

Eskom Holdings SOC Ltd
(Registration No. 2002/015527/30)
JSE alpha code: BIESKM
("Eskom" or "the Group")

NOTICE OF AVAILABILITY OF ANNUAL FINANCIAL STATEMENTS

Eskom hereby notifies its debt investors that it has publicly released its audited annual financial statements and integrated report for the year ended 31 March 2023 ("**AFS**").

The auditors, Deloitte & Touche, have issued a qualified opinion and have concluded that Eskom's consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group as at 31 March 2023, except for the effects and possible effects of the matters described in the basis for qualified opinion of the auditor's report which primarily relate to irregular expenditure, fruitless and wasteful expenditure and losses due to criminal conduct.

In addition, the following matters were raised in the audit report and the auditors' opinion was not modified in respect of these matters:

1. A material uncertainty relating to the going concern status of Eskom.
2. Emphasis of matter relating to:
 - 2.1 restatement of corresponding figures due to an error in the prior year relating to non-technical energy losses included in losses due to criminal conduct; and
 - 2.2 investigations into possible corruption and related impact on capital projects.
3. Reportable irregularities relating to:
 - 3.1 various irregularities reported in prior financial periods;
 - 3.2 Eskom's failure to effect corrective action for identified non-compliance to the National Environmental Management Act, No 107 of 1998, the National Water Act, No 36 of 1998 and the National Environmental Management: Air Quality Act, No 39 of 2004;
 - 3.3 contravention with the requirements of National Treasury regulation section 33.1.2 as there were delays within the investigative function of Eskom and management did not meet its fiduciary duty requirements;
 - 3.4 a procurement contract was awarded to a close family member (related party) of a member of Eskom management;
 - 3.5 certain financial records were not complete or accurately maintained in line with legislative requirements of the PFMA and the Companies Act, No 71 of 2008;
 - 3.6 investigations into alleged financial misconduct relating to instances of irregular and wasteful expenditure and performing the necessary disciplinary procedures and consequence management was not done timeously in line with the PFMA;
 - 3.7 management has not complied with section 17(2) of the Powers, Privileges and Immunities of the Parliaments and Provincial Legislatures Act, No 4 of 2004 regarding misleading information provided to the Standing Committee on Public Accounts; and
 - 3.8 management did not discharge their fiduciary duty as they failed to ensure the timeous submission of Eskom's complete and accurate financial statements National Treasury and the auditors on 31 May 2023 as required by the PFMA.

The reportable irregularities have been reported to the Independent Regulatory Board of Auditors by Eskom's auditors.

Restatements

The statements of financial position, income statements and statements of cash flows for the financial years ended 31 March 2022 and 31 March 2021 have been restated as a result of an amendment to IAS 16 that became effective from 1 April 2022. The restatement relates to pre-commissioning proceeds from electricity sales and the cost to produce the electricity which were previously allocated to the cost of the power station under construction and are now accounted for in profit and loss. Full details of the above restatement are set out in note 48 of the AFS.

In addition, a further restatement has been made to the corresponding figures for March 2022 relating to losses due to criminal conduct, due to an error in the prior year. This restatement corrects the prior year qualification on non-technical energy losses that is disclosed under losses due to criminal conduct in note 51.3 of the AFS. The non-technical losses disclosure included in losses due to criminal conduct was qualified in the prior year audit report. Full details of the above restatement are set out in note 51 of the AFS.

The AFS, together with the audit report, and integrated report are available on the Eskom website at www.eskom.co.za/investors/integrated-results/ and for inspection at Eskom's registered office at 2 Maxwell Drive, Megawatt Park, Sunninghill, Johannesburg, 2000.

Johannesburg
31 October 2023

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