

Eskom Holdings SOC Limited
("Eskom" and, together with its subsidiaries, the "Group")

NOTICE OF AUDITED ANNUAL FINANCIAL STATEMENTS PUBLICATION DATE

Thursday, 29 September 2022, Eskom hereby notifies its debt investors that due to the delayed appointment of the external auditors as announced on 4 November 2021 and the extensive process of taking on a new auditor, coupled with various other external factors (including the operational challenges that Eskom has recently faced and the ongoing consequences of the global pandemic and the war in Ukraine which have disrupted supply chains globally), the Group's audited Annual Financial Statements for the year ended 31 March 2022 ("**2022 AFS**") are anticipated to be published by the end of November 2022.

Eskom is currently resolving, together with the auditors, anticipated restatements to its previously issued audited financial statements for the prior year ended 31 March 2021 which will have an impact on the Group's statements of financial position and income statement in the 2022 AFS, some of which are expected to be as follows:

1. Reclassification of coal stocks from current assets to non-current assets – following a review of the quantity and usage of coal stocks at power stations, it was concluded that a portion of the coal stocks will not be utilised within the normal operating cycle, as certain of these coal stocks result from coal purchases under take or pay arrangements exceeding use over a number of years, or are in excess of those levels required to be held to comply with the grid code and for emergencies to ensure security of supply. As a result, certain coal stocks will be reclassified from current to non-current assets, with an increase in primary energy cost expensed, partially offset by an over-provision on a coal penalty;
2. Reclassification of certain electricity debtors from current to non-current;
3. A single discount rate was previously used to present value power station-related environmental restoration and mine-related closure cost provisions. An adjustment is proposed to effect discount rates matching the expected timing of the associated cash flows on a per-site basis, thereby increasing net finance costs;
4. Various adjustments to property, plant and equipment, which includes assets for which incorrect useful lives have been used, extension of asset useful lives not accounted for, timing of the recognition of assets under construction to commercial operations and write off of aged assets under constructions where there are no further expected future economic benefits;
5. Revaluation of derivative instruments due to the application of incorrect assumptions in the valuation models;
6. Insufficient consumable stock obsolescence provisions; and
7. Re-presentation of segmental reporting as the segmental financial information presented did not align to financial information presented internally as required by IAS 8 *Operating Segments*.

Eskom's management is fully committed to resolving the above matters and finalising the audit process in respect of the 2022 AFS as soon as possible. Eskom will communicate any further updates to the market in due course.

This announcement is made on behalf of Eskom Holdings SOC Ltd and constitutes a public disclosure of inside information under Regulation (EU) 596/2014 (16 April 2014).