30 September 2026

SAPO 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. The application was successful and approved in April 2025. As at 31 July 2026, all 6 tranches in the amount of R381,297,863.83 has been received and completed as per the allocation received from the Department of Labour.

2.1.2 SAPO is considering submitting a further application for TERS funding, with the submission of the application still pending.

2.2 Partnership Initiatives

2.2.1 As part of the partnership programme, initial evaluations have been concluded and the feasible RFI submissions have been categorized into possible partnership programmes.

2.2.2 The DCDT and SAPO are collaborating with the DBSA to support the development of funding strategies, including the preparation of a series of RFPs, aimed at enabling SAPO to fast-track its partnership programme, such that the Post Office can strengthen social communication cohesion for all South Africans, especially South Africans living in the rural areas. The DBSA has also recently issued an RFP to procure transaction advisors to assess the results from the partnerships RFI process that was concluded by SAPO during 2025.

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 to re-assess the Business Rescue Termination Application to evaluate the future viability of SAPO.

2.3.3 SAPO remains at risk of liquidation due to SAPO's severely constrained cash position. The BRPs addressed a letter to the Minister and Deputy Minister on 13 March 2026. The letter and attached draft affidavit advised the Ministers of the risk of liquidation and explained the statutory duty imposed on the BRPs as per Chapter 6 of the Companies Act, 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 until August 2026 if government interventions succeed. The DCDT was 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 In May 2026 SAPO received a virement/special allocation of R350 million as the DCDT's initiative to alleviate cash flow constraints. These funds are to support the ongoing efforts to keep the business operations stable.

2.3.6 We welcomed the new Board which was appointed on the 5th of June 2026 following their inauguration on the 22nd of June 2026. The BRPs will assist the Board to get acquainted with the Company and will support the Board to transition into their new roles. It should be noted that in terms of Chapter 6 of the Companies Act, the BRPs remain the final Accounting Authority until their formal exit from the Company.

2.3.7 The BRPs termination application was filed on the 12th of June 2026.

2.3.8 The Post Office Retirement Fund ("PORF") and Medipos Medical Scheme have filed there notice of intention of defend. At this stage, the respective legal teams from the DCDT, PORF and the Medipos Medical Scheme and the BRPs are engaging to find a commercial solution to settle the dispute that exists.

2.3.9 SAPO received PORF's answering affidavit on the 25th of September 2026 as part of the ongoing proceedings.

2.3.10 SAPO submitted the Medium-Term Expenditure Framework (MTEF) for 2026/2027FY to DCDT on the 19th of June 2026 to be tabled by the Minister of Finance in or about in October 2026. The intention of this funding request is to preserve the progress achieved to date, prevent a return to financial distress, and support the conditions required for sustainable growth and reduced reliance on future government support and extinguish the 18 cents top-up dividend in terms of the Business Rescue Plan.

2.3.11 The BRPs are currently engaging with the creditors entitled to the 18 cents top-up dividend in relation to its proposed extinguishment.

2.3.12 A High Care Leadership Team (HCLT) has been established in consultation with the DCDT to support the post BRP transition period.

3. Pending Litigation

3.1 Postnet/ICASA court case

SAPO previously held exclusive rights under the Postal Services Act to provide courier services for parcels weighing up to 1 kg. After SAPO lodged a complaint, the CCC found that Postnet and other private operators were unlawfully providing these reserved services and recommended that ICASA order them to stop, which ICASA did in November 2019.

Postnet and SAEPA subsequently appealed the decision, leading to ongoing litigation. However, on 12 December 2025, the Postal Services Act was amended to remove SAPO's exclusive rights over parcels under 1 kg. This change is expected to negatively affect SAPO's postal and courier business and effectively renders the litigation irrelevant, as the legal basis for exclusivity no longer exists.

3.2 Urgent application to interdict AARTO

3.2.1 There have been attempts to stop the implementation of AARTO which is a revenue generation project for SAPO.

3.2.2 The application instituted by SALGA was successfully defended by SAPO and the other respondents, with an order for costs granted in their favour.

3.2.3 SAPO has subsequently been advised of a further application instituted by other parties. This application was also successfully defended. The AARTO project has since been rolled out, with overall SLA performance currently standing at approximately 80%. A number of municipalities have yet to conclude their respective SLAs.

3.2.4 Engagements have continued with RTIA and SAPO executives, as well as with the relevant implementing authorities (IAs) that have not yet concluded their agreements. Letters from the Minister's Office have also been signed and addressed to the mayors of the outstanding municipalities, emphasising the urgency of municipal participation and seeking to expedite the outstanding decisions and conclusion of the SLAs.

4. **Closing Remarks**

4.1 We continue to believe that the South African Post Office has an important role to play despite ongoing public criticism. Consideration should be given to the limitations many South Africans face in accessing digital and courier services, particularly in rural areas and lower-income communities. The business rescue plan provided for the modernisation of services and upgrades to national infrastructure to improve access and delivery for underserved communities. However, due to the required funding not being forthcoming, efforts to achieve these outcomes have been significantly curtailed.

4.2 We continue to work with the DBSA and the DCDT on possible partnership outcomes aimed at identifying an expedient and sustainable solution to support SAPO's future viability.

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

Yours sincerely,

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Anoosh Rooplal	Juanito Martin Damons
Business Rescue Practitioner	Business Rescue Practitioner

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**

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**
SAPO MTEF 2027 funding submission	**19 June 2025**