

Eskom Holdings SOC Limited
(Registration No. 2002/015527/30)
JSE alpha code: BIESKM
("Eskom")

Further announcement in respect of the transfer of the transmission division

Debtholders are referred to the announcement released on SENS on 2 April 2024 regarding the transfer of the transmission division (the "**Business**") to its wholly-owned subsidiary, National Transmission Company South Africa Limited ("**NTCSA**") (the "**Transaction**"). In this regard, debtholders are further updated as follows:

1. Eskom has given the required notice to creditors of the Transaction pursuant to section 116(1)(a) of the Companies Act, No 71 of 2008 (the "**Act**").
2. Once implemented, the Transaction will result in:
 - 2.1. NTCSA becoming the sole owner of the Business including all its assets and NTCSA becoming liable for all the obligations of Eskom as regards the Business by operation of law pursuant to sections 113, 115 and 116 of the Act; and
 - 2.2. the generation and distribution businesses currently conducted by Eskom continuing to vest in Eskom.
3. The boards of Eskom and NTCSA passed the requisite resolutions on 25 March 2024 and 24 March 2024 respectively, concluding that Eskom and NTCSA will be solvent on 1 July 2024, being the expected implementation date of the Transaction (the "**Expected Implementation Date**") and liquid for the twelve-month period from the Expected Implementation Date as required in terms of the Act.
4. Eskom as the sole shareholder of NTCSA passed a special resolution approving the Transaction as required in terms of the Act, on 25 March 2024. The Minister of Public Enterprises as the sole shareholder of Eskom passed a special resolution approving the Transaction as required in terms of the Act, on 28 March 2024.
5. The consideration payable by NTCSA for the Business is R80 542 560 256.83. The consideration was determined as being the aggregate of the net book values of the assets of the Business as reflected in the unaudited management accounts of Eskom at 31 December 2021 prepared in accordance with IFRS. It will be discharged:
 - 5.1. as to R19 934 558 188.77 by NTCSA accepting the liabilities of the Business on 31 December 2021;
 - 5.2. as to R39 854 803 589.43 from a loan to be made to NTCSA by Eskom pursuant to a loan agreement; and
 - 5.3. as to the balance of R20 753 198 478.63 by Eskom subscribing for one share in NTCSA for that amount.
6. As NTCSA is a wholly owned subsidiary of Eskom, no warranties were given by Eskom to NTCSA in respect of the Business or the Transaction.
7. The cost of the Transaction is borne by Eskom.

26 April 2024

Debt Sponsor
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