025, 9.28% (fixed)	**—**	1 000	**—**	1 000
TL29, 2025, 9.56%	**—**	500	**—**	500
TL31, 2026, 8.35%	**623**	623	**623**	623
TL32, 2027, 8.31%	**1 000**	1 000	**1 000**	1 000
TL33, 2033, 8.73%	**700**	700	**700**	700
TL34, 2027, 8.09%	**345**	345	**345**	345
TL35, 2029, 8.32%	**405**	405	**405**	405
Export Credit Agency (ECA) loan, 2033	**2 374**	2 533	**2 374**	2 533
Export Credit Risk Agreement - insurance premium (unamortised cost)	**(83)**	(94)	**(83)**	(94)
Other loans, 2028 - 2030	**1 185**	4 480	**1 185**	4 480
Accrued interest	**44**	125	**44**	125

Total interest-bearing debt is made up of R6 593 million debt at amortised cost (31 March 2025: R11 617 million) for the Group and for the Company. Finance costs accrued on debt are included in interest-bearing debt.

The ECA loan is repayable quarterly and will be maturing in 2033.

The floating debts are priced based on the three-month JIBAR plus a margin.

During the year, R1 480 million (31 March 2025: R4 276 million) debt was raised for the Group and the Company, and R6 434 million (31 March 2025: R6 905 million) debt was repaid for the Group and for the Company.

The Group may issue or reissue locally registered debt instruments in terms of the Post Office Amendment Act, 85 of 1991. The borrowing powers of the Company are set out as per note 4.4.

Interest-bearing debt

Interest-bearing debt is measured at amortised cost, and finance costs accrued on debt are included in interest-bearing debt. The debt is unsecured but limits the Group's ability to create encumbrances on revenue or assets, and to secure any indebtedness without securing the outstanding debts equally and rateably with such indebtedness.

Notes to the annual financial statements continued

for the year ended 31 March 2026

6. Financing structure and commitments continued

6.4 Interest-bearing debt continued

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

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

As at 31 March 2026, Telkom's net debt to EBITDA ratio was 0.5:1 (31 March 2025: 0.7:1) and EBITDA to finance charges was 12.8:1 (31 March 2025: 6.6:1). As at 31 March 2026, Telkom's net debt to EBITDA ratio, excluding lease liabilities, was -0.1:1.

Telkom has complied with the financial covenants of its borrowing facilities during the 2026 reporting period.

Repayments/refinancing of the current portion of interest-bearing debt
The repayment of the current portion of interest-bearing debt of R2 069 million (31 March 2025: R2 249 million) for the Company and for the Group as at 31 March 2026 is expected to be repaid from available cash, operational cash flow or the issue of new debt instruments. Management believes that sufficient funding facilities will be available at the date of repayment.

6.5 Provisions

Significant accounting judgements, estimates and assumptions
Estimates are made of legal or constructive obligations resulting in the raising of provisions and of the expected date of probable outflow of economic benefits to assess whether the provision should be discounted. Liabilities provided for legal matters require judgements regarding projected outcomes and ranges of losses based on historical experience and recommendations from legal counsel.

	Group		Company	
	31 March 2026 Rm	31 March 2025 Rm	**31 March 2026 Rm**	31 March 2025 Rm
Non-current provisions	**366**	381	**332**	337
Non-current employee-related provisions	**322**	334	**316**	327
Subsidiary defined benefit plans (refer to note 10.4 for the reconciliation of the opening to closing balance)	**6**	7	**—**	—
Telephone rebates (refer to note 10.5 for the reconciliation of the opening to closing balance)	**316**	327	**316**	327
Non-current non-employee-related provisions				
Other	**44**	47	**16**	10
Balance at the beginning of the year	**47**	56	**10**	21
Charged to statement of profit or loss and other comprehensive income	**3**	7	**—**	—
Remeasurements	**(6)**	(16)	**6**	(11)
Current provisions	**1 579**	1 501	**545**	479
Current portion of employee-related provisions	**1 308**	1 229	**506**	440
Annual leave	**411**	424	**68**	74
Balance at the beginning of the year	**424**	423	**74**	62
Charged to employee expenses	**(2)**	27	**(6)**	12
Leave paid/utilised	**(11)**	(26)	**—**	—
Telephone rebates (refer to note 10.5 for the reconciliation of the opening to closing balance)	**43**	43	**43**	43
Bonus, termination packages and other benefits	**854**	762	**395**	323
Balance at the beginning of the year	**762**	329	**323**	78
Charged to employee expenses (refer to note 3.4.3)	**863**	988	**373**	353
Payments made	**(771)**	(555)	**(301)**	(108)
Current portion of non-employee-related provisions				
Other	**271**	272	**39**	39
Balance at the beginning of the year	**272**	298	**39**	31
Charged to statement of profit or loss and other comprehensive income	**39**	75	**20**	—
Remeasurements	**(40)**	(101)	**(20)**	8

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.