H1 Results

As at end June 2021

27 OCTOBER 2021

*Unaudited Results

Call Presenters

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CHIEF EXECUTIVE OFFICER

4 years in company | 20+ years in telco industry

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CHIEF FINANCIAL OFFICER

3 years in company | 20+ years in various industries

Agenda

01 Strategic and Operational Review

Presented by Douglas Craigie Stevenson

02 Financial Overview

Presented by Zaf Mahomed

03 Looking Forward

Presented by Douglas Craigie Stevenson

01

Strategic and Operational Review

Transition and Evolve

2021 - 2023

01 Implement new business model

02 Implement Network Strategy

03 Reduction in network expenses, finance leases and capex

04 Introduce new products to market

05 Optimise the customer base

06 Recapitalisation to strengthen the balance sheet

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01 Good progress in transitioning to new business model

From build, own and run everything ourselves to focused investment, partnering and a buyer of services

OUR FOCUS

Network strategy
Scalable and cost efficient

Platform-based solutions
Overlay quality **services**

Focused product & services offering
Leverage adjacent **technologies**

Superior customer experience
Embed **customer proximity**

OUR POSITIONING

To be a market-leading, customer-centric digital lifestyle company

An innovative Disrupter

NEW CELL C | Lean | Agile | Flexible | Responsive | Accountable | Resilient

02 Network Strategy implementation is on track

As the mobile industry evolves collaboration and partnerships are the new way of doing business

OUR NETWORK PARTNERS

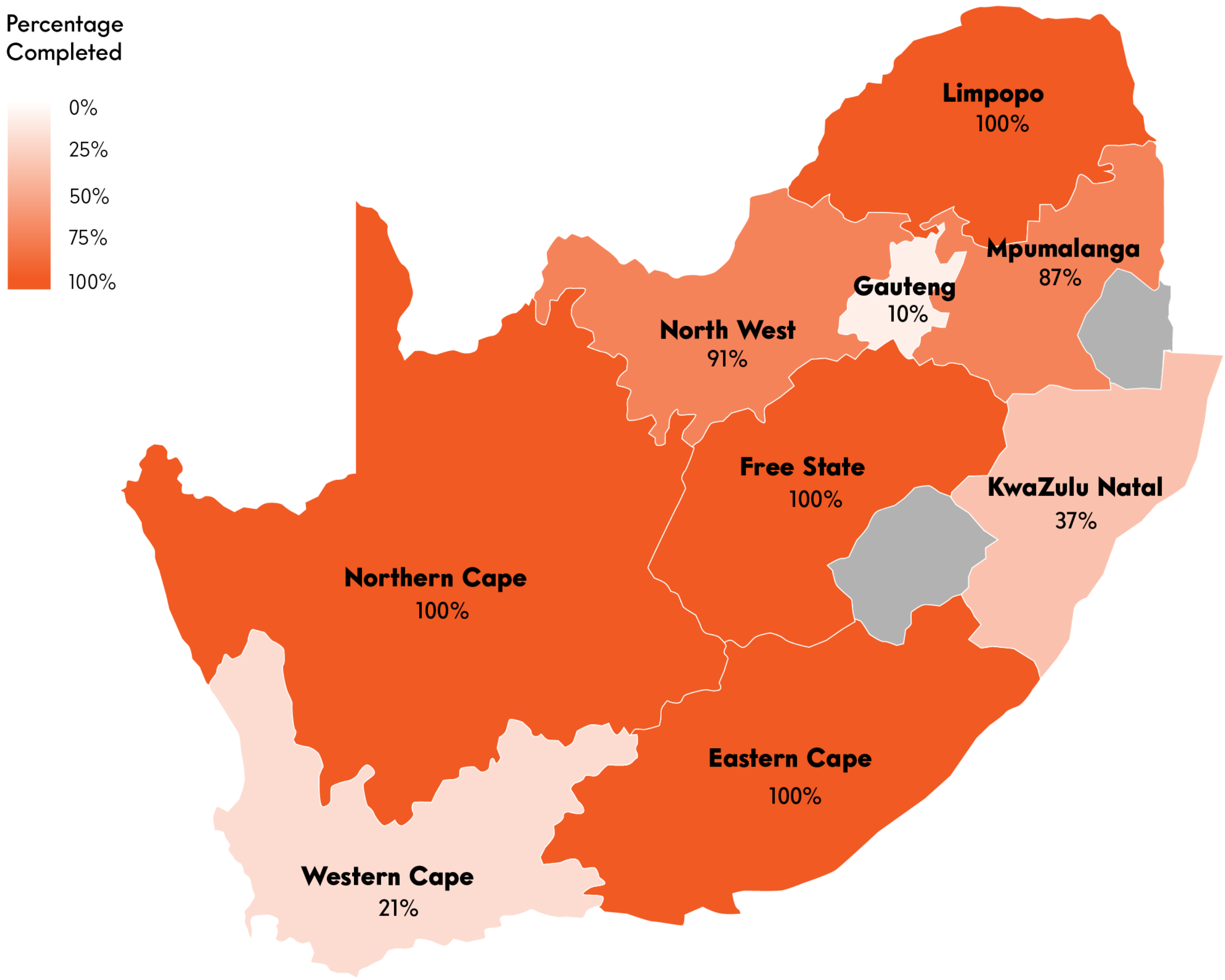
Prepaid subscribers and MVNO

- Phased 3-year seamless transition
- A virtual radio access network provisioned on MTN's infrastructure
- Shut down radio network and move all prepaid traffic onto MTN's network
- Nationwide 2G, 3G and 4G roaming with full access to MTN's 12 500 sites across SA
- As MTN's coverage expands so will Cell C's
- Vodacom 2G roaming de-activated end Feb 2021 - replaced by 2G MTN roaming arrangement.
- Able to offer broadband product and fixed LTE.

Postpaid subscribers

- 2001 - Vodacom roaming agreement - nationwide 2G
- 2015 - rural 3G connectivity for all Cell C subscribers.
- New arrangement with Vodacom - is expanded nationwide roaming agreement for 2G, 3G and 4G connectivity

02 Network Strategy implementation is on track



40%
Overall completion

4 provinces
100% migrated

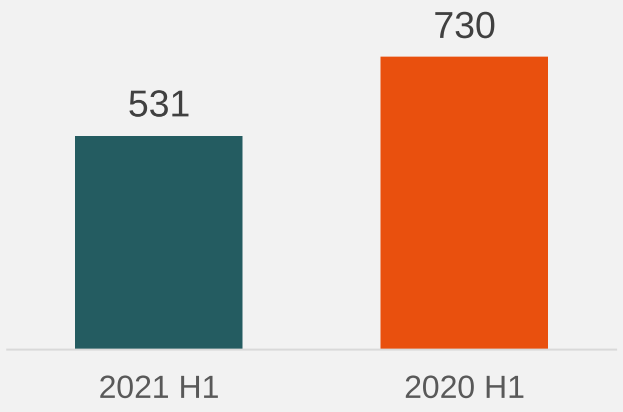
7500 sites as at end October 2021

95% are 4G/LTE enabled

03 Reduction in network expenses, finance leases and capex

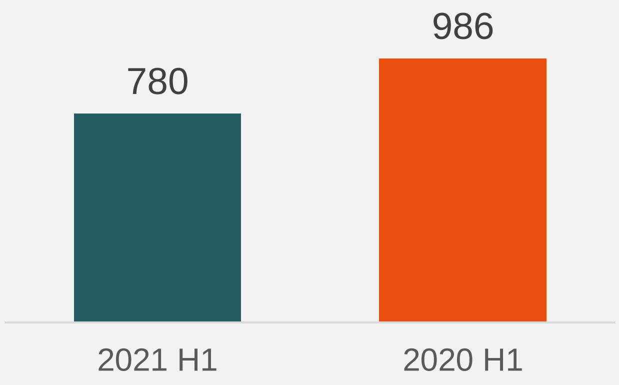
An asset-light infrastructure model leading to improved profitability

Network Expenses R'm



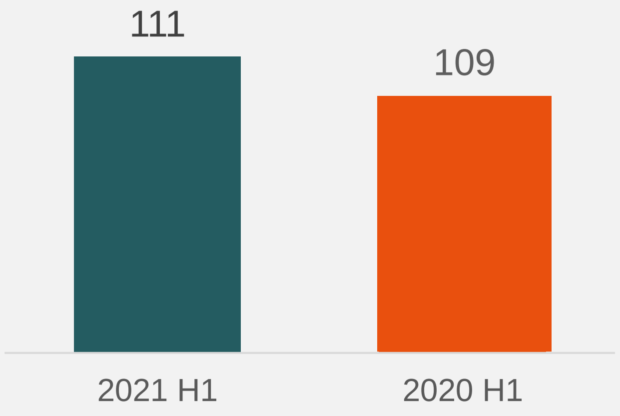
27% Decrease

Finance Leases R'm



21% Decrease

Capital Expenditure R'm



2% Increase

Off a very low base

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4&5 Introduce new products to market & optimise customer base

Increased customer base

by providing value offers

Network Migration Campaign

Home Connecta

Launched March 2021

Prepaid Subscriber Base	Smartphone Users	Prepaid Broadband Users
15% increase	Increase to 54.8% of the base, adding **+501k users**	**354% Increase** Year-on-Year

2021 Highlights

Top Industry Awards For Customer Service

Winner of the Overall Telecommunications Industry Award 2020/2021 Ask Afrika Orange Index®

Leader in overall customer satisfaction and **perceived value** in South African Customer Satisfaction Index (SA-cs)

Overall quality of network continues to improve

k'nect mobile

In partnership deliver an MVNO solution to Shoprite **k'nect**

A preferred supplier to government

Ranked 19th*

Most Valuable Brand in SA
Top 30 for 3 years in a row

* Kantar Study

top EMPLOYER SOUTH AFRICA 2021
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

Certified by the Top Employer Institute

for meeting global HR best practices for past 8 years

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06 Recapitalisation to strengthen the balance sheet

Cell C management continues to focus on the operations of the business

Secured Funding

Blue Label, one of Cell C's shareholders, updated the market in August that it has secured funding from various banks. The announcement is between shareholder and funders.

Making Progress

This is a **positive first step** for Cell C's recapitalisation, but it is only part of the overall process and structure of a possible transaction.

Announcement

Cell C will **update the market and provide commentary** on an overall transaction that directly affects the financial position of the mobile network operator, at the appropriate time.

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02

Financial Overview

H1 2021 Highlights

IMPROVED PROFITABILITY AND OPERATIONAL EFFICIENCY

7.1%

EBITDA increase

due to the new company strategy taking effect

114%

Year-on-year EBIT increased

due to new company strategy taking effect

102%

Net Income increased from a loss to a profit

25%

Decrease in Operating Expenses

Network Expenses down 27%,
Commercial Expenses down 27%
Admin Expenses down 22%

H1 2021 vs H1 2020

Performance driven by optimisation of costs and network strategy

Rand Million	H1 2021	H1 2020	%
Revenue	6 599	6 920	▼ -5%
Direct Expenditure	(3 640)	(3 454)	▲ -5%
Operating Expenses	(1 684)	(2 233)	▼ 25%
EBITDA	**1 347**	**1 258**	▲ **7%** (1)
Depreciation and Amortisation	(587)	(1 419)	▼ 59% (2)
Impairment	(24)	(5 093)	▼ 100%
EBIT	**736**	**(5 254)**	▲ **114%**
Finance Income and Costs	(747)	(1 002)	▼ 25%
Forex Gains/(Losses)	159	(1 342)	▲ 112%
Net profit/(loss) before tax	**148**	**(7 598)**	▲ **102%** (3)

Notes & Comments

1. Interventions as part of the turnaround strategy has resulted in a 7% increase in EBITDA, despite a 5% decrease in revenue.
2. The impairment processed last year resulted in depreciation and amortisation decreasing by 59% during the current year.
3. Net income after tax has increased by over 100% which is mainly driven by the impairment from the prior year.

Results include the adoption of IFRS 16

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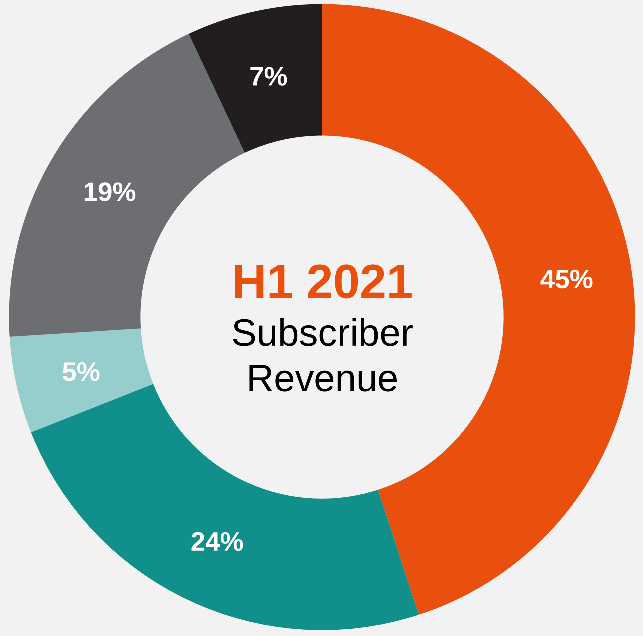
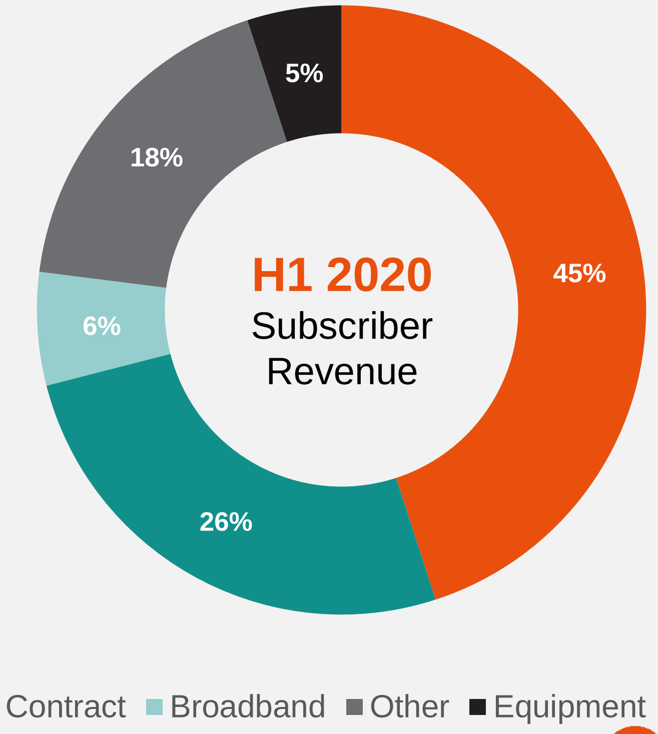
Revenue by subscriber type

Segment (R'm)	H1 2021	H1 2020	% change
Prepaid*	3 006	3 123	-4%
Contract*	1 564	1 805	-13%
Broadband*	334	383	-13%
Mobile revenue	**4 904**	**5 311**	**-8%**
Other	1 258	1 231	2%
Net Service revenue	**6 162**	**6 542**	**-6%**
Equipment	437	378	16%
Total Revenue	**6 599**	**6920**	**-5%**

- Segments of mobile revenue are net of volume discounts.
- ^ Other revenue is made up of FTTH, other bulk SMS, Content, Roaming revenue and Financial services.

Notes & Comments





Unpacking our Subscribers

Other key performance indicators

Thousand	H1 2021	H1 2020	% change	
A3 prepaid base	9 643	8 350	▲ 15%	1
Contract base	806	968	▼ -17%	2
Postpaid Base	169	255	- 34%	
Hybrid Base	637	713	-11%	
Broadband	423	335	▲ 26%	3
Prepaid Broadband Base	159	35	354%	
Contract Broadband Base	264	300	-12%	
Wholesale^	2 022	2 066	▼ -2%	
Total Subscribers	**12 894**	**11 719**	▲ **10%**	

YTD ARPU ‘R	H1 2021	H1 2020	% change	
Prepaid	66	66	▬ 0%	1
Contract	305	304	▲ 0,3%	2
Broadband	159	178	▼ -11%	

Notes & Comments

1. Prepaid base increased by 15% and the annualised ARPU has remained consistent at R66. This is in line with Cell C’s strategy to focus on profitable customers.

2. Contract base decreased by 17%, however the ARPU has remained consistent at around R305. This is in line with our strategy to focus on profitable customers.

3. The increase to Prepaid Broadband is attributable to the introduction of the Home Connecta Flexi product.

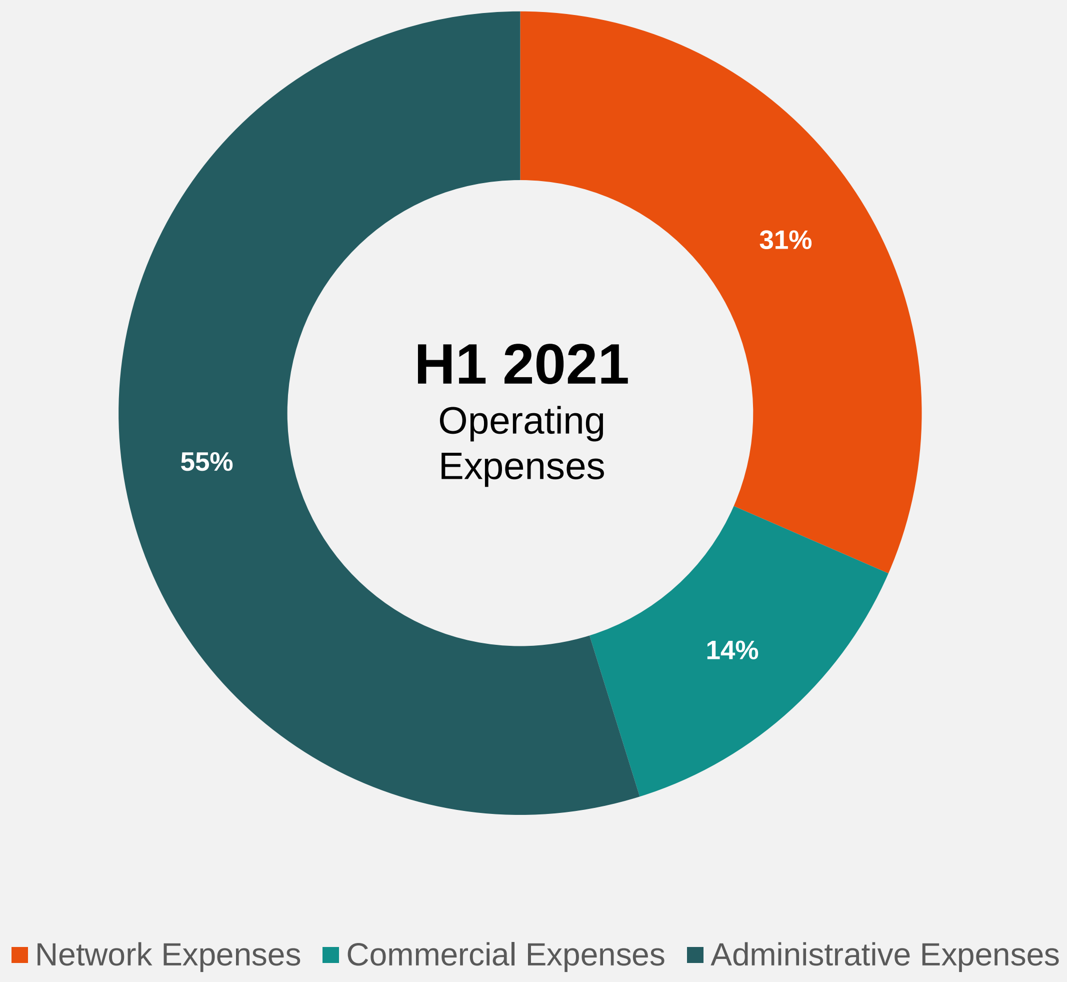
^ - MVNO and BSP base.

Expenditure

R'm	H1 2021	H1 2020	% change
Operating Expenses	1 684	2 233	-25%
Network Expenses	531	730	-27%
Commercial Expenses	230	317	-27%
Administrative Expenses	923	1 186	-22%
Depreciation, Amortisation & Impairment	611	6 512	- 91%

R'm	H1 2021	H1 2020	% change
Capital expenditure	111	109	2%

Notes & Comments



- Segments of mobile revenue are net of volume discounts.
- ^ Other revenue is made up of FTTH, other bulk SMS, Content, Roaming revenue and Financial services.

Balance Sheet

R'm	H1 2021	H1 2020	% change	
Network Assets	2 768	2055	▲ 35%	1
Intangible assets	715	224	▲ 219%	3
Trade receivables and other assets	4 731	5 405	▼ -12%	
Total assets	**8 214**	**7 684**	▲ **7%**	
Loans and borrowings	8 226	9 716	▼ 15%	
Other liabilities and provisions	9 179	9 199	▼ 0%	
Lease obligations	4 002	4 321	▼ 7%	2
Total Liabilities	**21 407**	**23 236**	▼ **8%**	
Net equity	**(13 193)**	**(15 552)**	▲ **15%**	

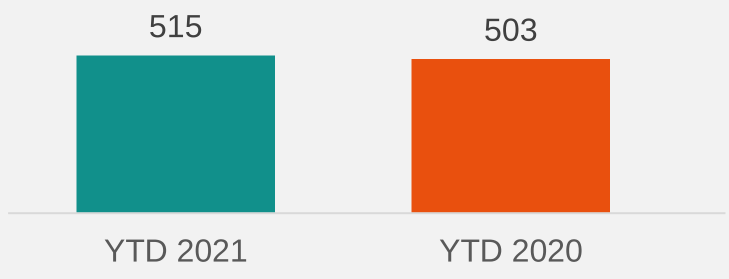
Notes & Comments

1. The increase is due to the reassessment of the useful life of the assets post the re-negotiation of the transition plan. The effective date of the network transition plan is 1 January 2021.

2. The decrease in lease liability is in line with the network transition plan. In some instances, expired lease agreements and terminations have not been renewed, due to the high cost of renewal. Expired leases are now recorded as month-to-month contracts as operating expenses through profit and loss statement.

3. The increase in Intangible assets is due to capitalisation of contract subscriber acquisition cost and computer software additions.

Cash flow from operating activities (R'm)



03

Looking Forward

Priorities Going Forward

Effectively manage the network transition process and monetise the capacity

Launch new propositions based on **customer insights**

Continue to manage costs tightly

Successfully **conclude recapitalisation** and allocate capital and liquidity judiciously

Underpinned by digital transformation, culture of performance and innovation, and entrenched governance and ethical business practices

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Thank You