Phumelela Gaming and Leisure Limited
(in Business Rescue)
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Notice to affected persons

30 October 2026

REPORT IN TERMS OF SECTION 132(3)(a) and (b) OF THE COMPANIES ACT 71 OF 2008 (AS AMENDED) ("the Act')

PHUMELELA GAMING AND LEISURE LIMITED (IN BUSINESS RESCUE) (REGISTRATION NUMBER 1997/016610/06) ("the Company")

Dear Sir/Madam,

1. I refer to my previous status reports issued in respect of the business rescue of the Company.

2. The BRP continues to implement the business rescue plan. During October the BRP, *inter alia, attended to:*

   2.1. maintaining financial records, filing all tax returns and attending to audit requests from SARS;

   2.2. drafting financial statements and providing information for the annual audit of the Company's financial statements;

   2.3. attending to share transfer requests and maintaining the Company's share register;

   2.4. paying distributions from the Plan Fund in terms of the adopted business rescue plan;

   2.5. attending to the finalisation of litigation which was ongoing at the commencement of business rescue;

   2.6. pursuing the VAT input claims.

3. <u>Gauteng Gambling Board Review Application – Fixed Odds Levy</u>

   3.1. The Company is waiting for a ruling on this matter from the Constitutional Court. The history and background of the matter is set out below.

   3.2. The Company, prior to commencement of business rescue launched an application in the high court to review and set aside an amendment to legislation made by the Gauteng Gambling Board and Gauteng MEC to the Gambling legislation. This amendment removed the payment of a 3% levy on winning fixed odds bets on horse racing to the Company.

3.3. Prior to this amendment, Phumelela received and was paid this levy. This levy contributed substantially to the Company's revenue.

3.4. The High Court found in Phumelela's favour on 30 May 2024. Thereafter the High Court denied an application for leave to appeal the judgement.

3.5. Following a successful petition to the Supreme Court of Appeal ("SCA") for leave to appeal the matter was heard in the SCA on 6 May 2026. The SCA dismissed the appeal with costs, again in favour of Phumelela.

3.6. The MEC for Economic Development, Environment, Agriculture and Rural Development (Gauteng) ('the MEC") and the Gauteng Gambling Board have filed an application in the Constitutional Court to appeal the decision of the SCA.

3.7. Phumelela filed its response thereto in August 2026.

3.8. The court file is available on request and will be provided to affected persons should they submit a request in writing to the business rescue practitioner at johnevans@rsadvisors.co.za.

4. Input VAT Claims

4.1. The Company is waiting for Judgement to be handed down by the High Court following hearing of this matter on 18 May 2026. The history and background of the matter is set out below.

4.2. The Company has, in accordance with legal opinion in this regard, claimed input VAT on stakes paid for the period from July 2017 to 30 November 2021, the date the horse racing business was transferred to 4Racing. The total value of the input VAT claimed is R97.5 million.

4.3. Phumelela has filed the necessary documents to appeal the decisions of SARS to assess the VAT returns and to decline Phumelela's objections to those assessments.

4.4. Phumelela and 4Racing have launched an application for declarator in the High Court of South Africa, Gauteng Local Division. The application was issued on 20 December 2024.

4.5. The matter was heard on 18 May 2026. Judgement was reserved and will be handed down in due course.

4.6. The court file is available on request and will be provided to affected persons should they submit a request in writing to the business rescue practitioner at johnevans@rsadvisors.co.za.

5. Distributions to shareholders

5.1. The Company has returned capital to shareholders since adoption of the business rescue plan of R3.25 per share.

5.2. Payment of the above distributions to shareholders who have not yet and subsequently update their FICA and banking details will be processed monthly.

5.3. Further distributions to shareholders will only be considered by the Company after either the Gauteng Gambling Board Review Application or the Input VAT Claims have been fully finalised including all legal processes which may include appeal to the Supreme Court of Appeals and any funds that are or become due to the Company have been received.

Yours faithfully



JOHN EVANS
Duly signed in his capacity as business rescue practitioner of the Company.