Notes to the annual financial statements continued

for the year ended 31 March 2025

12. Group composition continued

12.2 Changes in shareholding

Disposal of Swiftnet

In March 2024, Telkom SA SOC Ltd entered into a sale agreement to dispose of its entire equity shares in Swiftnet to TowerCo BidCo. Prior to the disposal, Telkom held 100% of the shares in Swiftnet. Telkom lost its control of Swiftnet through the sale of its 100% equity shareholding to TowerCo BidCo on 31 January 2025. The gain on disposal of Swiftnet is recognised in profit from discontinued operation for Group and other income for Company in the statement of profit or loss and other comprehensive income. The Group and Company recognised a gain on disposal of R4 408 million and R4 998 million, respectively. Refer to notes 3.3 and 12.3.

TowerCo BidCo paid R6 618 million as the cash consideration and R21 million as the non-cash consideration for the purchase of the shares and loan claims of the Swiftnet loan from Telkom Company. Of the R6 618 million, R6 259 million related to the purchase of the shares while the balance related to the settlement of the loan. The consideration received is applied firstly against the loan claims and the balance to the equity interest sold in Swiftnet. Refer to note 7.2.2.

The carrying amounts of major classes of assets and liabilities disposed as at 31 January 2025 are as follows:

	31 January 2025 Rm
Assets	**2 284**
Property, plant and equipment	**1 563**
Right-of-use assets	**250**
Intangible assets	**11**
Trade and other receivables	**283**
Cash and cash equivalents	**177**
Liabilities	**649**
Lease liabilities	**243**
Deferred taxation	**61**
Trade and other payables	**230**
Provisions	**2**
Deferred revenue	**41**
Current tax liability	**72**

The gain on disposal of Swiftnet is calculated as follows for the Telkom Group and Company:

	Group 31 March 2025 Rm	Company 31 March 2025 Rm
Cash consideration received	**6 618**	**6 618**
Non-cash consideration received	**21**	**21**
Final consideration adjustment	**(19)**	**(19)**
Investment in Swiftnet (refer to note 7.2.1)	**—**	**(1 239)**
Settlement of loan to Swiftnet (refer to note 7.2.2)	**—**	**(359)**
Telkom assets derecognised	**(24)**	**(24)**
Swiftnet assets derecognised	**(2 284)**	**—**
Swiftnet liabilities derecognised	**649**	**—**
Group consolidation adjustments	**(553)**	**—**
Total gain on disposal of Swiftnet before taxation	**4 408**	**4 998**
Taxation on gain on disposal of Swiftnet	**(61)**	**(203)**
Total gain on disposal of Swiftnet after taxation (refer to note 3.3 for Company)	**4 347**	**4 795**