

Reg Name: Suid-Afrikaanse Poskantoor SOC LTD
Registration number: 1991/005477/30
NPC Building, Jeff Masemola Street, Pretoria, 0002: PO Box 10 000, Pretoria, 0001
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31 March 2026

South African Post Office Joint Business

Rescue Practitioners

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Delivered by Email To:

- All known Affected Persons of the South African Post Office SOC Ltd (in business rescue) (including: all known creditors, employees, trade unions and shareholders)
- Companies and Intellectual Property Commission

Published:

- On the website maintained by the Company and accessible to Affected Persons

To All Affected Persons,

**SOUTH AFRICAN POST OFFICE SOC LIMITED (IN BUSINESS RESCUE) WITH
REGISTRATION NUMBER 1991/005477/30 – BUSINESS RESCUE STATUS
REPORT IN TERMS OF SECTIONS 132 OF THE COMPANIES ACT, 71 OF 2008
READ WITH REGULATION 125 OF THE COMPANIES ACT**

1. Introduction

1.1 In accordance with section 132(3)(a) and section 132(3)(b) of the Companies Act 71 of 2008, as amended (“**Act**”), when business rescue proceedings of a company have not concluded within 3 months of the date on which they started,

a business rescue practitioner is required to –

- 1.1.1 prepare a report on the progress of the business rescue, and update it at the end of each subsequent month until the end of the business rescue proceedings; and
- 1.1.2 deliver the report and each update to each affected person and to the CIPC.
- 1.2 This requirement is applicable to South African Post Office SOC Limited (in business rescue) (“**Company or Post Office**”).
- 1.3 Accordingly, the joint business rescue practitioners (“**BRPs**”) hereby provides the status report of the Company’s business rescue proceedings.
- 1.4 We do not intend to repeat the points dealt with in previous status reports and wish to provide you with an update only on noteworthy matters. Therefore, we provide a link below to all prior status reports on the SAPO website for your convenience: <https://www.postoffice.co.za/BusinessRescue/index.html>

2. Business Rescue Plan and Implementation

2.1 **TERS Funding**

2.1.1 SA Post Office submitted a new Temporary Employer Relief Scheme (TERS) application to the Department of Labour on 20 November 2024, to support with the payment of some of the salary expenses of the business. The application was successful and approved in April 2025, with an amount of R381,297,863.83 recommended for SAPO, to be paid, monthly, with final tranche payment to be received by 30 November 2025. Of the six payment tranches, four tranches have been received. Tranches 5 and 6 remain outstanding at the time of drafting this report. As per the February 2026 report, the Department of Labour sent through correspondence confirming that the allocation will be reduced to R309,100,000.00 to account for the exclusion of employer social contributions and normal staff

movements during the approved period.

2.1.2 The subsidy is required to contribute to the future of the business and improve the cash flow.

2.1.3 The BRPs continue to engage with the Department of Labour to understand the delay in the payment of the last two tranches.

2.1.4 This has created additional pressures on the already tight cash flow position of the entity.

2.2 Partnership Initiatives

The Request for information (RFI) for the receipt of partnership proposals with SAPO, closed on 15 December 2025, and 95 submissions were received from various South African corporates. We are currently evaluating all of them and considering mechanisms to integrate the ideas in a way that enables the Post Office to play its meaningful role in strengthening social communication cohesion for all South Africans, especially South Africans living in the rural areas. The evaluation has begun and is being conducted and concluded by joint teams comprising of management, the BRP team and the DCDT staff members. Specific and viable Requests for proposals (RFPs) will be issued in due course.

2.3 Business Rescue Termination Application

2.3.1 The undertaking from Government to provide a second funding tranche of R3.8 billion, as anticipated to be disbursed in 2024, to fully implement the Business Rescue Plan has not materialized. The ongoing uncertainty and absence of the funding has necessitated ongoing engagement between the BRPs and the DCDT to consider the way forward for the SOE.

2.3.2 In December 2025, the BRPs received correspondence from the

Minister of Communications and Digital Technologies confirming that the second tranche of funding will not be made available. In addition, the Minister of Finance, in his Budget Speech on 25 February 2026, did not allocate any funding to SAPO. Considering this, the BRPs need to reassess the Business Rescue Termination Application and to evaluate the future viability of SAPO.

2.3.3 SAPO remains at risk of liquidation in light of SAPO's severely constrained cash position. The BRPs addressed a letter in light of being prudent and transparent and supplied a draft founding affidavit in support of the application to terminate the business rescue of SAPO to the Minister and Deputy Minister. The letter and draft affidavit advised the Ministers of the risk of liquidation and explained the statutory duty imposed on the BRPs should they conclude that there is no longer a reasonable prospect of rescuing SAPO. The practical implications of a possible liquidation and the broader consequences that such an outcome may have for SAPO, its stakeholder and the country were further detailed.

2.3.4 Subsequently the Minister indicated that the Government is working to avoid a Post Office liquidation. He stated that the Post Office could survive the next six months if government interventions succeed. The DCDT is looking to allocate a portion of the R700 million allocated in special appropriations under the 2026 Budget, which is yet to be gazetted, although this falls short of the full R3.8 billion needed. The Minister also reinforced his previously stated view that his department is exploring public-private partnerships in collaboration with the Post Office as a way to strengthen the post office and make it financially stable.

2.3.5 The DCDT has undertaken to engage National Treasury regarding a potential virement of funds currently allocated to another entity within the

department to be redirected to SAPO to avoid a liquidation of SAPO. The BRPs will continue their efforts to increase strict revenue collection measures, to explore partnerships and engage with the DCDT until funding is received and an interim / new Board of directors is in place.

3. Pending Litigation

- 3.1 In May 2024, the then Minister of Communications and Digital Technologies, Minister Gungubele extended the exclusivity period for reserved postal services until 30 April 2025.
- 3.2 Thus, in terms of Section 16(8) of the Postal Services Act, 1998, no person other than the South African Post Office may provide reserved postal services until 30 April 2025.
- 3.3 Over the past two years, ICASA, as the regulator has maintained that the infringement of its reserved postal services for parcels under 1 kg was unregulated and potentially unlawful. The Post Office supports ICASA in this case, who will ultimately benefit if their arguments to keep Post Office's exclusivity are upheld.
- 3.4 However, on 12 December 2025, Honorable Minister Solly Malatsi issued a directive, which was gazetted, amending the Postal Services Act to remove the reserved postal services category for parcels under 1 kg. This would effectively eliminate SAPO's exclusivity on small parcels and is expected to negatively affect SAPO's future postal and courier operations.
- 3.5 The BRPs have already met with the relevant regulator in respect of this matter. The licence application has been published for public comment in accordance with the prescribed process, and we now await the final outcome and any conditions that may be imposed.

3.6 The legislated exclusivity falls squarely into the social mandate that the Post Office should continue to have, which is to provide key basic communications services to all households including to the rural areas.


3.7 The legislated exclusivity was modelled into the turnaround strategy document for SAPO (which was developed by the BRPs together with management). The loss of this exclusivity negatively impacts on the projected revenues which were estimated to be generated in the future. This effectively means that the Post Office's break-even profit/loss position will take much longer to achieve in future, and assuming that these revenues can be replaced by other types of revenues.

4. Closing Remarks

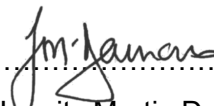
4.1 We continue to believe in the meaningful role that the South African Post Office can play in weaving the social fabric across all urban and, especially, underserved communities, irrespective of financial status, political affiliation, or social alignment.

4.2 We appreciate your assistance and cooperation throughout the business rescue process.

Yours Sincerely,



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Anoosh Rooplal
Business Rescue Practitioner



.....
Juanito Martin Damons
Business Rescue Practitioner

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Annexure A – Events Timeline

Court Order granted for the commencement of Business Rescue proceedings on	10 July 2023
Confirmation from the CIPC to commence BR Proceedings on	12 July 2023
CIPC confirmed BRP appointment on	14 July 2023
First meeting of creditors held on	24 July 2023
First Status Report issued on	27 October 2023
Business Rescue Plan published on	23 November 2023
Second Status Report issued on	4 December 2023
Section 151 meeting held on	7 December 2023
Business Rescue Plan adopted on	7 December 2023
Section 189A(3) Labour Relations Act process commenced on	2 January 2024
First Consultation ito S189A(3) of the LRA	26 January 2024
Second Consultation ito S189A(3) of the LRA	19 February 2024
Third Consultation ito S189A(3) of the LRA	6 March 2024
Fourth Consultation ito S189A(3) of the LRA	7 March 2024
Conclusion of branch analysis	31 January 2024
Branch closure process to commence	30 June 2024

Business Rescue Practitioners: Messrs. Anoosh Rooplal; Juanito Damons
Directors: Ms Fathima Gany (ACEO); Mr Lenny Govender (ACFO)
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Payment to creditors per the approved BR Plan	April 2024 – July 2024
Retrenchment process finalized	March 2024
Service of notice period for retrenched employees ends	April 2024
SAPO MTEF 2025 funding submission	15 July 2024
Creation of Strategic Partners/Investment Task Team	14 November 2024
TERS application submitted	20 November 2024
Payment of the final tranche of retrenchment packages	29 November 2024
Setting aside of the provisional liquidation order	20 November 2024
TERS application successful	April 2025
SAPO MTEF 2026 funding submission	23 July 2025

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