

Date: 7 December 2023

Business Rescue Plan endorsed by creditors

The Joint Business Rescue Practitioners, ('BRP's') of SA Post Office, Mr Anoosh Rooplal and Mr Juanito Damons are pleased to have their Business Rescue Plan ('The Plan') voted in favour by the majority of creditors at the meeting off creditors today.

"The Post Office fulfils an important social mandate intended to provide key basic communications services to all households including the rural areas, where access to wifi, smart phones and printers are not a given. A restructured Post Office can do this affordably and conveniently, given certain regulatory pricing and geographic reach of the branch network", noted Rooplal

A restructured Post Office can contribute to the financial sustainability of many large and smaller businesses, due its many procurement activities. It will also contribute to the tax paying base as well as increase employment again in the future as the business grows.

The Plan will be adopted in two phases over a 2 – 5 year period. Phase 1 will involve stabilizing the business, reducing the branch network to some 600 branches and rightsizing the headcount to some 5 000 employees. Up-skilling current staff and employing additional digital specialists and leaders will assist in the modernisation and digitisation transition. Focus will be on improving service delivery levels, which will include increasing its fleet to deliver letter and parcels timeously. New digital products will be considered and launched to increase revenue streams, while automating more of the daily tasks.

"Customer centricity and supplying the correct tools of the trade to the staff will be a key and on-going initiative to provide excellent service, win back market share and gain traction with new products", noted Damons. Renewed endeavours to institute strong governance and ethical policies will be applied.

Phase 2 will implement elements of the Post Office of Tomorrow strategy and ultimately achieve the outcomes defined in the Postal Amendment Bill. The Post Office will be repurposed to provide diversified and expanded services through hybrid mail extensions, new motor licence disc solutions, increased property rental revenues or sales of owned property and the creation of a digital hub for inclusive communications. Strategic Private, Public Partnerships ('PPPs') will be sought and negotiated in the e-commerce and logistics space, which will assist to future proof the organisation.

'We thank those creditors, who voted in favour of the Plan. We believe that with our continued involvement, hard work and detailed strategy, we can restructure the Post Office into a future proofed business that can provide 'communications inclusion' for all South Africans," concluded Rooplal.

ENDS

Louise Brugman 083 504 1186 on behalf of Joint South African Post Office ('SAPO') Business Rescue Practitioners (BRPs), Mr Anoosh Rooplal and Mr Juanito Damons

A copy of the Business Rescue Plan as well as Press release of 23 November which outlined more details of the Plan, can be found on <https://www.postoffice.co.za>