Eskom

PORTFOLIO COMMITTEE ON ELECTRICITY AND ENERGY

GROUP ANNUAL RESULTS AND SUMMER OUTLOOK

16 October 2025

Our suite of reports are available at
www.eskom.co.za/investors/integrated-results/

Kusile Unit 6 achieved commercial operation on 29 September 2025

The delivery of the 799MW unit marks the conclusion of Eskom's New Build Programme, which commenced in FY2005

Today's overview …

1

REFLECTING ON
THE BOARD'S TERM

2

DRIVING THE TURNAROUND AND
PREPARING FOR THE FUTURE

3

FINANCIAL OVERVIEW
AND OUTLOOK

The presentation covers the FY2025 annual results and touches on performance during FY2026, to provide stakeholders with up-to-date information

REFLECTING ON THE BOARD'S TERM
Mteto Nyati

DRIVING THE TURNAROUND
AND PREPARING FOR THE FUTURE

FINANCIAL OVERVIEW AND OUTLOOK

Eskom remains pivotal in transforming lives through our significant contribution to South Africa's economy

Mzansi's story

Eskom Guardians playing our part

0.6% GDP growth
1.4% projected growth in 2025

R1 trillion investment
plan by government in infrastructure

~33% Unemployment
One of the highest in the world

0.67 Gini coefficient
Extreme income inequality

Infrastructure instability
(energy security and grid capacity, water and ports)

~42% GHG emissions
comes from the electricity sector

ERAA
Reforms of the Electricity Supply Industry (ESI)

PPP/PSP
Promotion of private investment in public sector

SA G20 Presidency
Promoting inclusive and sustainable economic growth

~94% households connected
Households with access to electricity

86% of SA's electricity demand
supplied by Eskom to

> 7 million customers

R2.3 trillion
positive impact due to loadshedding reduction

R43.5 billion
taxes, duties and levies paid and withheld

Top Employer 2025
42 030 employees, one of the largest employers

Sustainable electricity supports economic growth, reduces poverty and improves living standards

The Board has made significant progress on Eskom's turnaround in its term. The focus will remain on building a sustainable, competitive organisation

Eskom

Board appointed (Oct 2022)

Challenge

Before Oct 2022

- Frequent loadshedding, peaking at stage 6
- Weak balance sheet and loss-making financial position
- Escalating municipal debt
- Governance breaches, including state capture
- Outdated business model
- Poor reputation and negative media coverage
- Negative outlook by lenders and rating agencies
- Low staff morale with skills gaps

Stabilise

Oct 2022 to Dec 2024

Challenges

- Leadership instability
- Lack of communicating with one voice
- Dysfunctional organisational culture
- No turnaround plan » firefighting

Interventions

- Board approves Generation Recovery Plan with a stronger focus on EAF recovery (March 2023)
- President appoints Minister of Electricity (March 2023)
- Generation: Group Executive appointed (April 2023)
- Eskom Debt Relief Act passed (July 2023)
- GCE appointed (March 2024)
- NTCSA commences trading (July 2024)

Perform

Jan to Sep 2025

Impact

- Loadshedding reduced to 13 days in FY2025 (with 310 consecutive days without loadshedding)
- Returned to profitability with healthy levels of liquidity
- Credit rating upgrades
- Exco restructured and capacitated to deliver on Eskom's strategy
- Achieved Generation Recovery Plan target of 70% (instantaneous EAF)
- Structural reforms and interventions to root out crime, fraud and corruption
- Improved media, customer and lender sentiment

Evolve

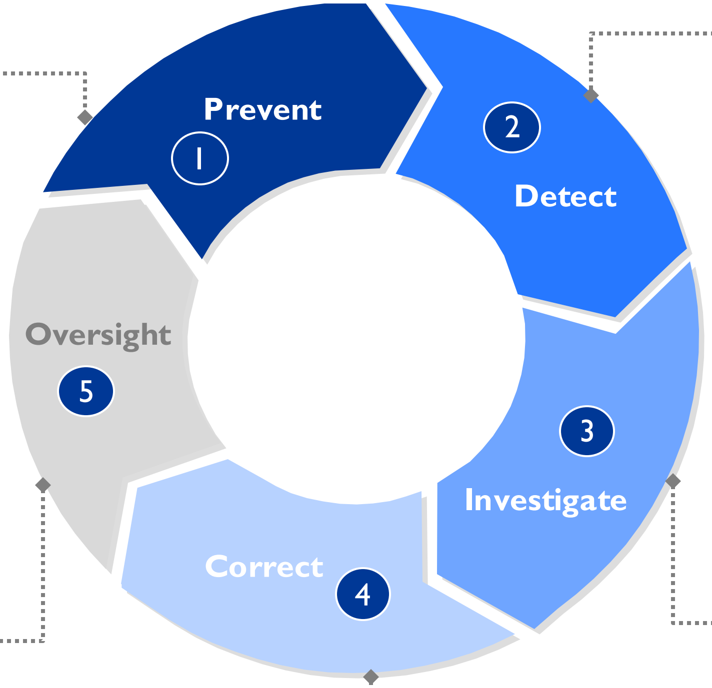
Toward 2035

- Affordable and reliable electricity
- Ethical and high-performance organisation
- Fast-track implementation of the legal separation
- Resolve municipal debt challenge with Government assistance
- Sizeable renewable energy assets
- Ensure a healthy balance sheet
- Pipeline future skills and appropriate utilisation of emerging technologies
- Leading research, testing and development in clean energy technologies
- Customer centricity enabled by technology (AI and data analytics)

Interventions on governance and controls have delivered measurable improvements in the fight against crime, fraud and corruption

1 Proactive prevention of crime, fraud and corruption

1. Development of the fraud prevention plan
2. Enhanced ethics and fraud awareness training
3. Improved declaration of interests and conflict of interest policies
4. Digitisation of procurement processes and systems
5. Enhanced supplier database for informal tendering
6. Migrated to new document management system
7. Implemented vetting and background check processes



2 Faster identification of suspicious activity

1. Implemented transaction monitoring and data analytics to improve process and controls
2. Improved detection capability in Eskom's online vending system
3. Enhanced invoicing and vendor reconciliations
4. Improved reporting platforms and monitoring of whistle-blowing

3 Effective analysis and confirmation of fraudulent / criminal activity

1. Restructured Internal Audit Department
2. Establishment of the Group Investigations and Security unit and appointed a general manager in charge
3. Establishment of the PMO to support with backlog of cases
4. Expansion of the PMO to incorporate a Rapid Response Unit
5. SAP and OVS war rooms established
6. Ongoing development of a single investigation repository

5 Improving oversight and monitoring of the end-to-end combined assurance model

1. Separated the Audit and Risk Committee to improve oversight
2. Establishment of the audit recovery programme
3. Establishment of the Anti-fraud and Corruption Integration Committee (AFCIC) for monitoring and oversight

4 Case resolution and prevention of recurrence

1. Establishment of the state capture task team to drive recoveries
2. Improving the supplier review process and establishment of the Supplier Review Committee
3. Monitoring of disciplinary recommendations
4. Improved relationships with law enforcement agencies
5. Flagging of employees who resigned in the midst of disciplinary action
6. Identifying root causes to address and implementing lessons learnt

REFLECTING ON THE BOARD'S TERM

DRIVING THE TURNAROUND AND PREPARING FOR THE FUTURE

Dan Marokane

FY2025 FINANCIAL OVERVIEW

Our robust new executive structure is driving operational recovery and positioning Eskom for sustainable long-term growth

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Supported by the following permanent invitees

Tembela Kulu	**Group Investigations & Security**
Mlawuli Manjingolo	**Company Secretary**
Jerome Mthembu	**Legal and Compliance**
Ureka Rangasamy	**Chief Audit Executive**

Dan Marokane
Group Chief Executive

Calib Cassim
Group CFO

Bheki Nxumalo
Generation

Agnes Mlambo
Distribution (acting)

Rivoningo Mnisi
Renewables

Roman Crookes
Group Capital

Dr Candice Hartley
Chief People Officer

Nontokozo Hadebe
Strategy and Sustainability

Len de Villiers
Chief Technology and Information Officer

Portia Mngomezulu
Corporate Services

Alfred Seema
Strategic Delivery

Monde Bala
NTCSA CEO (acting)
(permanent invitee)

FY2025 stands as a testament to Eskom's resilience and commitment to recovery, initiating a positive spiral and delivering a return to profitability

531/548 loadshedding-free days between 1 April 2024 and 30 September 2025

Profit after tax of **R16 billion** (from R55 billion loss in FY2024)

60.60% EAF plant availability improved relative to 54.56% in FY2024

799MW added by Kusile Unit 5

Synchronised Kusile Unit 6

292.6km of additional transmission lines and **2 620MVA** transformers installed

Distribution network **stable**
Transmission network **reliability** deteriorated

5.6 million active prepaid meters recoded, with around **800 000** smart meters installed

83 031 new electrification connections

14.9TWh lost due to electricity theft

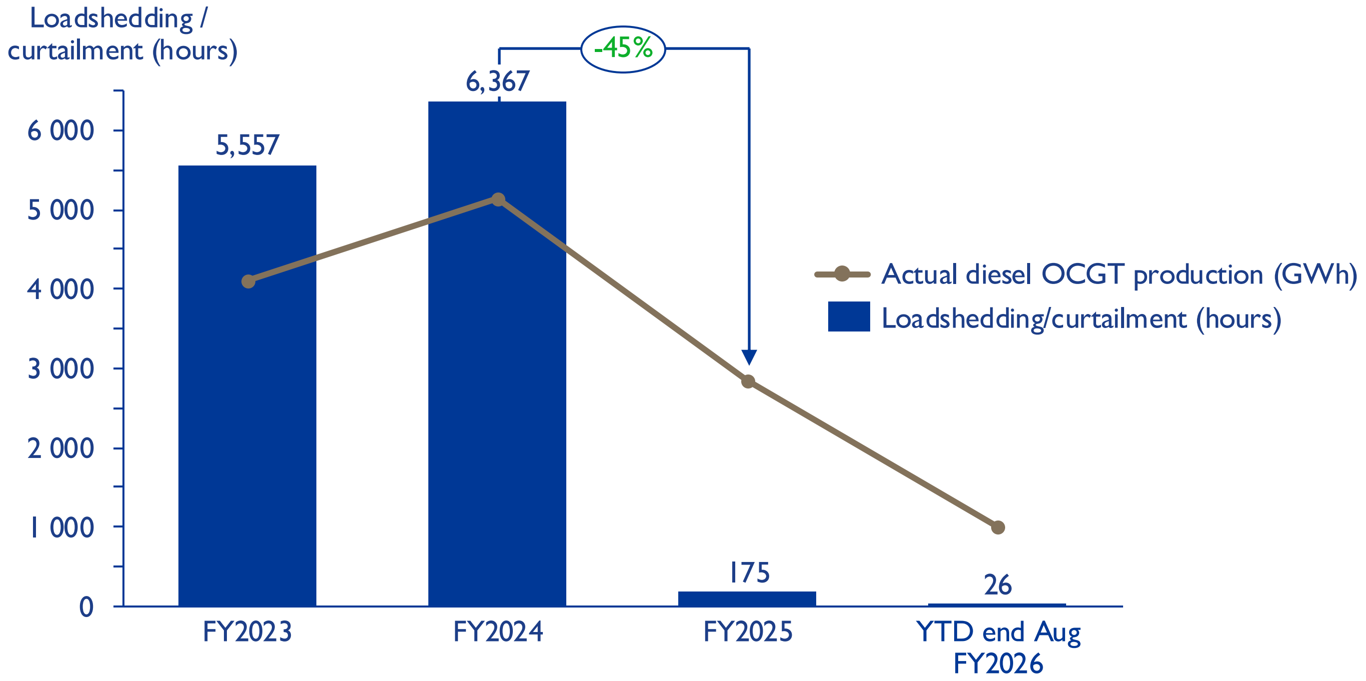
0.23 employee LTIR improved, although we suffered three fatalities

Emissions performance improved to **0.64kg/MWhSO** water use improved to **1.40ℓ/kWhSO**

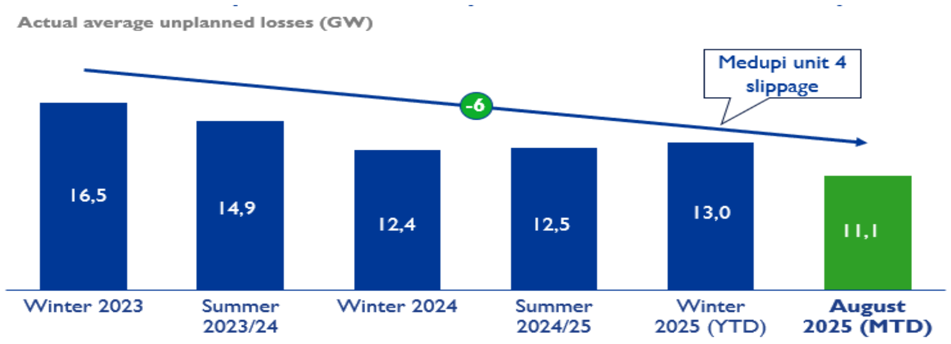
NTCSA commenced trading on 1 July 2024

Eskom improved operational performance, supplying South Africa with more electricity and reducing loadshedding without excessive use of diesel

Diesel OCGT utilisation performance, Eskom and IPPs



	FY2023	FY2024	FY2025	YTD end Aug FY2026
Loadshedding days	280	329	13 (96% ↓)	4
Energy sent out (Eskom only)	191 307	184 576	195 702 (6% ↑)	83 383



Reduction in unplanned losses since 2023 has resulted in 6GW additional available capacity (equal to adding ~1.5x Kusile stations)

Principles of the recently launched Generation Operational Reliability and Sustainability Plan

1. Improve plant reliability by reducing unplanned unavailability caused by trips
2. Enhance outage planning and execution
3. Execute key strategic projects
   - Commercial operation of Kusile Unit 6
   - Recovery of Medupi Unit 4 and Koeberg Unit 2
   - Midlife refurbishments at key stations
4. Embed a people, plant and process mindset

Reflections: While unplanned outages breached the moderate forecasts, loadshedding was contained to 26 hours across four days

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As expected | Worse than expected

Reflection on 2025 Winter – 1 April 2025 to 31 Aug 2025

Scenarios		**Base case scenario + 1GW risk expectations** (14 000MW UCLF)		**Actual performance**	
Number of LS days		1 Day		4 Days (26 hours)	
OCGT costs		R 2.1bn		R5.9bn[1]	
Highest stage of LS		Stage 2		Stage 2	
Month	**Peak Residual Forecast - MW**	**Loadshedding days**	**Max Loadshedding stage**	**Loadshedding days**	**Max Loadshedding stage**
April	**27,739**	1	2	1	2
May	**29,259**	0	0	3	2
June	**30,777**	0	0	0	0
July	**30,872**	0	0	0	0
August	**29,599**	0	0	0	0

- Base case + 1GW risk anticipated 14GW of unplanned losses, however due to temporary plant failures, slightly higher load shedding was required in May 2025
- Diesel spend was higher than expected and exceeded spend in the comparable period for the previous year, as a result of higher unplanned losses

In partnership with G20 SOUTH AFRICA 2025

1: As of 17 Aug 2025

Key interventions on supply and demand management aspects, have created ~4GW additional levers to meet expected demand over the coming summer period

Improvement / Neutral

2024/25 Summer Outlook	Versus	2025/26 Summer Outlook		
50GW[1]	Operational dispatchable capacity	51.4GW[1]	Improvement	**1.4GW addition** from return of Medupi U4 and commercial operation of Kusile U6
9.8GW[2]	Planned maintenance	7.9GW[2]	Improvement	**~1.9GW reduction** in **peak** planned maintenance levels, due to completion of major outages during 2024 and early 2025, which allows for smoothing out of execution
15GW	Worst case unplanned losses	15GW	Neutral	**Unplanned losses** assumptions **maintained** to account for unforeseen circumstances
11GW[3]	Actual unplanned breakdowns trend[3]	10.2GW[3]	Improvement	**0.8GW decrease in actual unplanned losses** leading up to 2025/26 Summer Outlook
2.1GW[4]	Demand management	2.4 GW[4]	Improvement	**0.3GW increase in capacity from our demand management programme,** leading up to 2025/26 Summer Outlook

In partnership with G20 SOUTH AFRICA 2025

1: Average between September and March, refers to nominal capacity; 2: Peak daily PCLF over Sept and March 3: Actual unplanned breakdowns in month before respective summer periods (Aug 2024 vs. Aug 2025), OCLF + UCLF; 4: As at start of respective outlooks, further expansion pursued.

2025/26 Summer Outlook - No loadshedding expected for unplanned outages below 15GW

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Summer 2025/26 – 1 September 2025 to 31 March 2026 (212 days)							
Scenarios		**Base Case:** 13 000 MW UCLF		**Base Case + 1000MW:** 14 000 MW UCLF		**Base Case + 2000MW:** 15 000 MW UCLF	
Number of LS days OCGT costs		0 Days R 0.1bn		0 Days R 0.4bn		0 Days R 1.3bn	
Highest stage of LS		-		-		-	
Month	**Peak Residual Forecast**	**Load shedding days**	**Max Load shedding stage**	**Load shedding days**	**Max Load shedding stage**	**Load shedding days**	**Max Load shedding stage**
September	**28,537**	0	-	0	-	0	-
October	**27,837**	0	-	0	-	0	-
November	**27,538**	0	-	0	-	0	-
December	**26,563**	0	-	0	-	0	-
January	**26,622**	0	-	0	-	0	-
February	**27,550**	0	-	0	-	0	-
March	**27,841**	0	-	0	-	0	-

- **No loadshedding** is expected over the 2025/26 summer period
- Limited loadshedding could be required if unplanned losses breach 15GW, the probability is considered low given current trends

In partnership with G20 SOUTH AFRICA 2025

Note: Based on Capacity Plan 28 August 2025 BEFORE STERF. Acronyms: UCLF – Unplanned Loss Capability Factor; It is important to note that the Weekly System Status reports is not a loadshedding forecasts, only reflects potential reserve shortfalls without considering the availableshort-term reserve and demand side levers; Structural shift of 1GW-2GW reduction in unplanned breakdown assumptions from Winter 2024 levels maintained, due to Gx recovery plan progress

Customers report that the reduction in loadshedding is supporting improved financial results, business confidence and economic growth

"Rebound in the economy is supported by improved investor confidence, easing inflation and **stabilising electricity supply**"
~ Motus

"The operating environment and business confidence in SA improved in the past year due to … **improved and more stable supply of electricity**"
~ Emira Property Fund

"One of the key highlights is lower commodity input costs coupled with a **reduction in expenses** related to **loadshedding**"
~ Rainbow

"… and a modest sense of optimism fuelled by a **reduction in loadshedding**, declining inflation and the improved stock market performance"
~ Clientèle

"… several positive local developments have supported our operational performance. These include the **reduction of loadshedding** impacting our portfolio and a favourable interest rate outlook"
~ Growthpoint

"Groceries delivered an improved result driven by … **reduced loadshedding**. The Culinary category delivered improved margins, ….. and a **reduction in loadshedding costs**. Pet Foods turnaround was largely attributable to … **reduced loadshedding**"
~ RCL FOODS

"Electricity **supply risk improved** but still there"
~ Adcorp Group

This has had a positive impact on Sovereign credit ratings and the country's growth prospects

Generation has completed the majority of its original Recovery Plan objectives, and will move to the next phase focussing on sustainability of recovery

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Implementation complete | Implementation in progress

1 Set up for success

- **Set-up the enabling structures** (complete)
  - Turnaround plans
  - Generation recovery office
  - Key enablers
- **Guard performance** at current **flagship stations** (complete)
  - Medupi, Lethabo, Matimba and Peaking
- Focus on the **Priority stations** (complete)
  - Tutuka, Duvha, Majuba, Matla, Kendal, Arnot, Kriel
  - Kusile removed from priority list
- **Execution of Koeberg 1 Outage** (complete)
- **Source external specialised skills** (complete)

2 Execute excellence

65%[1] EAF

Actions for FY24

- **Successful execution of Koeberg 1** (complete)
- **Sustain excellent Medupi performance** (complete)
- **Embed principles of Operational Excellence** (in progress)
- **Address internal skills gaps** (complete)
- **Prevent outage slips** (in progress)
- **Return of Kusile 1, 2 and 3** (complete)
- **Synchronisation of Kusile 5** (complete)
- **Review plant shutdown dates based on system requirements** (complete)

3 World class performance

70%[1] EAF

Actions for FY25 onwards

- **Return of Medupi 4** from long term forced outage (complete)
- **Commercial operation of Kusile 5** (complete)
- **Synchronisation of Kusile 6** (complete)
- **Continuous focus on current and future skills** (complete)
- **Ensure successful implementation of Koeberg 2 steam generator and long-term operating projects** (synchronized to the grid on 30 Dec 2024) (complete)

Generation's **continued focus on improving Operational Reliability and Sustainability** will ensure that the principles of **operational excellence are embedded, outage slips are prevented** and the **number of unit trips are reduced**

Continuous execution of Culture transformation and Strategic Levers as per the Generation recovery plan

Note: 1. Month-to-Date for March 2024 and March 2025

The Generation Recovery Plan has delivered measurable results. The focus must now shift to the distribution sector and the market transition

Sustaining the gains and addressing challenges in the distribution sector

- Ensure sustained recovery of the Generation turnaround toward achieving 70% EAF
- Intensify the delivery of the Transmission Development Plan
- Address electricity theft: illegal connections and illicit tokens undermine service delivery
- While distribution agency agreements and prepaid mechanisms are gaining traction, municipal debt remains at unsustainably high levels
- Integrated Resource Plan (IRP) 2025 will set out long-term electricity capacity expansion plan

Long-term sustainability will require careful coordination and planning

- Continue to drive Eskom's legal separation
- Ensure a rules-based market transition to protect all stakeholders (especially vulnerable consumers)
- South Africa Wholesale Electricity Market expected to launch in April 2026 based on a market code still to be approved
- Contain tariff increases through cost optimisation and correctly structured tariffs based on a long-term tariff path
- Adopt risk-based transition into a low-carbon energy mix considering system risks and transparent trade-offs

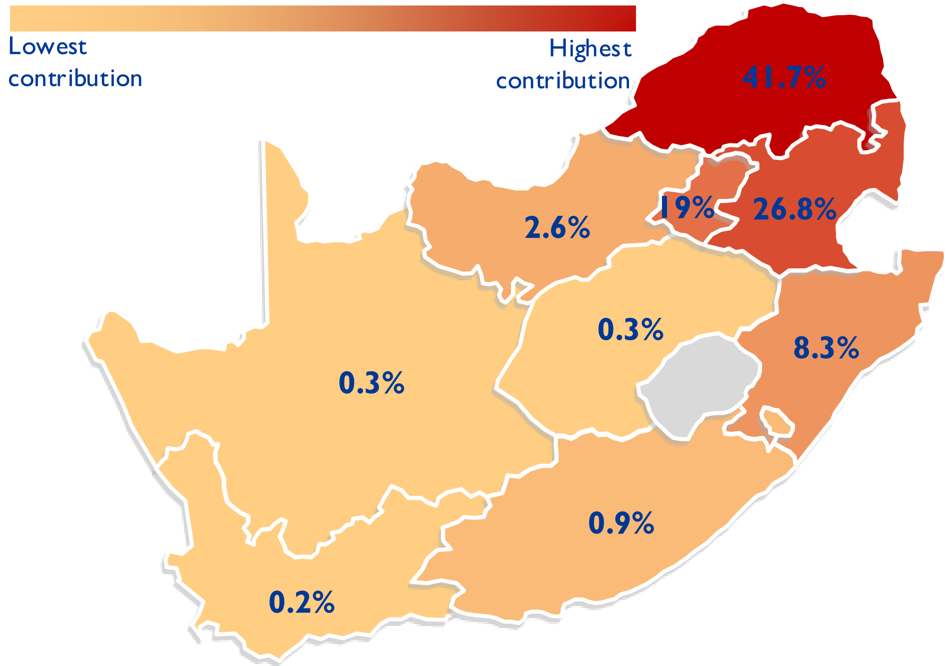
South Africa's electricity industry is rapidly evolving, marked by significant milestones. Eskom is actively contributing to the delivery of Government's policy to support energy security through the provision of sustainable electricity infrastructure

Progress is also being made to reduce load reduction, its implementation remains necessary to protect the lives of customers and electrical equipment

Load reduction is required in areas where distribution network transformers are overloaded, primarily due to **electricity theft** and **illegal connections**

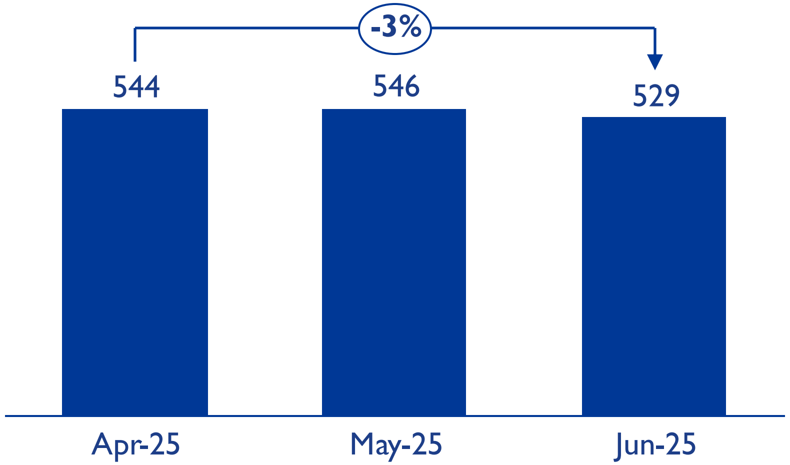
Geographical overview of load reduction[1]

% of total load reduction across South Africa



Load reduction trends[1]

Total MW across morning and evening peak



Largest improvement witnessed in **Limpopo (-13%)** and **Mpumalanga (-5%)**

- **529MW of load reduction was required** over morning and evening peak during Jun 2025, with **LP, MP and GP accounting for >87% of total**
- **Progress** has been made to **reduce load reduction nationally** (3% improvement from 544MW in Apr 2025 to 529MW in Jun 2025), with the largest improvements experienced in **Limpopo** and **Mpumalanga** (13% and 5% reductions respectively)
- Eskom is committed to **reducing load reduction by 15-20%** by **Mar 2026**, and **eradicating** load reduction within **the next two years** by:
  - **Removing and formalising of 640,000 illegal connections** by Mar 2026
  - Upgrading infrastructure incl., **smart meters, reducing zero buyers** and **illegal vending**
  - Increasing **free basic electricity** registrations in key areas

1: Based on MW reduced over April – June 2025 (morning + evening peak)

Eliminating load reduction requires an accelerated smart meter roll out, targeting 971 feeders by March 2027

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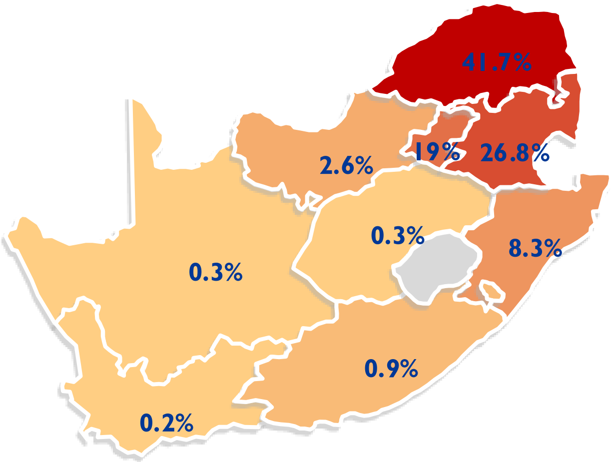
Current status

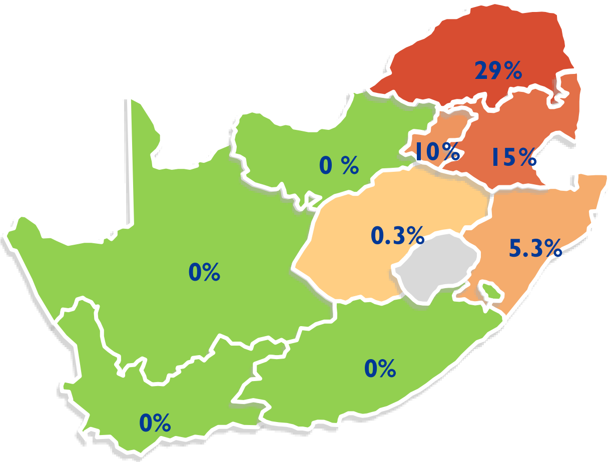
% of total LR across South Africa[1]

Improvement expected between **Sep 2025 and Mar 2027** (compared to current view)



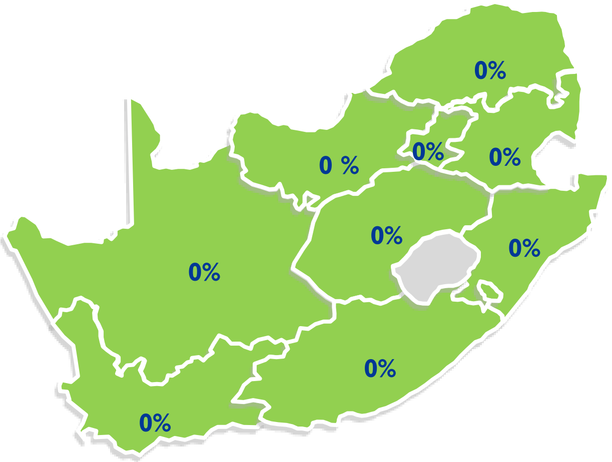
Currently, **~529MW of load reduction** (evening + morning peak) is required due to distribution feeder network overloading – **primarily in LP, MP, GP and KZN**

Phase 1 accelerated (by Mar '26)



✓ **210 feeders**, resolving EC, WC, NC and NW

Phase 2 accelerated (by Mar '27)



✓ **Total of 761 feeders**, resolving Limpopo, Mpumalanga and FS

In addition interventions are being implemented to **upgrade metering infrastructure including** ~1.5 mil smart meters of the load reduction areas by **Mar 2027**

Reducing zero-buyers and addressing **illegal vending**

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1: Based on MW reduced over April – June 2025 (morning + evening peak); LR: Load Reduction; FBE: Free Basic Electricity

NTCSA's current transmission network expansion plans will unlock 56GW of new generating capacity over the next 10 years

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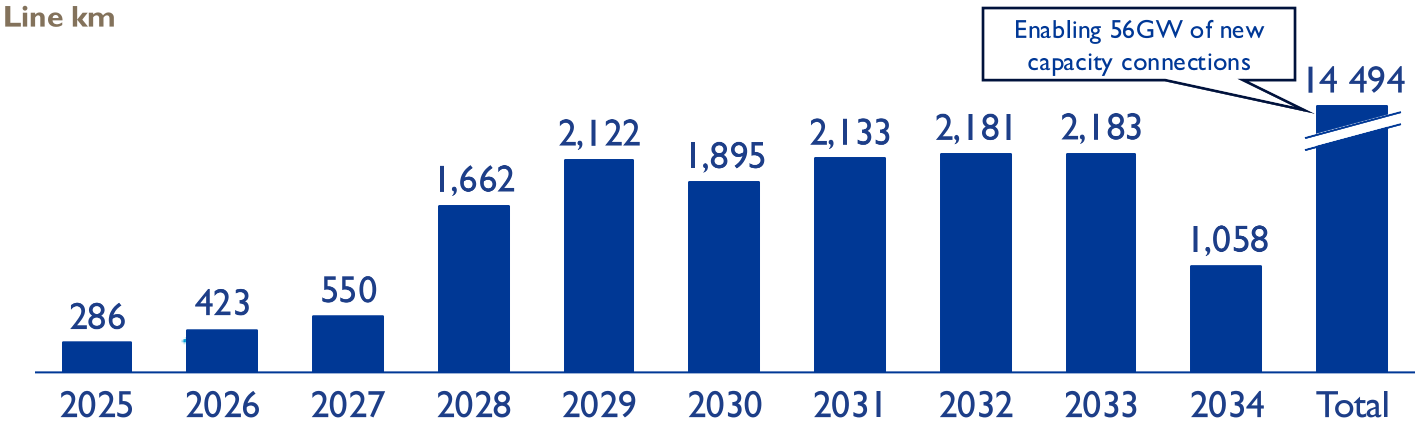
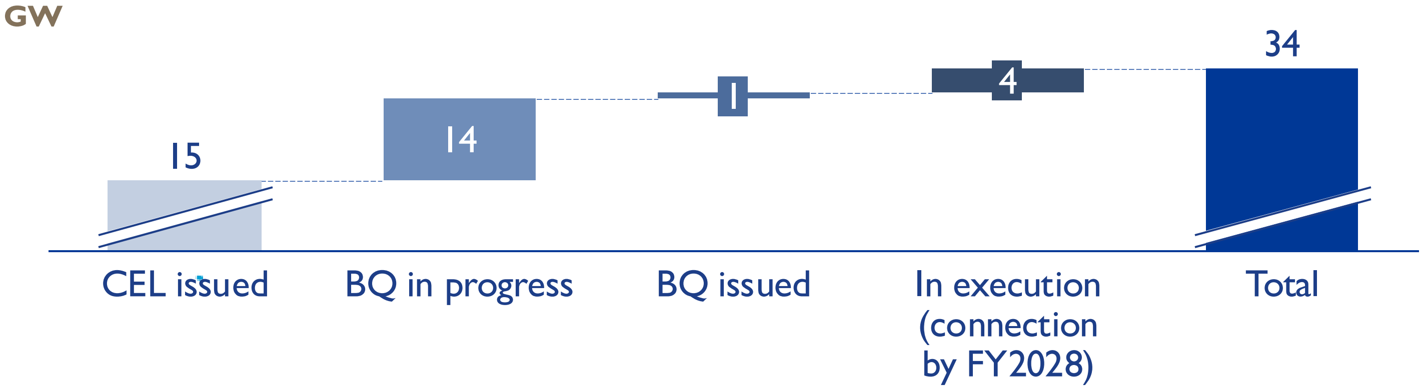
Transmission network rollout (TDP 2024)



Private sector capacity grid connection status (excluding gov. procured IPPs)



Insights

- A total of **292.6km of transmission lines** have been constructed in the **previous financial year** (FY25) against a target of 286 km
- The target for **current financial year** (FY26) is to **construct 423.1 km of transmission lines** and 108.2 km has been constructed to date.
- NTCSA has **allocated a total capital budget of R133bn** over the first 5 years of the TDP, ending 31 March 2030.
- **Considerable progress has been made** on key enablement initiatives i.e. **Owner's Engineers** (OE) panel contracts, **Engineer, Procure and Construct** (EPC) lines and substation contracts, **101 transformer contracts, line construction incubation program**, **steel suppliers** etc. for the delivery for the TDP.
- **34GW of private sector projects** for wheeling or **own use** are currently between **CEL and execution phase**, with **4GW in execution** and expected to be **connected** to the grid **by FY28**

The ERAA supports the fast-tracking of this plan by introducing a procurement mechanism that enables the Minister of Electricity and Energy to acquire new transmission infrastructure through ITPs

In partnership with G20 SOUTH AFRICA 2025

Footnote: TDP – Transmission Development Plan, ERAA – Electricity Regulation Amendment Act. CEL: Cost Estimate Letter; BQ: Budget quotation; ITP: Independent Transmission Projects

Through unbundling, Eskom will evolve to be more agile and attract the funding required to deliver the future energy landscape and economic growth

The Eskom of the future

NTCSA	NEDCSA	GENERATION	ESKOM GREEN
Smart grids	Customer centricity	Clean coal	Solar energy
Market Operator *Open trading platform*	Smart meters	Nuclear	Battery energy storage system
TSO *Expanded grid*	Decentralised energy	Gas	Green hydrogen
	EV infrastructure	Hydro	Wind energy
	Battery storage	Long-duration energy storage	
	New services		

Subsidiary (NTCSA) · To be legally separated next (NEDCSA, GENERATION) · New entity (ESKOM GREEN)

As Eskom evolves, we will execute our strategy across a number of key initiatives to deliver value for Eskom and South Africa

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Clean energy	• ~2GW of new clean energy capacity to the market by 2026 • ~5.9GW of new clean capacity to the market by 2030	Establishing a dedicated renewables energy solutions business
Grid expansion	• ~14 500km of transmission lines and ~132 000 MVA transformer capacity by 2034 • ~13 800km of distribution lines by 2030	Strengthening grid network to connect additional capacity
New markets	• Enhance business models, including new products and services (e.g. eMobility, data centres, advanced metering infrastructure) • Expand into new markets	Range of new energy solutions to supplement our energy sales
Technology	• Digitalisation strategy including data analytics and AI adoption to drive efficiency • Clean coal technologies (transition pathways)	Clean coal technologies and repowering projects to support the transition

REFLECTING ON THE BOARD'S TERM

DRIVING THE TURNAROUND AND PREPARING FOR THE FUTURE

FY2025 FINANCIAL OVERVIEW

Calib Cassim

We’ve made progress in improving audit outcomes, although more work is required to meet stakeholder expectations

FY2025 external audit concluded more timeously

Qualified external audit opinion

PFMA records[1] were not complete or accurately maintained in line with legislative requirements relating to:

- Irregular expenditure
- Losses due to criminal conduct

Prior year audit qualification issues not yet adequately addressed, except for fruitless & wasteful expenditure

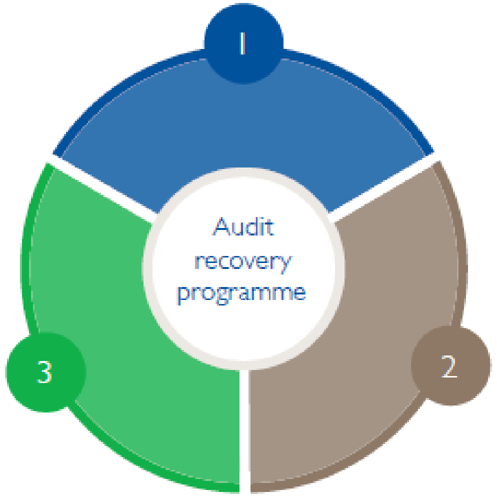
No new reportable irregularities have been issued

Material uncertainty related to going concern due to

- Dependence on Government support
- Uncertainties related to operational assumptions and regulated tariff path by NERSA
- Municipal arrear debt and distribution energy losses

Deloitte highlighted several internal control deficiencies

Launched a three-year audit recovery programme overseen by the Exco Audit Recovery Oversight Committee and chaired by the GCE



Late conclusion of the FY2024 audit impacted the efficacy of the programme, however, progress already evident with around 90% of all external audit findings raised since FY2021 closed, subject to audit confirmation

1. Refer to the integrated report for detailed disclosure required by the Public Finance Management Act, 1999 (PFMA).

For the first time since FY2017, Eskom has returned to profitability, signalling a strategic step forward in rebuilding financial sustainability

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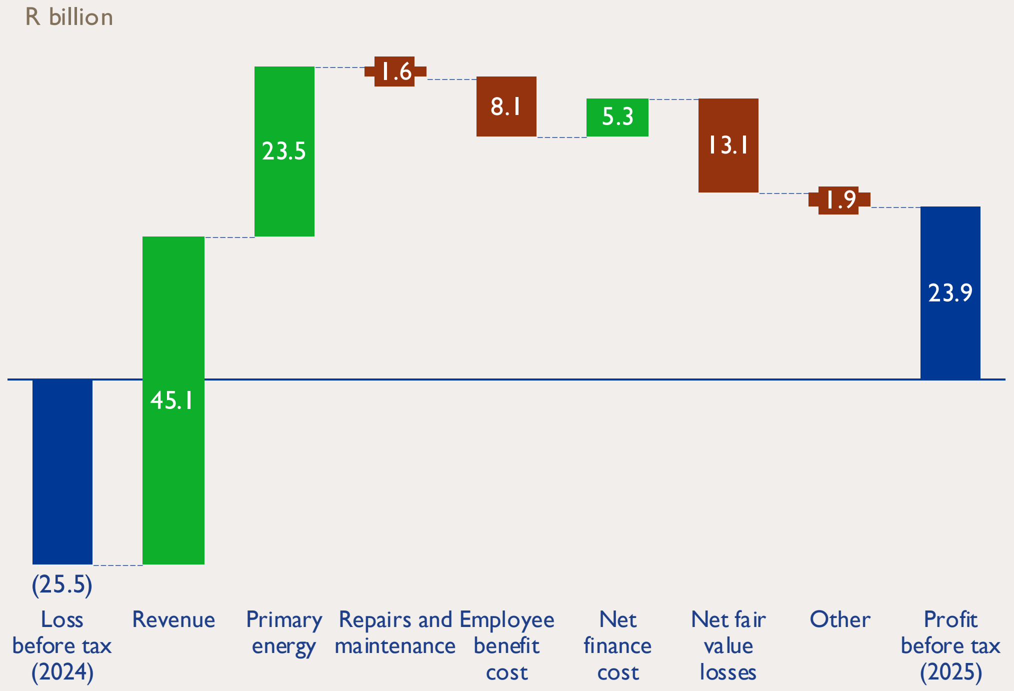
Standard tariff increase **12.74%** (2024: 18.65%)	Sales volumes 3.5% ↑ to **189.7TWh** (2024: 183.3TWh)	Revenue 15% ↑ to **R340.9 billion** (2024: R295.8 billion)
Primary energy costs 14% ↓ **to R150.2 billion** (2024: R173.7 billion)	EBITDA 2x ↑ to **R99 billion** (2024: R43.4 billion)	EBITDA margin ↑**29.05%** (2024: 14.67%)
Net profit before tax **R23.9 billion** ↑ (2024: loss of R25.5 billion)	Fuel levy rebate recovery of **R9.2 billion** from SARS	Profit after tax **R16 billion** ↑ (2024: loss of R55 billion)

Strong improvement in EBITDA, driven by Eskom's operational turnaround

EBITDA improved, driven by the tariff increase, improved generation availability and disciplined cost management

Leading factors contributing to profitability



GROUP INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

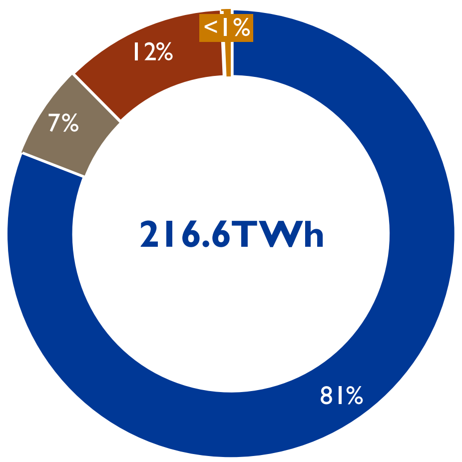
R million	**2025**	2024	%
Revenue	**340 895**	295 814	15▲
Other income	**3 265**	1 295	152▲
Primary energy	**(150 207)**	(173 729)	14▼
Net employee benefit expenses	**(43 160)**	(35 096)	23▲
Net impairment loss and write-downs	**(7 616)**	(3 433)	122▲
Other operating expenses	**(44 139)**	(41 441)	7▲
EBITDA	**99 038**	43 410	128▲
Depreciation and amortisation expenses	**(31 764)**	(33 239)	4▼
Operating profit (EBIT)	**67 274**	10 171	561▲
Net fair value and foreign exchange (loss)/gain/	**(10 415)**	2 644	494▼
Net finance cost	**(33 092)**	(38 389)	14▼
Share of profit of equity-accounted investees	**102**	105	3▼
Profit/(loss) before tax	**23 869**	(25 469)	194▲
Income tax	**(7 822)**	(29 546)	74▼
Profit/(loss) for the year	**16 047**	(55 015)	129▲

▲ Income/gain increased ▼ Income/gain declined ▼ Expense/loss declined ▲ Expense/loss increased

Revenue grew by 15%, driven by a 12.74% tariff increase and 3.5% growth in sales volumes, supporting service reliability and infrastructure investment

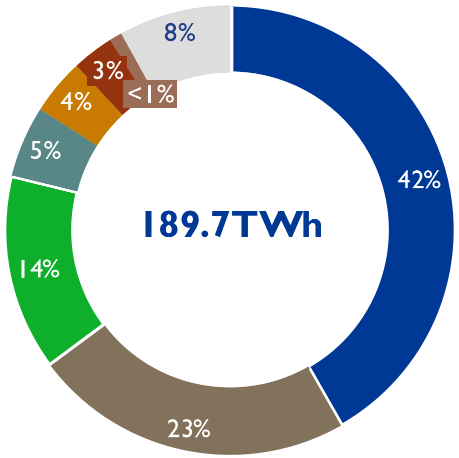
Eskom

Electricity breakdown by destination[1]

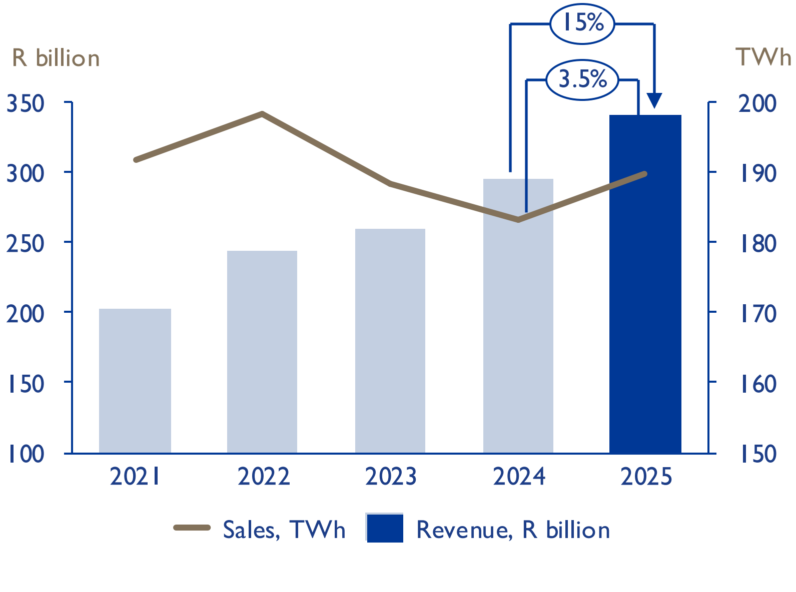


1. Net of pumping and excluding wheeling

Electricity sales by customer category



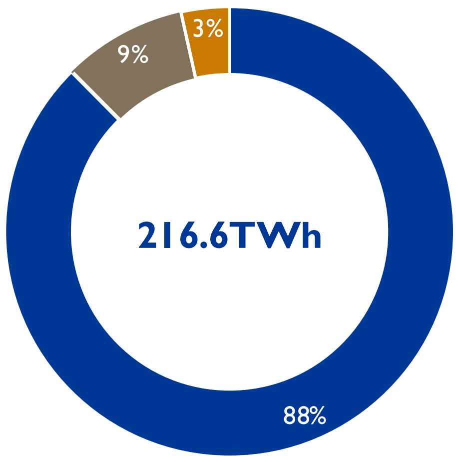
Sales and revenue trend



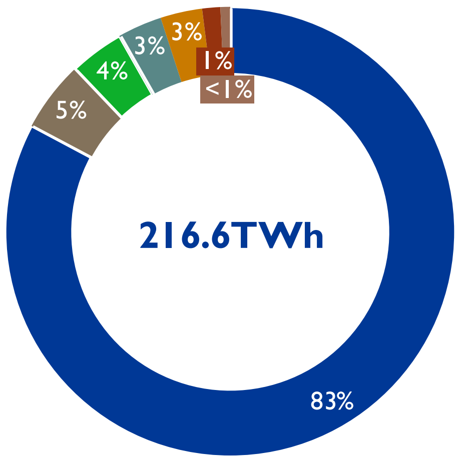
Estimated loadshedding and load curtailment declined to 354GWh or 0.16% of demand (2024: 13 215GWh or 5.92% of demand)

Reduction of 14% in primary energy costs, demonstrating the impact of disciplined cost management

Electricity breakdown by supplier[1]



Electricity supplied by technology[1]



Generation cost by source

Unit cost, R/MWh	2025	2024	%
Coal	**546**	541	1 ▲
Nuclear	**107**	113	5 ▼
Eskom-owned OCGTs[2]	**6 084**	6 579	8 ▼
IPPs[3]	**2 357**	2 367	<1 ▼
IPP OCGTs	**5 870**	6 348	8 ▼
Renewable IPPs	**2 189**	2 029	8 ▲
Other IPP programmes	**833**	1 018	18 ▼
Imports[3]	**866**	883	2 ▼
Average unit cost	**757**	823	8 ▼

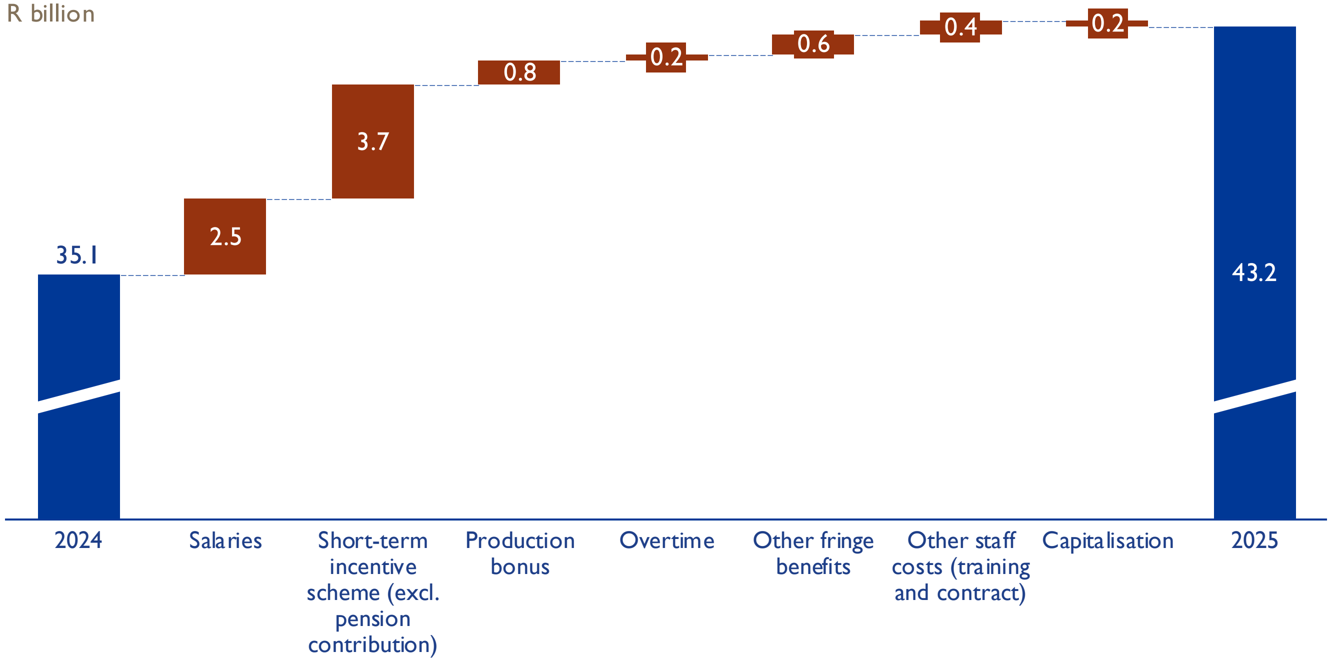
Marked improvement in primary energy costs in FY2025 due to higher availability of coal-fired plant requiring lower OCGT usage

1. Net of pumping and excluding wheeling.
2. Calculated based on the gross fuel cost (excluding the diesel levy rebates) for comparability purposes. The unit cost excludes storage and demurrage costs, but includes environmental levies.
3. The unit cost of IPPs and international purchases is based on the full cost of operation, whereas the unit cost of Eskom-owned generation is based only on the primary energy cost. Given that IPP and international purchases are treated as a variable cost in Eskom's accounts, this is considered appropriate.

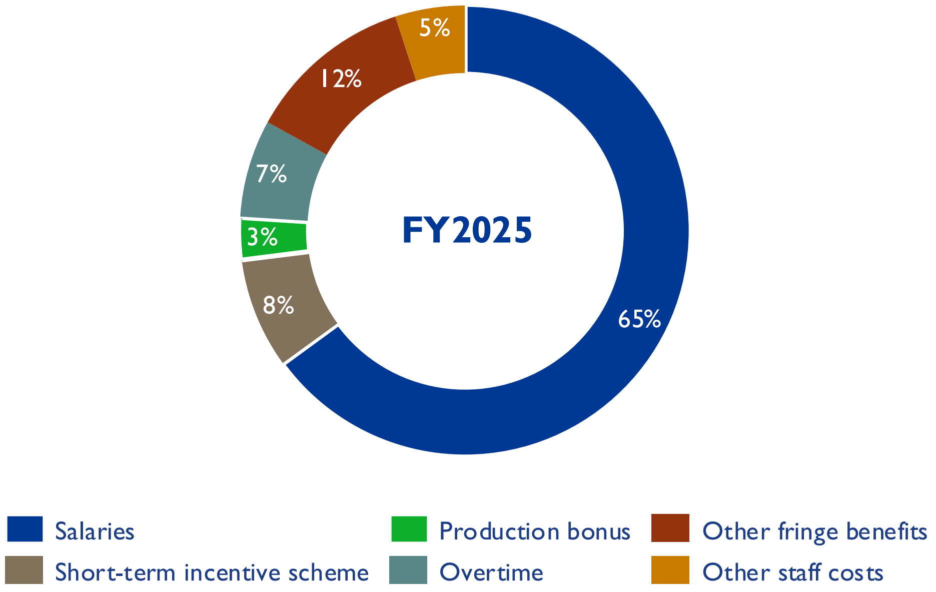
Short-term incentive scheme reinstated with strict conditions, ensuring payouts align with measurable performance gains that outweigh the cost

Movement in net employee benefit costs

R billion

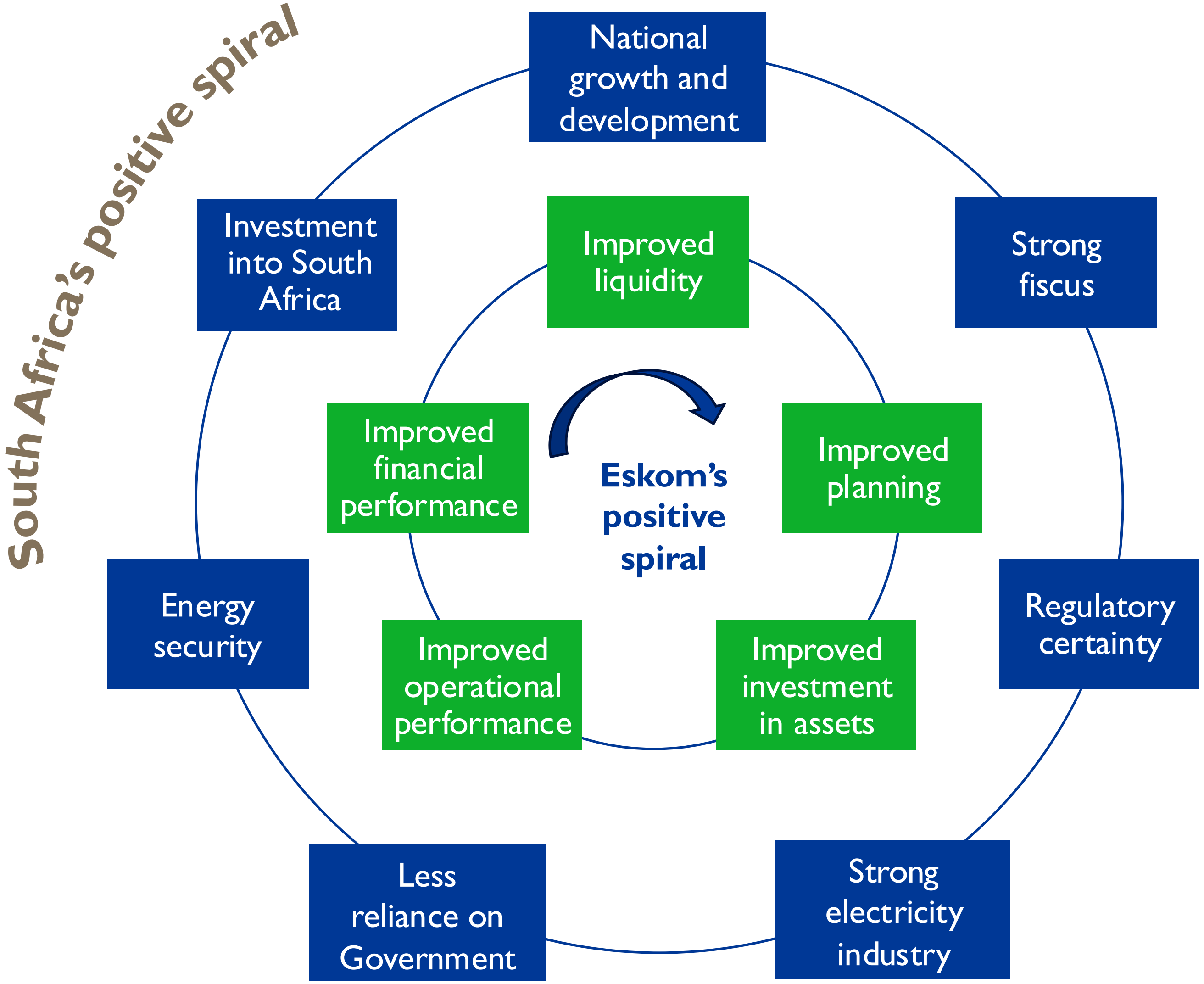


Breakdown of gross employee benefit costs



Growth in salary costs tied to a 3.5% increase in headcount and cost-of-living adjustments.
The short-term incentive scheme was not funded by the debt relief nor did it affect the tariff

Government's debt relief support has significantly strengthened Eskom's liquidity, driving sustained operational progress



- R140 billion in support received since the implementation of the Eskom Debt Relief Act, 2023
- R64 billion debt relief support in FY2025 has enabled the redirection of cash from operations to vital capital expenditure and working capital, supported by upfront planning and ordering of spares
- Eskom's compliance with the debt relief conditions and the conversion of shareholder loans to equity has meaningfully strengthened our balance sheet
- Improved operational and financial performance reduces reliance on Government support
- Enhanced energy security creates the conditions necessary for inclusive growth, job creation and a more resilient energy sector which underpins national development
- Regulatory certainty and an adequate long-term tariff path are anchoring enablers for a rules-based competitive electricity supply industry

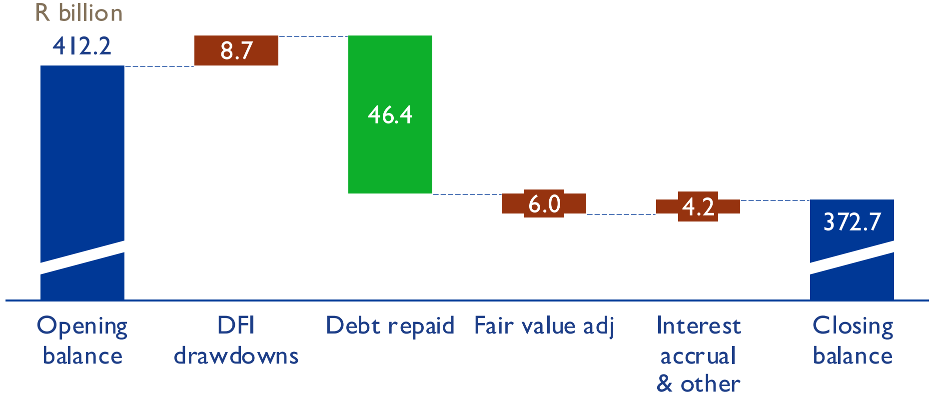
Debt relief and improved performance have significantly strengthened Eskom's financial position, boosting solvency and creditworthiness

Current ratio	Debt service cover
1.04 (2024: 0.98)	**1.11** (2024: 0.46)
Debt/equity ratio*	**Gross debt/EBITDA***
1.45# (2024: 1.99)	**4.90#** (2024: 11.58)

* Includes shareholder loan not yet converted to equity at year end.

\# Debt/equity ratio excluding shareholder loan: 1.25; gross debt/EBITDA excluding: 4.34.

Movement in debt securities and borrowings



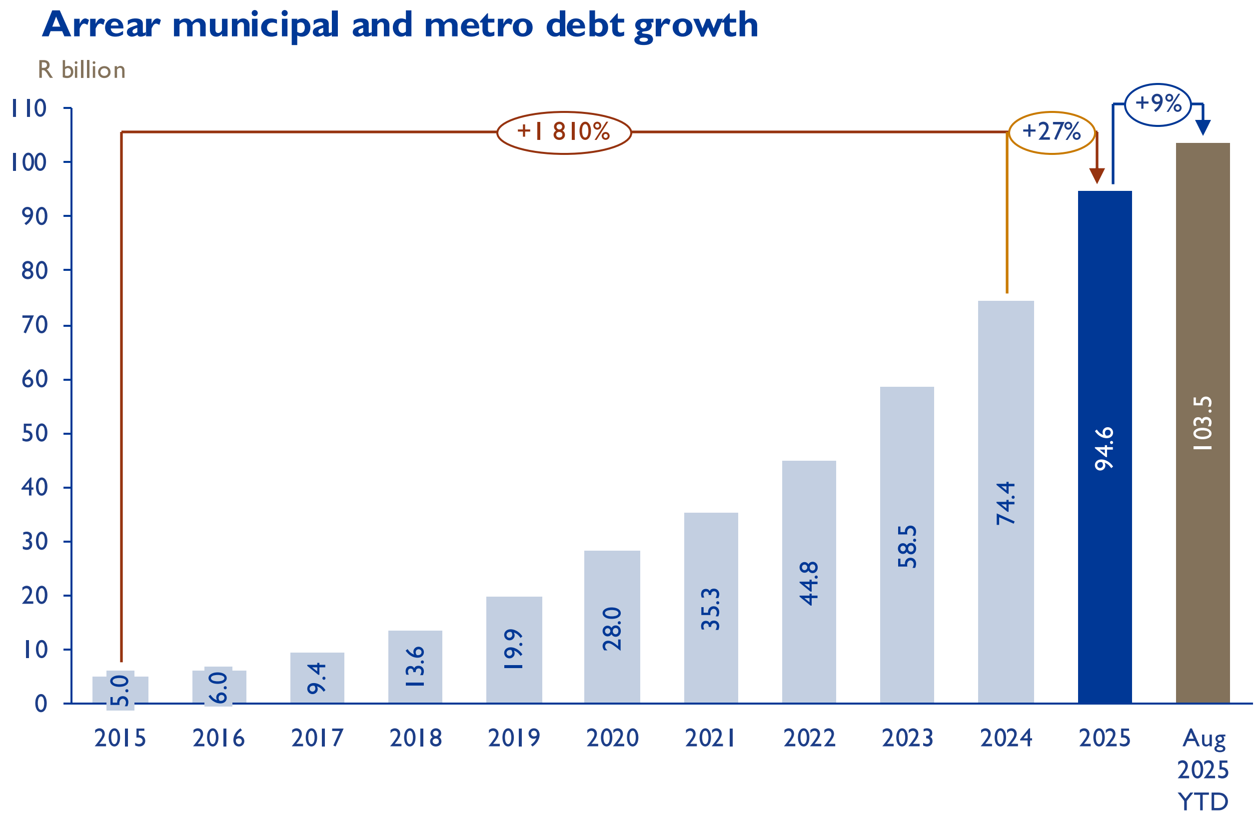
GROUP STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2025

R million	2025	2024	%
Property, plant and equipment and intangible assets	**689 556**	684 388	1▲
Current inventory and receivables	**74 293**	65 692	13▲
Liquid assets – cash and cash equivalents and investments	**82 686**	40 063	106▲
Derivatives held for risk management	**15 345**	27 016	43▼
Other assets[1]	**42 140**	49 163	14▼
Assets held-for-sale	**7 811**	–	
Total assets	**911 831**	866 322	5▲
Equity	**278 345**	222 858	25▲
Debt securities and borrowings	**372 655**	412 200	10▼
Loan from shareholder	**56 132**	32 000	75▲
Current payables	**71 563**	67 199	6▲
Derivatives held for risk management	**1 647**	593	178▲
Non-current decommissioning liabilities	**47 252**	52 294	10▼
Contract liabilities and deferred income	**37 865**	38 371	1▼
Other liabilities[2]	**45 766**	40 807	12▲
Liabilities held-for-sale	**606**	–	
Total equity and liabilities	**911 831**	866 322	5▲

▲ Asset/equity increased ▼ Asset/equity decreased ▼ Liability decreased ▲ Liability increased

1. Comprises mainly non-current inventory and future fuel supplies.
2. Comprises mainly non-current employee benefit obligations and lease liabilities.

Municipal debt risen by 27% to R94.6 billion and could exceed R300 billion by FY2030 without urgent intervention

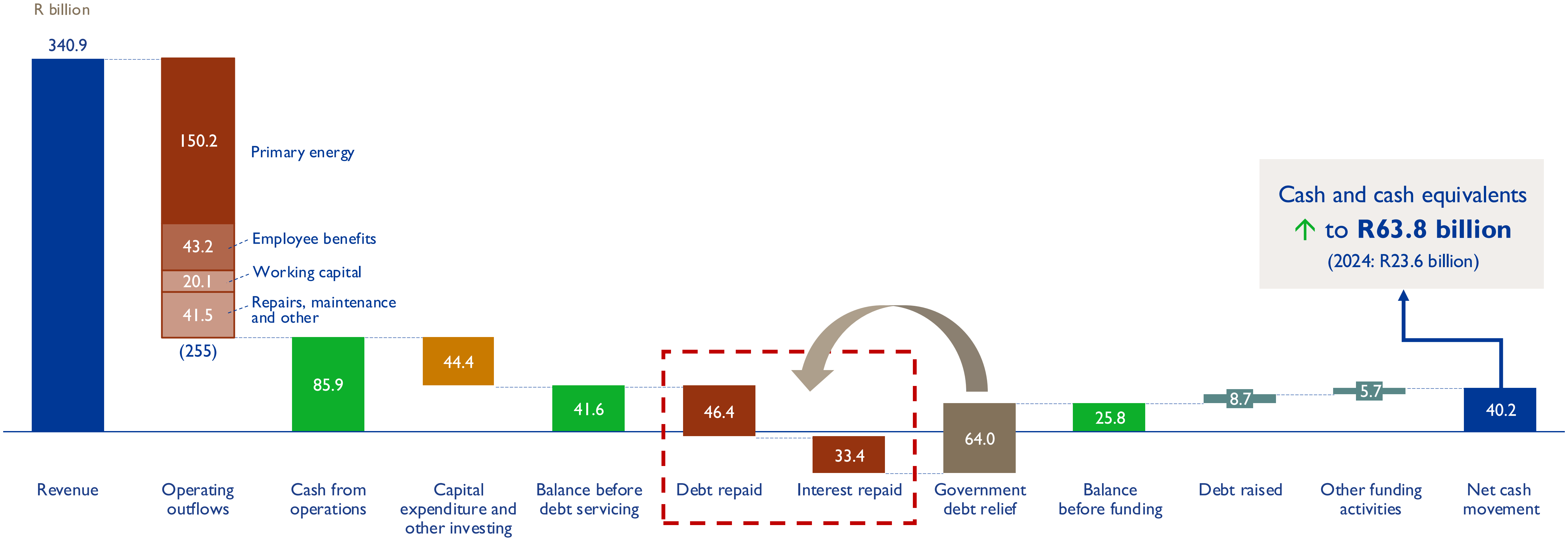


- Municipalities and metros represent 42% of total sales
- Municipal arrear debt is a systemic challenge that requires an inter-governmental approach
- National Treasury's municipal debt relief programme has not been successful in stemming the escalating levels of arrear debt
- Unless innovative solutions are found, the financial sustainability of NEDCSA and Eskom as a whole, together with legal separation timelines are in jeopardy
- Eskom and Government are exploring alternative solutions, including distribution agency agreements (DAAs) and prepaid supply models
- DAAs will support municipalities in ensuring sustainable local service delivery while contributing to Eskom's financial sustainability through improved billing and revenue collection

Arrear debt continues to escalate due to poor current account payment levels by municipalities.
Innovative solutions are needed to stem the tide and ensure the distribution industry's future financial sustainability

Stable liquidity underpins our strategy, enabling disciplined planning and reinvestment in key capital projects

CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025



Cash and cash equivalents
↑ to **R63.8 billion**
(2024: R23.6 billion)

We will invest over R320 billion over the next five years upgrading our infrastructure with advanced technology for greater efficiency and reliability

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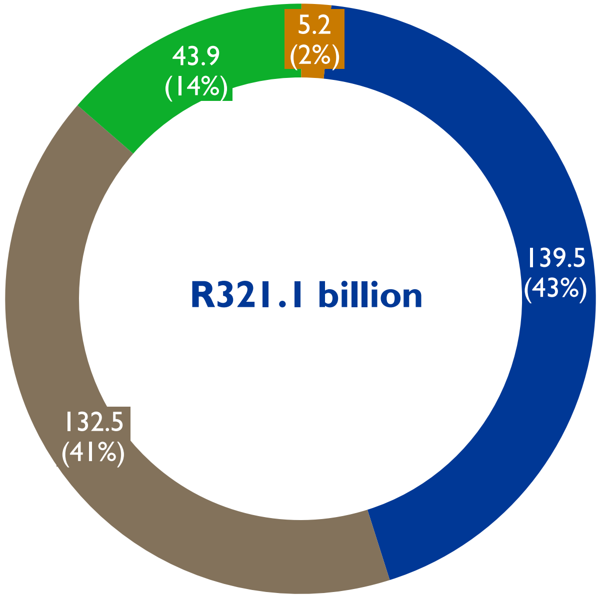
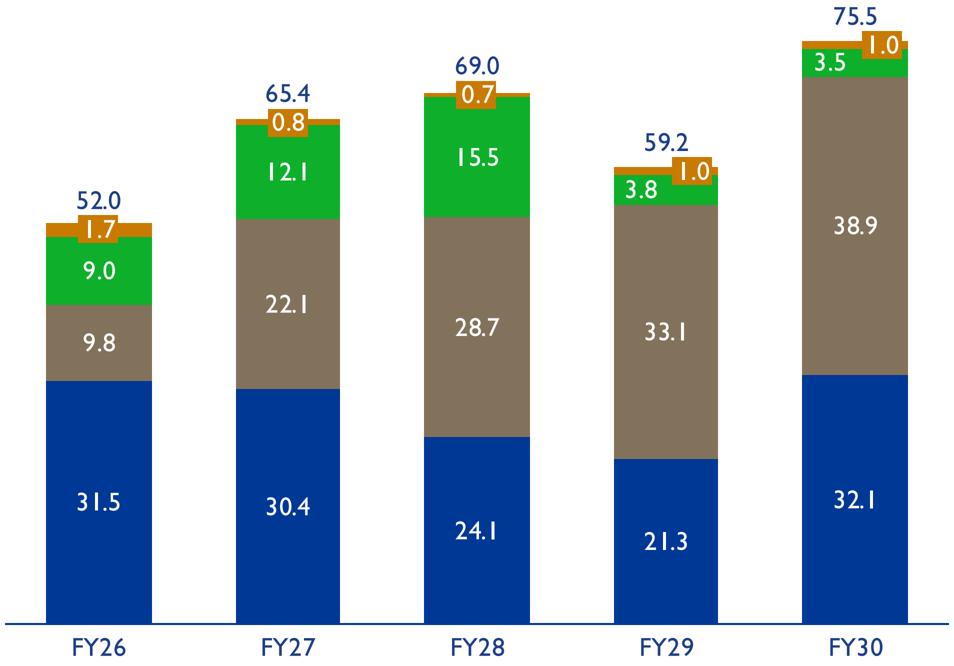
Planned investment (FY2026 to FY2030)

R billion



Annual capital allocation

R billion



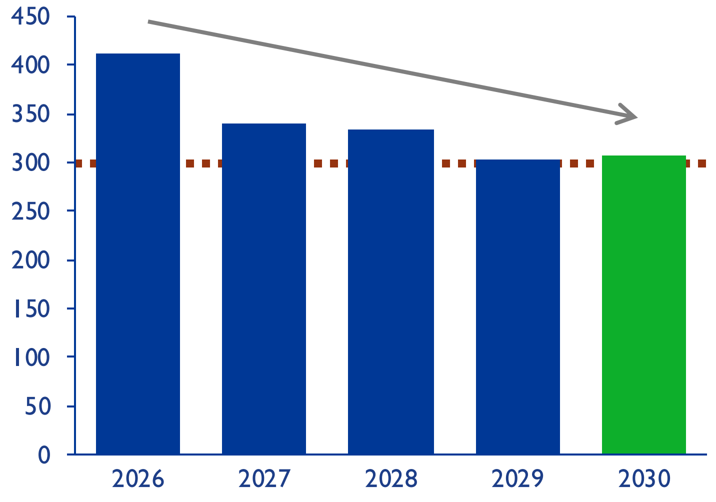
Generation | NTCSA | Distribution | Support functions

- NTCSA capex expanded to support the TDP
- Generation includes around R18.5 billion for renewables and gas projects
- Approximately 64% of Distribution capex is set aside to accelerate the rollout of smart meters over the next three years

Borrowings will be limited to a sustainable threshold of R300 billion to improve gross debt/EBITDA to ~3.00 and thereby, ensure financial stability

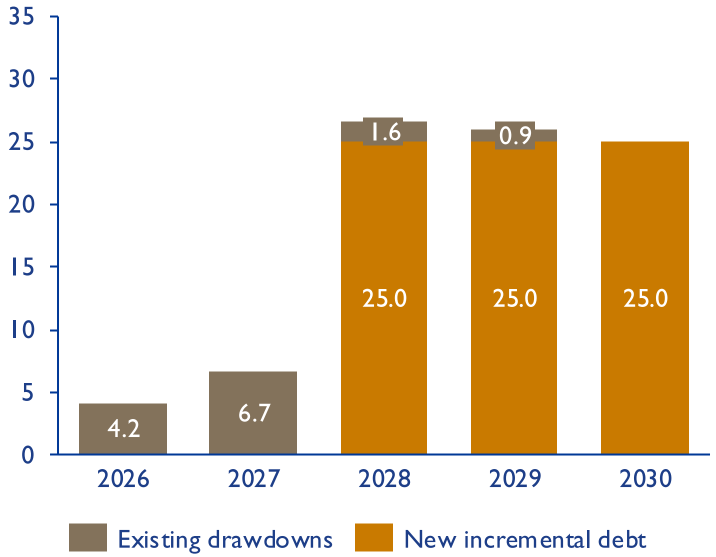
Debt securities and borrowings

R billion



Borrowing programme

R billion



- We intend returning to the capital markets to fund expansionary requirements from FY2028
- New borrowings will be limited to ±R25 billion per year for emissions reduction, clean energy generation and transmission network expansion
- We plan to source this funding partly through sustainability-linked bonds
- Reducing Eskom's debt balance is a focus to strengthen the balance sheet, lower the interest burden and position for sustainable growth

We must generate sufficient operating cash flows to fund most of our capital expenditure requirements for existing plant without further leveraging the balance sheet

The four pillars of our finance strategy have laid a strong foundation and are driving measurable success toward long-term resilience and sustainability

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Our finance strategy

Although Government debt relief is essential in the short term, it is unsustainable for the country in the long term. Systemic challenges must be addressed to achieve standalone financial sustainability

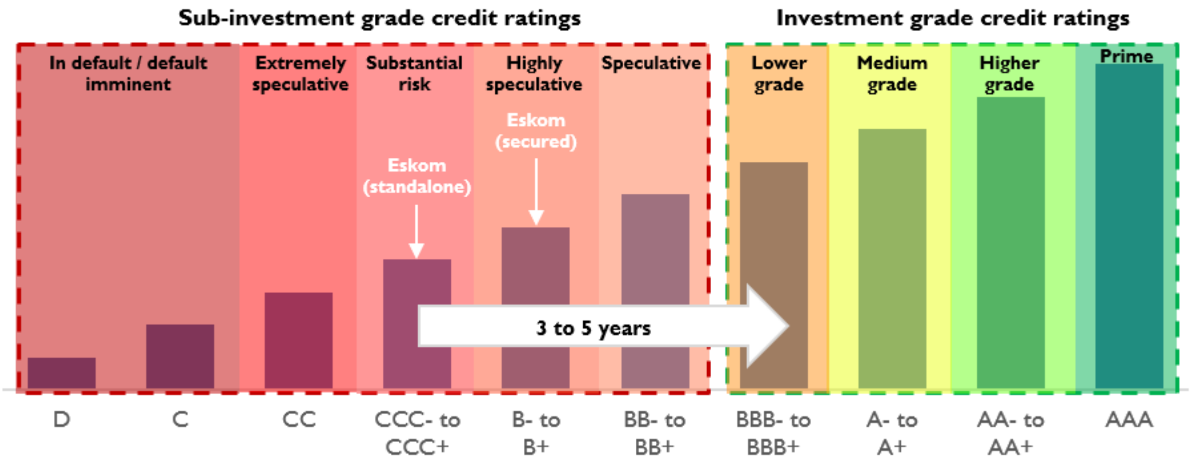
✓ **Fix systemic issues …**

- Obtain adequate long-term tariff path, with measures to address affordability for vulnerable sectors
- Resolve municipal debt challenge

✓ … to enable Eskom's positive spiral and remove Eskom's burden on the fiscus

The path to investment grade status is dependent on all four pillars being executed within appropriate timeframes

Sustaining operational and financial performance is essential to attaining investment grade status to strengthen Eskom's investment case



Ratings agencies require

- Earnings growth, reliable cash flows and a healthy liquidity position
- Diversified and sustainable revenue streams
- Evidence of Eskom's ability to manage debt levels effectively
- Tangible support from Government in addressing municipal debt challenges
- Regulatory certainty with an adequate and predictable long-term tariff path

Why invest in Eskom?

- Strategic positioning as the backbone of South Africa's electricity supply industry, offering critical base-load capacity
- Established market player with a skilled workforce, well-positioned for a rules-based competitive market
- Legal separation will increase transparency and improve decision-making
- Capital programmes offering a diversified portfolio of investments
- Diversification into clean energy through Eskom Green and JET projects
- New products and services to grow non-regulated revenue
- Significant financial and operational improvements despite structural constraints

Positive credit rating actions and outlooks from rating agencies, although Eskom remains at sub-investment grade level. There is a strong link between Eskom's credit ratings and those of South Africa: when Eskom succeeds, so does South Africa

Eskom remains pivotal in supporting South Africa's economic growth and transforming lives

Eskom

Financial outlook for FY2026

Sales volumes	Tariff increase
2–3% lower	**12.74%**
Revenue	Primary energy costs
5–10% higher	**5–15% higher**
Operating expenditure	Debt servicing requirements
5–10% higher	**30–40% lower**

EBITDA
R85 billion – R95 billion (2025: R99 billion)

Debt service cover ratio
2.00 – 2.50 (2025: 1.11)

Gross debt / EBITDA ratio
5.00 – 5.50 (2025: 4.90)

Municipal arrear debt
R120 billion – R135 billion (2025: R94.6 billion)

- We have completed a new executive structure to embed operational recovery and future-proof Eskom for long-term growth and sustainability
- Our operational performance has improved markedly in FY2025, boosting financial performance and establishing a positive trajectory to prepare for competition. Driving the four pillars of the financial strategy has laid the foundation for long-term sustainability
- The increased agility brought about by unbundling will assist Eskom in attracting the funding required to deliver the future energy landscape and economic growth, thereby strengthening Eskom's investment case
- With NTCSA unbundled, focus shifts to Generation and Distribution, but legislative intervention will be required to support the transition. Distribution industry and market challenges must be addressed
- Facilitating a Just Energy Transition is a key strategic priority as we optimise the current coal fleet and accelerate clean energy to meet the country's socio-economic needs while addressing the energy trilemma
- Our strategy is designed to tackle today's pressing challenges while positioning Eskom as a resilient and competitive energy leader

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