

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

NOTICE OF AVAILABILITY OF ANNUAL FINANCIAL STATEMENTS AND INTEGRATED REPORT

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 2024 ("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 2024, except for the information disclosed in terms of the Public Finance Management Act, 1 of 1999.

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 matters relating to:
 - Restatement of corresponding figures due to an error in the prior year
 - Events after the reporting period relating to several material non-adjusting events
 - Investigations into possible corruption and related impact on capital projects
3. Reportable irregularities relating to:
 - Failure by Eskom to effect corrective action for identified non-compliance to the National Environmental Management Act, 107 of 1998, National Water Act, 36 of 1998 and National Environmental Management: Air Quality Act, 39 of 2004 at multiple power stations.
 - Certain duties relating to investigations have not been fulfilled.
 - Certain financial records were not complete or accurately maintained in line with legislative requirements of the Public Finance Management Act, 1 of 1999 and Companies Act, 71 of 2008
 - Investigations into alleged financial misconduct relating to instances of irregular, fruitless and wasteful expenditure and performing the necessary disciplinary procedures and consequence management was not done timeously in line with the PFMA (sections 51(1)(e)(iii) and 55(1)(a)) and related treasury regulations (paragraph 31.1.1 and 33.1.2).
 - Management did not discharge their fiduciary duty as they failed to ensure that the entity's complete and accurate financial statements were submitted to National Treasury and the auditors on 31 May 2024 as required by PFMA section 55. The same matter was identified in prior years which highlights that there are failures within the financial reporting controls which have not been rectified and put in place as required by PFMA section 51.
 - Management omitted to correct the misrepresentations as it relates to the reportable irregularity raised in the prior year due to the incorrect information submitted to the Standing Committee on Public Accounts. This was a breach of section 17(2) of the Powers, Privileges and Immunities of Parliaments and Provincial Legislatures Act, 4 of 2004.
 - Certain prescribed officers of the group have not complied with Section 76 (3)(c) of the Companies Act resulting in a material breach in fiduciary duty and a potential material financial loss to the entity.

The reportable irregularities have been reported to the Independent Regulatory Board of Auditors by Eskom's auditors and are being addressed by Eskom. Full details of the reportable irregularities are contained in note 52 of the AFS.

Restatement

Certain changes in the measurement of power station-related environmental restoration and mine-related closure, pollution control and rehabilitation provisions were incorrectly credited to profit or loss instead of deducted from the cost of the related generating plant and future fuel supplies assets in terms of IFRIC 1

Changes in Existing Decommissioning, Restoration and Similar Liabilities. The statement of financial position and income statement for the year ended 31 March 2023 have been restated to correct the error. Full details of the restatement are contained in note 48 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
19 December 2024

Debt Sponsor
Nedbank Corporate and Investment Banking, a division of Nedbank Limited