

The logo for EOH, consisting of the letters 'EOH' in a bold, white, sans-serif font, set against a black rectangular background. The background of the entire page is a teal-to-purple gradient with a network of white lines and dots, and some abstract blue and green shapes.

EOH

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 July 2024

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Level of assurance

These consolidated and separate financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008 of South Africa.

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DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation and fair presentation of the financial statements of EOH Holdings Limited (EOH or the Company) and its subsidiaries (together the Group), comprising the consolidated and separate statements of financial position at 31 July 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated and separate financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 71 of 2008 of South Africa (the Companies Act).

In terms of the Companies Act, the Directors are required to prepare financial statements that fairly present the state of affairs and business of the Group and Company at the end of the financial year and of the profit for that year. The consolidated and separate financial statements for the year ended 31 July 2024 are prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board, Interpretations issued by the IFRS Interpretations Committee, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act and incorporate transparent and responsible disclosure together with appropriate accounting policies. These consolidated and separate financial statements were compiled under the supervision of Ashona Kooblall CA(SA), the Group Chief Financial Officer (CFO).

The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

These consolidated and separate financial statements have been audited in compliance with the requirements of the Companies Act. The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable Financial Reporting Framework.

The Directors assessed the ability of the Group and Company to continue as a going concern and believe that the Group and Company have adequate resources to continue in operation for the foreseeable future. Accordingly, these consolidated and separate financial statements have been prepared on a going concern basis.

The Directors of the Company are responsible for the controls over, and the security of the website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to shareholders and to the Companies and Intellectual Property Commission.



Marius de la Rey
Interim Group Chief Executive Officer

22 October 2024



Ashona Kooblall
Group Chief Financial Officer

22 October 2024

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER RESPONSIBILITY STATEMENT

Each of the Directors, whose names are stated below, hereby confirm that:

- (a) the annual financial statements set out on pages 1 to 100 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of the IFRS Accounting Standards
- (b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading
- (c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer
- (d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as Executive Directors with primary responsibility for implementation and execution of controls
- (e) where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies
- (f) we are not aware of any fraud involving Directors



Marius de la Rey
Interim Group Chief Executive Officer

22 October 2024



Ashona Kooblal
Group Chief Financial Officer

22 October 2024

REPORT OF THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, I certify that to the best of my knowledge and belief, that the Company has lodged with the Companies and Intellectual Property Commission all such returns and notices as are required of a public company in terms of the Companies Act, in respect of the financial year ended 31 July 2024 and that all such returns and notices are true, correct and up to date.



Mpeo Nkuna
Company Secretary

22 October 2024

DIRECTORS' APPROVAL OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The consolidated and separate financial statements have been compiled under the supervision of Ashona Kooblall CA(SA), the Group Chief Financial Officer.

The consolidated and separate financial statements were approved and authorised by the Board of Directors on 22 October 2024 and signed on its behalf by:



Jabu Moleketi
Chairman

22 October 2024



Marius de la Rey
Interim Group Chief Executive Officer

22 October 2024

AUDIT AND RISK COMMITTEE'S REPORT

For the year ended 31 July 2024

Committee composition

During the 2023 year-end Board and committee meetings in July 2023, the Remuneration and Nomination Committee revised the committee structures and recommended the following changes that affected the Audit Committee:

- consolidation of the Governance and Risk Committee and the Information and Technology Committee into the Audit Committee
- renaming the Audit Committee to Audit and Risk Committee (ARC)

The Board approved these changes, recognising the need to adapt to the evolving requirements of the Company while also achieving greater efficiencies and maintaining compliance with statutory requirements.

Mike Bosman resigned as a Non-executive Director and Chairperson of the ARC effective 22 November 2023, after which Nosipho Molohe was appointed as Chairperson of the ARC. Nosipho Molohe resigned as a Non-executive Director and Chairperson of the ARC effective 18 July 2024, after which Rhys Summerton was appointed as Chairperson of the ARC.

The ARC comprised the following Independent Non-executive Directors:

- Mike Bosman (Chairperson of the ARC) (resigned effective 22 November 2023)
- Nosipho Molohe (appointed Chairperson of the ARC effective 22 November 2023) (resigned effective 18 July 2024)
- Rhys Summerton (appointed with effect from 30 May 2024 and appointed as Chairperson of the ARC effective 18 July 2024)
- Andrew Marshall
- Jesmane Boggenpoel (resigned effective 10 May 2024)
- Veronica Motloutsi (appointed with effect from 30 May 2024)

The ARC is pleased to submit its report for the year ended 31 July 2024, which has been approved by the Board. This report has been prepared in compliance with section 94(7)(f) of the Companies Act and in accordance with the mandate given by the Board.

The Board is satisfied that the members of the ARC have the necessary skills and experience to enable the ARC to fulfil its duties.

The re-appointment of ARC members will be subject to approval by shareholders at the next annual general meeting (AGM) to be held on Wednesday, 27 November 2024. The biographies of the Directors who have made themselves available for re-election to the ARC can be viewed in the AGM notice.

Committee purpose

The main role of the ARC is to provide independent oversight of:

- the integrity of the annual financial statements and other external reports issued by the Company
- the effectiveness of the organisation's assurance services and functions, particularly focusing on combined assurance arrangements, the finance function and external assurance service providers

Terms of reference

The ARC terms of reference, which were approved by the Board in 2022, remained unchanged and are aligned with the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV™*).

Meetings

Six meetings of the ARC were held during the year under review.

The Chairman of the Board, the Group Chief Executive Officer, the Group Chief Financial Officer, the Company Secretary and other members of senior management, as required, attend ARC meetings by invitation but have no voting rights.

Similarly, external and internal auditors attend ARC meetings by invitation but have no voting rights.

The Chairperson of the ARC reports to the Board at all Board meetings on the activities and recommendations of the ARC.

The Chairperson of the ARC periodically met separately with the external auditor and the internal audit executive without members of executive management being present.

Independence of the external auditor

Following a review of the Group's external audit requirements, Moore Johannesburg Inc. was appointed as the external auditor to replace PricewaterhouseCoopers Inc. with effect from 23 July 2024. The change in auditors was initiated as part of the ongoing cost-optimisation initiatives and will result in a significant saving in audit costs going forward. The ARC confirms that it has assessed the suitability for appointment of the external auditor and the designated audit partner. The ARC has satisfied itself on the qualification and experience of the external auditor and is satisfied with the quality and level of the work performed by them.

Financial reporting

The ARC reviewed the Group's interim and annual consolidated financial statements, culminating in a recommendation to the Board to approve them. The review of the results included ensuring compliance with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards) and the acceptability of the Group's accounting policies. This includes the appropriate disclosures in the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and interpretations as issued by the IFRS Interpretations Committee (IFRIC), and comply with the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the JSE Listings Requirements and the requirements of the Companies Act. The ARC confirms that the Group has established appropriate financial reporting procedures and that these procedures are operating effectively.

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AUDIT AND RISK COMMITTEE'S REPORT continued

For the year ended 31 July 2024

Expertise and experience of Group Chief Financial Officer and finance function

The ARC reviewed the performance and expertise of Megan Pydigadu (serving as Group Chief Financial Officer until 31 October 2023), Marialet Greeff (serving as interim Group Chief Financial Officer from 1 November 2023 and Group Chief Financial Officer from February 2024 until 22 July 2024) and Ashona Kooblall (serving as Group Chief Financial Officer from 22 July 2024) and confirmed their suitability to hold office as Group Chief Financial Officer in terms of the JSE Listings Requirements. The ARC has also considered and has satisfied itself of the appropriateness of the expertise and experience of the finance function and adequacy of resources employed in this function.

Progress on 2024 focus areas

The committee's key focus areas for the 2024 financial year included:

Key focus area	Response
Compliance with regulatory requirements including JSE requirements, technical IFRS Accounting Standards and SARS requirements	The Group has obtained an unqualified audit opinion for the fifth consecutive year highlighting compliance commitment. Group tax exposures were reviewed as detailed on the Group tax risk register and assessments were carried out to ensure the continued appropriateness of the Group tax policies. The ARC has reviewed technical IFRS papers prepared.
Group liquidity and solvency	The financial performance, condition and cash flows for the Group reflect a loss for the year of R54 million compared to the prior year, which had a loss of R52 million, net asset value at the end of the period of R499 million (2023: R588 million), and cash outflows from operating activities of R14 million (2023: R90 million) (including continuing and discontinued operations). The Group's current assets exceeded its current liabilities by R196 million. The Group is solvent and is expected to remain solvent after considering the approved budget and expected performance.
Internal control environment and external audit reliance, together with continued focus on the combined assurance model	The new ERP system was fully implemented during March 2023, therefore being in place for the entire current year. Entity level controls exist at various levels of the organisation as reviewed at the end of each quarter. Internal audit continued to work closely with management to improve the internal control environment through the implementation of ongoing auditing processes. New external auditors were appointed during the current financial year.

External audit: Key audit matters

Impairment assessment of goodwill arising from business combinations

The Group had recognised a significant amount of goodwill from historical business combinations, which are tested at least annually for impairment. Details of the impairment assessment considerations and impairments recognised can be found in note 5 of the consolidated financial statements. The ARC is satisfied that management has assessed goodwill for impairment and recognised any impairments thereto per IAS 36 *Impairment of Assets* requirements and this is supported by the external auditor who noted no material exceptions in this regard.

Expected credit losses relating to loans advanced to Group companies (Company)

Loans to Group companies represent a substantial amount of the total assets of the Company. Details and amounts of the loans to Group companies can be found in notes 2 and 11 of the separate financial statements. Management individually assessed the loans to Group companies on a forward-looking basis for expected credit losses (ECLs) using the general approach under IFRS 9 *Financial*

Instruments. The ARC is satisfied that management has applied appropriate judgement in the determination of these impairment assessments and this is supported by the external auditor who noted no material exceptions in this regard.

Internal audit

During the 2024 financial year, the ARC relied on the well-established Internal Audit department to carry out the Group's internal audit function, supplemented by external expertise where appropriate. At the end of the financial year, the ARC assessed the Company's size and needs and decided to move away from an in-house Internal Audit department. Instead, the ARC will rely on various entity-level controls across the organisation. The ARC is confident that the organisation's internal controls and governance processes, including the revised delegation of authority and strong-point processes in the new ERP, will be sufficient. The Chief Audit Executive reported directly to the ARC Chairperson, in line with best practice. Summaries of the internal audit reports were reviewed and discussed at the ARC meetings and, where appropriate, recommendations were made to the Board.

AUDIT AND RISK COMMITTEE'S REPORT continued

For the year ended 31 July 2024

Focus areas for 2025

To ensure continuity and stability, the ARC will continue its oversight with specific focus on the following areas:

- internal control environment and external audit reliance
- the effectiveness of entity level controls across the various levels of the organisation
- compliance with regulatory requirements including JSE requirements, technical IFRS Accounting Standards and SARS requirements

JSE requirements for CFO/CEO responsibility over financial controls

The EOH Group CEO and CFO have, in compliance with the JSE Listings Requirements, made an undertaking on the adequacy and reliability of internal controls around the preparation of annual financial statements. This includes an undertaking by management that where deficiencies and weaknesses have been identified, these have been reported to the ARC. In compliance with this requirement, the ARC considered a detailed assessment of the entity level controls (ELCs) as well as a risk-and-control matrix (RACM) on the financial statements close processes (FSCPs). The primary objective of this assessment was to conduct a gap analysis review to identify shortcomings in the current process, as well as to enable the committee to:

- identify and define the critical internal controls and understand the impact of control failure on the organisation
- determine which existing evaluations are performed and who provides the assurance over the adequacy and effectiveness of these controls
- develop a standard consolidated report of the critical controls identified

This process was conducted with the participation of the first, second and third-line assurance providers.

The ARC has satisfied itself that there are adequate and effective entity-level controls relating to the risk assessment, control activities, information and communication and monitoring of the control environment. These pillars of controls are mainly predicated on the oversight and monitoring role played by the Board sub-committees,

the combined assurance model, as well as the control self-review through the management attestation process.

The ARC has satisfied itself that no deficiencies have a material effect for the purposes of the preparation and presentation of financial statements for the year under review. The ARC is also not aware of incidents of fraudulent activities that would render the financial statements unreliable.

The ARC looks forward to the continuous monitoring of the entity-level controls, which would provide assurance in support of the combined assurance model.

Discharge of responsibilities

The ARC is satisfied that it has conducted its affairs, discharged its legal and other responsibilities as outlined in its charter, the Companies Act and King IV. The Board concurred with this assessment.

Conclusion

The ARC has had due regard to the principles and recommended practices of King IV in carrying out its duties and is satisfied that it has discharged its responsibilities in accordance with its terms of reference.



Rhys Summerton

Chairperson, Audit and Risk Committee

22 October 2024

DIRECTORS' REPORT

The Directors present their report for the year ended 31 July 2024

Nature of business

EOH Holdings Limited (EOH or the Company) is a holding company domiciled in South Africa that is listed on the JSE Limited under the category Technology: Software and Computer Services. EOH is one of the largest information and communications technology (ICT) services providers in South Africa and is committed to providing the technology, knowledge, skills and organisational ability critical to the development and growth of the markets it serves.

The consolidated financial statements, as at 31 July 2024 and for the year then ended, comprise the Company and its subsidiaries (together referred to as the Group).

Financial statements and results

The Group's results and financial position are reflected on pages 16 to 22.

Stated capital

Authorised

Ordinary shares: 7 500 000 000 no par value shares (2023: 7 500 000 000).

EOH A shares: 40 000 000 no par value shares (2023: 40 000 000).

Issued

Ordinary shares: 638 083 421 no par value shares (2023: 638 083 421).

EOH A shares: 40 000 000 no par value shares (2023: 40 000 000).

Directors

The list of Directors for the financial year is as follows:

Directorate

Non-executive

Jabu Moleketi* (Chairman) (appointed as Chairman with effect from 30 May 2024)

Andrew Mthembu (Chairman) (appointed as Executive Chairman with effect from 1 April 2024) (resigned effective 30 May 2024)

Andrew Marshall

(resigned effective 30 May 2024)

Dennis Venter (appointed with effect from 30 May 2024)

Jesmane Boggenpoel (resigned effective 10 May 2024)

Mike Bosman (resigned effective 22 November 2023)

Nosipho Molohe (resigned effective 18 July 2024)

Rhys Summerton (appointed with effect from 30 May 2024)

Sipho Ngidi

(appointed with effect from 30 May 2024)

* Non-independent Non-executive Director.

Executive

Marius de la Rey (Interim Group Chief Executive Officer) (appointed with effect from 30 May 2024)

Ashona Kooblall (Group Chief Financial Officer) (appointed with effect from 22 July 2024)

Marialet Greeff (Group Chief Financial Officer) (appointed with effect from 1 November 2023; resigned effective 22 July 2024)

Stephen van Coller (Group Chief Executive Officer) (resigned effective 31 March 2024)

Megan Pydigadu (Group Chief Financial Officer) (resigned effective 31 October 2023)

Fatima Newman (Group Chief Risk Officer – until 31 July 2023); (Group Executive: EasyHQ – effective 1 August 2023)

Directors' interest in shares

The Directors' interest in shares is set out in note 33 of the consolidated financial statements.

Directors' emoluments

The emoluments of Directors and Prescribed Officers of the Group are set out in note 34 of the consolidated financial statements.

Related-party contracts

During the course of the year, no Director had a material interest in any contract of significance with the Company or any of its subsidiaries that could have given rise to a conflict of interest.

Transactions, defined as related-party transactions in terms of IFRS, between the Company or its subsidiaries, and the Directors or their associates are disclosed in note 36 of the consolidated financial statements.

Governance and internal controls

EOH is well into its journey to maturity, with the implementation of the Enterprise Resource Planning (ERP) system having taken place in the prior year, resulting in a single system now being utilised across the entire Group. There is a group of four international entities that are not on the same ERP, but whose results are synced to the ERP. EOH's combined assurance model has made significant progress in relation to EOH's preventative and detective controls in the current year.

Going concern

Based on the going concern assessment detailed in note 1.2 of the consolidated financial statements, the Board is of the view that the Group and the Company have adequate resources to continue in operation for the foreseeable future and accordingly, the consolidated and separate financial statements have been prepared on a going concern basis.

The Board is not aware of any new material changes that may adversely impact the Group. Further disclosure is provided in note 1.2 of the consolidated financial statements.

Litigation statement

The Group is involved in various litigious matters, most of which arise from the ordinary course of business. Each of these matters are at various stages in the litigious process, therefore, it is not possible to predict the outcome of any of these matters, nor what portion of any costs will be attributable to the Group, or whether all or any portion of such costs will be covered by insurance or will be recoverable from other sources. Notwithstanding the aforementioned, management has no reason to believe that the disposition of these matters will have a materially adverse effect on the financial position of the Group and Company. Further information is set out in note 31 of the consolidated financial statements.

DIRECTORS' REPORT continued

The Directors present their report for the year ended 31 July 2024

Subsidiaries

Details of the Company's investments in subsidiaries are set out in note 1 of the separate financial statements and the full list of Group operating entities is included in Annexure 1.

Discontinued operations and assets held for sale

The last remaining businesses identified as non-core were sold during the year. There are no disposal groups held for sale at 31 July 2024. There are also no discontinued operations for the year ended 31 July 2024. Details are reflected in note 12 and note 13 of the consolidated financial statements.

Dividends

The Board has not declared any dividends for the year ended 31 July 2024 (2023: Rnil).

Special resolutions

On 22 November 2023, shareholders approved the following special resolutions at the AGM:

- provision of financial assistance in terms of sections 44 and 45 of the Companies Act
- remuneration of the Non-executive Directors
- general authority to acquire shares

On 4 April 2024, shareholders approved the following special resolutions at the extraordinary general meeting:

- remuneration of the Non-executive Directors
- remuneration of the Non-executive Directors for attendance at additional meetings

Subsequent events

Details are reflected in note 38 of the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of EOH Holdings Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Our opinion

We have audited the consolidated and separate financial statements of EOH Holdings Limited (the Group and Company), set out on pages 18 to 85, which comprise the consolidated and separate statement of financial position, the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of EOH Holdings Limited as at 31 July 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa (Act 71 of 2008).

Final materiality

Key focus area	Consolidated financial statements	Separate financial statements
Overall Group materiality (R'000)	R66 000	R30 000
How we determined materiality	1.1% of consolidated revenue	2% of total assets
Rationale for the materiality benchmark applied	We chose consolidated revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users. Consolidated revenue is a key driver of the business and contributes to the overall performance. We chose 1.1% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that we would typically apply when using revenue as a benchmark in calculating materiality.	We selected total assets as the appropriate benchmark, as we believe the value of the Company is primarily driven by its asset base. Additionally, we consider this balance to be a key factor in the decision-making process of the shareholders. Based on our professional judgement and taking into account the typical range of quantitative materiality thresholds applied when using total assets as a benchmark, we determined a threshold of 2% to be appropriate for calculating materiality.

Basis for opinion

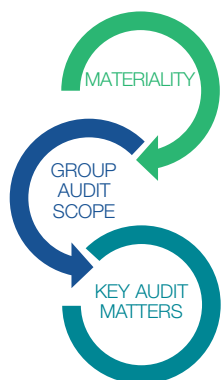
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the *Audit of Financial Statements of Public Interest Entities*, published in Government Gazette Number 49309 dated 15 September 2023 (EARRule), we report:

INDEPENDENT AUDITOR'S REPORT

continued

Overview of our audit approach



Overall group materiality

- Overall group materiality: R66 000 000, which represents 1.1% of consolidated revenue

Group audit scope

- We have performed full scope audits on 1 component;
- We have relied on instructions to component auditors of 17 components;
- Additionally, we performed an audit of one or more account balances in respect of 34 components

Key audit matters

- Impairment assessment of goodwill arising from business combinations (Group)
- Expected credit losses relating to loans advanced to group companies (Company)

As part of our audit approach, we determined materiality and evaluated the risks of material misstatement in both the consolidated and separate financial statements. We particularly focused on areas where the directors exercised subjective judgement, notably regarding significant accounting estimates that require assumptions about inherently uncertain future events. Additionally, we addressed the risk of management override of internal controls. This included assessing potential evidence of bias that could indicate a risk of material misstatement arising from fraud.

Tailoring our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated and separate financial statements, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

In establishing the overall audit approach for the Group audit, we identified the necessary procedures to be performed on the components by our audit team, as well as by component auditors from other audit firms working under our instruction. We have identified 1 component for which we conducted a full scope audit.

We identified 17 components for which we provided detailed Group instructions to the component auditors. The instructions outlined a comprehensive audit approach, and strategic planning meetings were

held with the component auditor teams prior to the commencement of their audits. Additionally, regular follow-up meetings were held to enhance communication between the Group audit team and the component audit teams.

In cases where the audit work was conducted by the component auditors, we determined the appropriate level of involvement necessary to ensure that sufficient appropriate audit evidence was obtained to support our opinion on the consolidated financial statements as a whole. We assessed the competence, knowledge and experience of the component auditors and evaluated the procedures performed on the significant audit areas to assess the adequacy thereof in pursuit of our audit opinion on the consolidated financial statements.

To obtain sufficient appropriate audit evidence, we conducted audit work on specific classes of transactions and account balances of the financial statements and specific procedures for Group reporting purposes on an additional 34 components.

INDEPENDENT AUDITOR'S REPORT continued

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter (Consolidated financial statements)	How our audit addressed the key audit matter
<p>Assessment of goodwill impairment and the related impairment of the investment in the subsidiaries</p> <p>Refer to the following notes to the consolidated financial statements for details:</p> <ul style="list-style-type: none"> • Note 1.3: Significant estimates and judgements. • Note 5: Goodwill. <p>Judgement applied regarding the impairment of goodwill:</p> <p>Due to the number of business combinations that the Group has historically entered into, the Group's net assets include a significant amount of goodwill at the reporting date. The goodwill relates to cash-generating units that are significant to the Group's Statement of Financial Position as a whole and subject to potentially sensitive assumptions that could result in an impairment of relevant cash-generating units.</p> <p>As required by IAS 36 <i>Impairment of Assets</i>, the directors conducted an annual impairment test on the goodwill balance to assess the recoverability of the carrying value of this goodwill. There is a potential risk that these businesses may not trade in line with expectations and forecasts, resulting in a potential impairment of the carrying amount of goodwill allocated to these businesses in each cash-generating unit.</p> <p>There are several key assumptions made in determining the inputs into the valuation model which include: future cash flow forecasts specifically for conflict markets where reliable economic data is not available, expense growth rates, operating margins, terminal value growth rates and discount rates (weighted average cost of capital).</p> <p>As a result of the significant judgements, the valuation of this goodwill is a key audit matter.</p>	<p>We focused our testing on the key assumptions made by management. Our audit procedures included, among others, using the work of an auditor's expert to:</p> <ul style="list-style-type: none"> • As part of our procedures for assessing goodwill, we engaged independent external experts to perform the valuation. We evaluated their conclusions to ensure consistency with financial reporting standards and the reasonableness of the valuation. • Critically evaluate whether the model used by management in calculating the value in use of the cash-generating units complied with IAS 36 <i>Impairment of Assets</i>. • Validate the assumptions used to calculate the discount rates and long-term growth rates. • Analyse the future projected cash flows, with respect to the capital expenditure, earnings before interest and tax (EBITDA) and working capital, used in the valuation model, to determine whether they are reasonable and supportable given the current economic climate and expected future performance of the cash-generating unit. • Compare the growth rates used to historical data regarding economic growth rates included in the relevant cash-generating units. • Test the inputs into the cash flow forecast against historical performance and in comparison to the directors' strategic plans in respect of each cash-generating unit. • Compare the projected cash flows, including the assumptions relating to revenue growth rates, operating margins and commodity prices against historical performance in order to test the accuracy of management's projections. • Assess the related disclosure requirements relating to the calculation around the impairment of goodwill in terms of IFRS.

INDEPENDENT AUDITOR'S REPORT continued

Key audit matter (Separate financial statements)	How our audit addressed the key audit matter
<p>Expected credit loss relating to loans advanced to group companies</p> <p>Refer to the following notes to the separate financial statements:</p> <ul style="list-style-type: none"> • Note 2: Loans to/(from) Group companies. • Note 11: Financial assets and financial liabilities, Credit risk. <p>Management individually assessed the loans to Group companies on a forward-looking basis for expected credit losses ("ECLs"), using the general approach under IFRS 9 <i>Financial Instruments</i>.</p> <p>Management evaluates the creditworthiness of these counterparties on an ongoing basis, taking into account their financial position, past experience, subordination agreements (preventing first claim on loans to Group companies in favour of all other creditors) including dividends expected to be received and other relevant factors that may indicate whether there is a significant increase in credit risk.</p> <p>The ECL assessment further takes into account several factors which includes determining the accessibility of cash for debt settlement, forecasted EBITDA, expected dividend and available liquid assets, which are considered in order of debt seniority. The counterparty's available resources for debt repayment was first applied towards their loan outstanding to EOH Treasury Proprietary Limited, then to non-subordinated debt and lastly to subordinated debt.</p> <p>Management calculated the ECLs, on the remaining loan balances, in line with IFRS 9, after considering the availability of the following resources in decreasing the outstanding loan amount:</p> <ul style="list-style-type: none"> • Cash; • The net present value of forecasted EBITDA projected over a substantial period subject to an estimated cash conversion rate; • Net receivables subject to a haircut; • The present value of expected dividends to be received from subsidiaries; and/or • Various 'solves' that may be in the form of equity injection or dividends in specie. <p>The impairment assessment of loans to Group companies is a matter of most significance to the current year audit of the separate financial statements due to the following:</p> <ul style="list-style-type: none"> • the significant judgements and estimation applied by management in their assumptions; and • the magnitude of the carrying values of loans to Group companies and impairment recognised. 	<p>We focused our testing on the key assumptions made by management. Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • As part of our procedures for assessing investments in subsidiaries, we engaged independent external experts to perform the valuation. We evaluated their conclusions to ensure consistency with financial reporting standards and the reasonableness of the valuation. <p>Obtained an understanding of the entity's ECL Model:</p> <ul style="list-style-type: none"> • Reviewed the entity's ECL model documentation to understand its key components, assumptions, and methodologies. • Evaluated the reasonableness of the model's inputs and outputs. • Assessed the model's alignment with IFRS 9. <p>Tested the Accuracy and Completeness of Data:</p> <ul style="list-style-type: none"> • Reviewed the data used in the ECL calculation for accuracy, completeness, and consistency. • Reconciled data used in the ECL model to other financial systems. • Tested the accuracy of historical loss data and forward-looking information. <p>Evaluated the Reasonableness of ECL Estimates:</p> <ul style="list-style-type: none"> • Compared the ECL estimate to previous periods and analyse trends. • Assessed the sensitivity of the ECL estimate to changes in key assumptions and parameters. • Evaluated the reasonableness of the ECL estimate in relation to the credit quality of the loan portfolio. <p>Intercompany Agreements:</p> <ul style="list-style-type: none"> • Reviewed intercompany loan agreements to understand terms and conditions, interest rates, collateral, and repayment terms. • Assessed the adequacy of collateral provided for intercompany loans. • Analysed the financial performance of Group companies to assess their creditworthiness. • Reviewed key financial ratios and trends. • Assessed the impact of economic conditions on Group companies' financial performance.

INDEPENDENT AUDITOR'S REPORT continued

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa (Act 71 of 2008), the Chief Executive Officer and Chief Financial Officer Responsibility Statement, the Report of the Company Secretary and the Audit Committee's Report which we obtained prior to the date of this report. Other information does not include the consolidated and separate financial statements or our auditors' reports thereon. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa (Act 71 of 2008), and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and/or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.
- Plan and perform the Group audit in accordance with ISA600R to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT continued

Auditor's responsibilities for the audit of the consolidated and separate financial statements continued

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them, all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless laws or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Moore Johannesburg Incorporated has been the auditor of EOH Holdings Limited (the Group and Company) since 23 July 2024.

Disclosure of fee-related matters

In terms of the EAR Rule published in Government Gazette Number 49309 dated 15 September 2023, we disclose the following fee-related matters:

Fee	Value ('000)
Audit fees paid or payable to the firm	R15 740
Audit fees paid or payable to network firms	-
Other fees paid or payable to firm and network firms	-

Moore Johannesburg Inc

Moore Johannesburg Inc.

Registered Auditors

Per: CA Jenkins

Director and Registered Auditor

50 Oxford Road, Parktown, Johannesburg, 2193

22 October 2024

The logo for EOH, consisting of the letters 'EOH' in a bold, white, sans-serif font, set against a black rectangular background. The background of the entire page is a dark teal color with a complex network of white lines and dots, and several overlapping, semi-transparent blue and purple geometric shapes.

EOH

Consolidated
Financial Statements
for the year ended 31 July 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2024

<i>Figures in Rand thousand</i>	Notes	2024	2023
Assets			
Non-current assets			
Property, plant, equipment and right-of-use assets	3	153 782	145 360
Intangible assets	4	78 966	93 571
Goodwill	5	570 178	668 924
Other financial assets	6	18 882	15 968
Deferred taxation	7	103 764	112 125
Finance lease receivables	8	906	1 226
		926 478	1 037 174
Current assets			
Inventories	9	70 730	73 727
Other financial assets	6	15 481	59 311
Current taxation receivable		36 639	42 381
Finance lease receivables	8	17 483	20 804
Trade and other receivables	10	1 672 230	1 959 103
Cash and cash equivalents	11	347 222	235 948
		2 159 785	2 391 274
Total assets		3 086 263	3 428 448
Equity and liabilities			
Equity			
Stated capital	15	4 774 521	4 774 521
Other reserves	16	31 140	111 578
Accumulated loss		(4 338 449)	(4 325 319)
Equity attributable to the owners of EOH Holdings Limited		467 212	560 780
Non-controlling interests		31 311	26 889
Total equity		498 523	587 669
Liabilities			
Non-current liabilities			
Other financial liabilities	17	587 043	2 489
Lease liabilities	18	32 401	33 324
Deferred taxation	7	4 430	25 095
		623 874	60 908
Current liabilities			
Other financial liabilities	17	373 368	836 006
Current taxation payable		28 816	27 006
Lease liabilities	18	48 686	34 099
Trade and other payables	19	1 479 897	1 698 995
Provisions	20	33 099	183 765
		1 963 866	2 779 871
Total liabilities		2 587 740	2 840 779
Total equity and liabilities		3 086 263	3 428 448

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 July 2024

<i>Figures in Rand thousand</i>	Notes	2024	2023
Continuing operations			
Revenue	21	6 035 174	6 229 322
Cost of sales		(4 385 562)	(4 482 844)
Gross profit		1 649 612	1 746 478
Net financial asset impairment losses	22	(37 467)	(79 017)
Operating expenses		(1 499 963)	(1 532 486)
Operating profit	23	112 182	134 975
Investment income	24	14 529	10 552
Finance costs	25	(132 427)	(174 327)
Loss before taxation		(5 716)	(28 800)
Taxation	26	(48 536)	(52 194)
Loss for the year from continuing operations		(54 252)	(80 994)
Profit for the year from discontinued operations	13	–	28 968
Loss for the year		(54 252)	(52 026)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations [^]		(25 774)	(25 511)
Reclassification of foreign currency translation differences on loss of control [^]		2 896	–
Total comprehensive loss for the year		(77 130)	(77 537)
(Loss)/profit attributable to:			
Owners of EOH Holdings Limited		(65 920)	(57 576)
Non-controlling interests		11 668	5 550
		(54 252)	(52 026)
Total comprehensive (loss)/profit attributable to:			
Owners of EOH Holdings Limited		(82 581)	(78 066)
Non-controlling interests		5 451	529
		(77 130)	(77 537)
From continuing and discontinued operations (cents)			
Loss per share	27	(10)	(13)
Diluted loss per share	27	(10)	(13)
From continuing operations (cents)			
Loss per share	27	(10)	(20)
Diluted loss per share	27	(10)	(20)

[^] These components of other comprehensive income do not attract any tax.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 July 2024

<i>Figures in Rand thousand</i>	Stated capital	Shares to be issued to vendors	Other reserves	Accumulated loss	Equity attributable to the owners of EOH Holdings Limited	Non-controlling interests	Total equity
Balance at 1 August 2022	4 217 285	393	494 754	(4 678 738)	33 694	26 360	60 054
(Loss)/profit for the year	-	-	-	(57 576)	(57 576)	5 550	(52 026)
Other comprehensive loss	-	-	(20 490)	-	(20 490)	(5 021)	(25 511)
Share issue – rights to qualifying shareholders	500 000	-	-	-	500 000	-	500 000
Transaction costs related to the issue of shares	(42 764)	-	-	-	(42 764)	-	(42 764)
Share issue – specific issue to Lebashe	100 000	-	-	-	100 000	-	100 000
Transfer within equity*	-	(393)	(410 602)	410 995	-	-	-
Share-based payments	-	-	50 145	-	50 145	-	50 145
Share-based payments paid out during the year	-	-	(2 229)	-	(2 229)	-	(2 229)
Balance at 31 July 2023	4 774 521	-	111 578	(4 325 319)	560 780	26 889	587 669
(Loss)/profit for the year	-	-	-	(65 920)	(65 920)	11 668	(54 252)
Other comprehensive loss	-	-	(19 557)	-	(19 557)	(6 217)	(25 774)
Reclassification of foreign currency translation differences on loss of control	-	-	2 896	-	2 896	-	2 896
Non-controlling interest disposed	-	-	-	-	-	(1 029)	(1 029)
Transfer within equity*	-	-	(52 790)	52 790	-	-	-
Share-based payments	-	-	4 905	-	4 905	-	4 905
Share-based payments paid out during the year	-	-	(15 892)	-	(15 892)	-	(15 892)
Balance at 31 July 2024	4 774 521	-	31 140	(4 338 449)	467 212	31 311	498 523
Notes	15		16				

* Transfers within equity are transfers from the share-based payments reserve for expired, unexercised options.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 July 2024

<i>Figures in Rand thousand</i>	Notes	2024	2023
Cash generated from operations	29	170 567	108 468
Investment income received		11 615	10 429
Interest paid		(130 967)	(137 538)
Taxation paid	30	(64 909)	(71 243)
Net cash outflow from operating activities		(13 694)	(89 884)
Cash flows from investing activities			
Additions to property, plant and equipment		(47 929)	(49 669)
Proceeds on the sale of property, plant, equipment and intangible assets		9 711	9 425
Intangible assets acquired		(25 460)	(42 751)
Cash receipt from disposal of businesses, net of cash given up	14	84 688	135 354
Cash outflow relating to other financial assets	6	(11 817)	–
Increase in restricted cash		(110 569)	(717 155)
Decrease in restricted cash		146 364	679 748
Net cash inflow from investing activities		44 988	14 952
Cash flows from financing activities			
Proceeds from the issue of shares	15	–	600 000
Transaction costs incurred on the issue of shares	15	–	(42 764)
Proceeds from other financial liabilities	17	–	14 464
Repayment of other financial liabilities	17	(41 061)	(678 580)
Principal elements of lease payments		(38 330)	(60 476)
Net cash outflow from financing activities		(79 391)	(167 356)
Net decrease in cash and cash equivalents		(48 097)	(242 288)
Cash and cash equivalents at the beginning of the year	11	204 080	410 955
Assets held for sale at the beginning of the year		–	47 412
Assets held for sale at the end of the year		–	–
Exchange losses on cash and cash equivalents		(1 346)	(11 999)
Cash and cash equivalents at the end of the year	11	154 637	204 080

CONSOLIDATED SEGMENT RESULTS

For the year ended 31 July 2024

Over the past two years, the Group has dedicated substantial effort to optimising and aligning its suite of products and services, as well as refining its market approach. With the completion of the asset sale process aimed at reducing legacy debt, EOH now boasts a stable portfolio of offerings. The Group's market strategy is structured around five key product pillars: Digital, Infrastructure Services, Connected Industrial Ecosystems, Digital Business Solutions and International. The Group Executive Committee, serving as the Chief Operating Decision-maker (CODM), has been organised along these pillars, enhancing efficiency and accountability within our reporting structures.

Digital Enablement is central to the Fourth Industrial Revolution (4IR) and our clients' digitisation journeys, encompassing application development, AI and automation, data analytics, and cloud solutions. This pillar also includes our RocketLab ventures and Outsourced Knowledge Services, where we develop and scale innovative proprietary applications.

Infrastructure Services encompass our Manage-and-Operate or Infrastructure-as-a-Service offerings, which include data centre and workspace services, as well as network, connectivity, and security solutions. The enterprise applications and software reseller businesses have been integrated into the newly established Digital Business Solutions.

Connected Industrial Ecosystems focus on delivering operational and industrial technology solutions to clients in both industrial and commercial sectors. Our offerings include operational software, process automation, critical connectivity, and managed services, all designed to support essential infrastructure and systems. This pillar is further enhanced by power infrastructure management, energy information systems, and energy management systems, all connected through critical wireless communications infrastructure tailored for heavy industries, utilities, and energy-intensive users.

The International division, operating outside of sub-Saharan Africa, offers digital enablement solutions for new markets, broadening access to talent pools and attracting new clients in Europe and the Middle East.

The CODM does not receive secondary geographic information, and as such, this data is not included in the segment results. Additionally, liabilities and assets are not routinely provided to the CODM and are therefore not disclosed in the segment results. The CODM reviews revenue, gross profit, and adjusted EBITDA as key profit measures.

Adjusted EBITDA is defined as operating profit or loss before accounting for depreciation, amortisation, share-based payments, gains or losses on the disposal of subsidiaries, impairments of non-financial assets, losses on asset disposals, interest income, interest expenses, corporate overheads and current and deferred tax.

CONSOLIDATED SEGMENT RESULTS continued

For the year ended 31 July 2024

Revenue, gross profit and adjusted EBITDA

Figures in Rand thousand	2024								
	iOCO SA – Digital	iOCO SA – Infrastructure Services	iOCO SA – Connected Industrial Ecosystems	iOCO SA – Digital Business Solutions	EasyHQ	iOCO International	NEXTEC Legacy	Reconciliation [^]	Total
External revenue	1 652 421	1 008 223	902 571	765 569	811 313	633 166	261 911	–	6 035 174
Hardware sales	13 875	277 813	226 329	72 810	–	1 413	31 488	–	623 728
Services	1 512 361	721 414	458 868	394 422	803 198	541 497	224 073	–	4 655 833
Software/licence contracts	126 185	8 996	217 374	298 337	8 115	90 256	–	–	749 263
Rentals	–	–	–	–	–	–	6 350	–	6 350
Intersegment revenue	150 155	173 327	3 643	70 977	94 437	27 711	1 221	(521 471)	–
Hardware sales	309	17 892	1 663	49 240	–	–	34	(69 138)	–
Services	116 802	151 546	1 923	16 371	94 437	27 711	1 187	(409 977)	–
Software/licence contracts	33 044	3 889	57	5 366	–	–	–	(42 356)	–
Rentals	–	–	–	–	–	–	–	–	–
Gross revenue	1 802 576	1 181 550	906 214	836 546	905 750	660 877	263 132	(521 471)	6 035 174
Cost of sales	(1 247 825)	(874 645)	(647 558)	(573 611)	(591 064)	(443 629)	(269 041)	261 811	(4 385 562)
Gross profit	554 751	306 905	258 656	262 935	314 686	217 248	(5 909)	(259 660)	1 649 612
Gross profit (%)	30.8%	26.0%	28.5%	31.4%	34.7%	32.9%	(2.2)%	–	27.3%

Figures in Rand thousand	Restated* 2023								
	iOCO SA – Digital	iOCO SA – Infrastructure Services	iOCO SA – Connected Industrial Ecosystems	iOCO SA – Digital Business Solutions	EasyHQ	iOCO International	NEXTEC Legacy	Reconciliation [^]	Total
External revenue	1 525 595	1 007 906	1 016 144	885 148	851 736	513 732	457 917	–	6 258 178
Hardware sales	138 281	282 069	129 852	11 468	–	1 467	58 616	–	621 753
Services	1 292 103	700 856	462 603	562 179	846 249	460 239	380 775	–	4 705 004
Software/licence contracts	94 058	19 776	423 689	311 501	5 487	52 026	5 823	–	912 360
Rentals	1 153	5 205	–	–	–	–	12 703	–	19 061
Intersegment revenue	233 806	121 991	45 305	61 796	54 329	5 993	1 429	(524 649)	–
Hardware sales	1 221	49 305	10 561	5 412	–	–	201	(66 700)	–
Services	204 507	65 112	34 744	51 370	54 326	5 993	1 138	(417 190)	–
Software/licence contracts	28 078	6 831	–	5 014	3	–	–	(39 926)	–
Rentals	–	743	–	–	–	–	90	(833)	–
Gross revenue	1 759 401	1 129 897	1 061 449	946 944	906 065	519 725	459 346	(524 649)	6 258 178
Cost of sales	(1 171 497)	(832 943)	(684 931)	(657 868)	(593 670)	(330 516)	(388 822)	148 584	(4 511 663)
Gross profit	587 904	296 954	376 518	289 076	312 395	189 209	70 524	(376 065)	1 746 515
Gross profit (%)	33.4%	26.3%	35.5%	30.5%	34.5%	36.4%	15.4%	–	27.9%

* Comparative figures previously reported have been restated to reflect changes to reportable segments as a result of changes to the Group's internal organisational structure for the year ended 31 July 2024.

[^] Reconciliation comprises elimination of intersegment changes.

The above table comprises both continuing and discontinued operations.

CONSOLIDATED SEGMENT RESULTS continued

For the year ended 31 July 2024

Revenue, gross profit and adjusted EBITDA continued

Figures in Rand thousand	2024								
	iOCO SA – Digital	iOCO SA – Infrastructure Services	iOCO SA – Connected Industrial Ecosystems	iOCO SA – Digital Business Solutions	EasyHQ	iOCO International	NEXTEC Legacy	Reconciliation [^]	Total
Adjusted EBITDA	117 797	70 629	100 236	82 164	83 239	72 136	(53 089)	(165 980)	307 132
Adjusted EBITDA (%)	6.5%	6.0%	11.1%	9.8%	9.2%	10.9%	(20.2)%	–	5.1%
Material expenses included in adjusted EBITDA:									
Employee costs	893 692	558 564	291 846	312 328	519 967	153 812	116 268	214 560	3 061 037

Figures in Rand thousand	Restated* 2023								
	iOCO SA – Digital	iOCO SA – Infrastructure Services	iOCO SA – Connected Industrial Ecosystems	iOCO SA – Digital Business Solutions	EasyHQ	iOCO International	NEXTEC Legacy	Reconciliation [^]	Total
Adjusted EBITDA	97 890	68 733	116 890	88 712	140 589	61 328	19 055	(281 578)	311 619
Adjusted EBITDA (%)	5.6%	6.1%	11.0%	9.4%	15.5%	11.8%	4.1%	–	5.0%
Material expenses included in adjusted EBITDA:									
Employee costs	859 527	534 723	292 479	415 306	521 830	170 663	189 455	193 826	3 177 809

* Comparative figures previously reported have been restated to reflect the changes to reportable segments as a result of the changes to the Group's internal organisational structure for the year ended 31 July 2024.

[^] Reconciliation comprises elimination of intersegment transactions and includes head office expenses.

The above table comprises both continuing and discontinued operations.

Adjusted EBITDA reconciliation

Figures in Rand thousand	Note	2024	2023
Operating profit		112 182	163 915
Operating profit from continuing operations		112 182	134 975
Operating profit from discontinued operations	13	–	28 940
Depreciation		79 983	100 672
Amortisation		26 415	27 006
IAS 36 reversal of impairment of intangible assets and property, plant and equipment		(1 397)	–
IAS 36 impairment of goodwill		23 697	16 008
IFRS 5 remeasurement to fair value less costs to sell		–	1 684
Loss on disposal of intangible assets and property, plant and equipment		2 273	463
Share-based payment expense		23 837	54 997
Loss/(profit) on disposal of subsidiaries		40 142	(53 126)
Adjusted EBITDA		307 132	311 619

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2024

1 SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

EOH Holdings Limited (EOH or the Company) is a holding company domiciled in South Africa that is listed on the JSE Limited under the category Technology: Software and Computer Services. EOH is one of the largest information and communications technology (ICT) services providers in South Africa and is committed to providing the technology, knowledge, skills and organisational ability critical to the development and growth of the markets it serves. The consolidated financial statements of EOH for the year ended 31 July 2024 comprise the Company and its subsidiaries (together referred to as the Group).

1.1 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB) and interpretations as issued by the IFRS Interpretations Committee (IFRIC), and comply with the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the JSE Listings Requirements and the requirements of the Companies Act.

1.2 Basis of preparation

The consolidated and separate financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value through profit or loss at the end of each reporting period as explained in the accounting policies below.

The consolidated and separate financial statements are presented in South African Rand, which is the Group's presentation currency, rounded to the nearest thousand, except for when otherwise indicated. The going concern basis has been used in preparing the consolidated and separate financial statements as the Directors have a reasonable expectation that the Group and Company will continue as a going concern for the foreseeable future.

Going concern

The IFRS Conceptual Framework states that the going concern concept is an underlying assumption in the preparation of financial statements. Therefore, the financial statements presume that an entity will continue in operation in the foreseeable future or, if that presumption is not valid, disclosure and a different basis of reporting are required. The Board of Directors (Board) believes that, as of the date of this report, the going concern presumption is still appropriate and accordingly the consolidated and separate financial statements of the Group and Company have been prepared on the going concern basis of accounting.

IAS 1 *Preparation of Financial Statements* (IAS 1) requires management to perform an assessment of the Group's ability to continue as a going concern. If management is aware of material uncertainties related to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern, IAS 1 requires these uncertainties to be disclosed.

In conducting this assessment, the Board has taken into consideration the following factors:

The financial performance, condition and cash flows for the Group reflect a loss for the year of R54 million compared to the prior year, which had a loss of R52 million, net asset value at the end of the period of R499 million (2023: R588 million), and cash outflows from operating activities of R14 million (2023: R90 million), (including continuing and discontinued operations). Details of the financial performance, condition and cash flows for the Group are explained in the consolidated and separate financial statements. A detailed action plan for deleveraging the Group to a sustainable level and resolving the 'fit-for-purpose' cost structure was developed by the Group and its lenders and committed to. Since its announcement in October 2019, and subsequent revisions, the plan has been largely executed. Non-core businesses identified to be sold, have been successfully disposed of and proceeds received from these disposals have been repaid to lenders as part of the Group's deleveraging strategy and commitment. Further to this, the rights issue and the specific issue was successfully implemented during the prior financial year, through which R600 million was raised. R555 million of capital outstanding to the lenders was repaid.

Proceeds from the sale of businesses during the period have reduced the amount owed to lenders by R41 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

1 SIGNIFICANT ACCOUNTING POLICIES continued

1.2 Basis of preparation continued

Going concern continued

As at year end, the Group had R349 million of cash available, including foreign and restricted cash but excluding the undrawn portion of the direct overdraft facility of R87 million, which was available at reporting date and remains at EOH's disposal. The Group expects to be in a positive free cash flow position in the forthcoming financial year.

The Directors' assessment of whether the Group is a going concern was considered and the Directors concluded that:

1. The Group is solvent and is expected to remain solvent after considering the approved budget and expected performance.
2. Net asset value as at 31 July 2024 is R499 million.
3. The Group's current assets exceeded its current liabilities by R196 million.
4. There is an approved budget for the following 36 months.
5. There are monthly cash flow forecasts for the following 12 months to 31 July 2025 and annual forecasts for the 24 months to 31 July 2026, which were interrogated and adjusted for anomalies for each of the periods under review together with a detailed review of one-off cash payments.
6. The Group has sufficient access to facilities and liquidity events to fund operations for the following 12 months based on the following assumptions:
 - improved operational performance
 - the Group's assets are appropriately insured
 - there is currently no outstanding litigation that the Directors believe has not been adequately provided for, that could pressurise the Group's ability to meet its obligations

At the time of approval of these consolidated and separate financial statements for the year ended 31 July 2024, the Board has a reasonable expectation that the Group has sufficient resources to continue in operation for the foreseeable future, which is not less than 12 months from the date of approval of these consolidated and separate financial statements.

The Board remains focused on and committed to the turnaround strategy and improving the capital structure.

The Board, after considering the renegotiated funding terms and mitigating actions described above, has concluded that the Group should be able to discharge its liabilities as they fall due in the normal course of business and is therefore of the opinion that the going concern assumption is appropriate in the preparation of the consolidated and separate financial statements.

Accounting policies

The accounting policies applied in the consolidated and separate financial statements are consistent with those applied in the previous years. Where applicable, the principal accounting policies applied in the separate financial statements are consistent with those applied in the consolidated financial statements.

A number of new standards and interpretations are effective for the annual reporting period commencing 1 August 2023, with no material effect on the consolidated and separate financial statements.

Refer to note 2.1 for more information regarding the new standards, amendments to standards and interpretations adopted by the Group.

The significant accounting policies are set out in the following pages.

1.3 Significant accounting judgements and sources of estimation uncertainty

In preparing the consolidated and separate financial statements, management is required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts presented in the consolidated and separate financial statements and related disclosures. Use of available information, historical experience and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated and separate financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

Where relevant, the Group has provided sensitivity analyses demonstrating the impact of changes in key estimates and assumptions on reported results.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

1 SIGNIFICANT ACCOUNTING POLICIES continued

1.3 Significant accounting judgements and sources of estimation uncertainty continued

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated and separate financial statements:

Judgement relates to:		Notes
Deferred taxation assets	Judgement around future financial performance	1.5, 7 and 26
Revenue	Judgement in principal versus agent considerations	1.5
Revenue	Judgement in recognition of revenue at a point in time or over time	1.5 and 21
Going concern	Judgement on the Group's ability to continue as a going concern	1.2, 37 and 38

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Estimates relate to:		Notes
Impairment of intangible assets and goodwill	Estimates in determining the recoverable amount of the asset or cash-generating unit	4 and 5
Impairment of investment in subsidiaries	Estimates in determining the recoverable amount of the investment in subsidiaries (separate financial statements)	1
Provisions	Estimates in determining the amount and timing of the provisions	20
Revenue	Estimation of measuring progress towards satisfaction of performance obligations based on cost incurred, inputs versus milestones	21
Tax liability	Estimation in determining taxation liability	26
Impairment of trade receivables and contract assets	Estimates in calculating the expected credit loss allowances on trade receivables and contract assets	37
Impairment of loans to Group companies and financial guarantee liabilities	Estimates in calculating the expected credit loss allowances on loans to Group companies and financial guarantee liabilities (separate financial statements)	12

1.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal. Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

The Group considers that it controls an entity if the Group has:

- power or existing rights over the entity or investee that give it the ability to direct relevant activities
- exposure or rights to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect its returns

Intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein and are recognised in equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest, even if this results in a debit balance being recognised for the non-controlling interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

1 SIGNIFICANT ACCOUNTING POLICIES continued

1.5 Summary of significant accounting policies

Translation of foreign currencies

The consolidated and separate financial statements are presented in South African Rand, which is the Group's presentation currency.

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

(b) Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in the entity's functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate financial statements are recognised in profit or loss in the period in which they arise.

(c) Foreign operations

The results and financial position of a foreign operation that has a functional currency different from the Group's presentation currency is translated into the presentation currency using the following procedures:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.
- Income and expenses for each item of profit or loss and other comprehensive income are translated at the average exchange rates for the period of the transactions.
- All resulting exchange differences are recognised in other comprehensive income and accumulated in equity, within other reserves.

Any goodwill recognised on foreign operations and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation and translated at the spot rate at the statement of financial position date.

Non-current assets (or disposal groups) held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell; except for assets such as deferred tax assets, assets arising from employee benefits, financial assets that are carried at fair value and inventory which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held-for-sale classification are regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management, being a sub-committee of the Board to deal with asset disposals, strategic acquisitions and the restructuring of the Group must be committed to the plan to sell the asset and the sale must be expected to be completed within one year from the date of the classification. This committee is the Investment sub-committee and takes its instruction from the Group Executive Committee.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Associates and joint ventures are no longer equity-accounted once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

1 SIGNIFICANT ACCOUNTING POLICIES continued

1.5 Summary of significant accounting policies continued

Non-current assets (or disposal groups) held for sale and discontinued operations continued

If an asset (or disposal group) previously classified as held for sale no longer meets the required criteria, the Group ceases to classify the asset (or disposal group) as held for sale. The Group subsequently measures the asset (or disposal group) at the lower of its carrying amount before classification as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale and its recoverable amount at the time the change in the plan to sell is made.

A disposal group qualifies as a discontinued operation if it is a component of the Group that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss from discontinued operations in the statement of profit or loss. The prior period is also re-presented for all operations that have been discontinued by the end of the reporting period.

Additional disclosures are provided in notes 12 and 13. All other notes to the consolidated and separate financial statements include amounts for continuing operations, unless indicated otherwise.

Property, plant, equipment and right-of-use assets

Property, plant and equipment are initially measured at cost and subsequently at cost less accumulated depreciation and any impairment. Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value from the date that these assets are ready for use.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	50 years
Right-of-use buildings	3 to 15 years
Furniture and fixtures	10 years
Motor vehicles	5 years
Office equipment	3 to 6 years
IT equipment	2 to 5 years
Leasehold improvements	3 to 15 years
Other equipment	3 to 10 years

Land is not depreciated.

The Group has presented right-of-use assets within property, plant and equipment. Right-of-use assets are initially measured at cost. The cost consists of the initial lease liability value, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received. The right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The right-of-use assets are depreciated over the shorter of the assets' useful lives and the lease term, which is generally over a period of three to 15 years, on a straight-line basis.

An item of property, plant and equipment is derecognised upon disposal (at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual value and useful life of each asset is reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

1 SIGNIFICANT ACCOUNTING POLICIES continued

1.5 Summary of significant accounting policies continued

Goodwill and intangible assets

(a) Goodwill

Goodwill is measured as described in note 5. Goodwill is not amortised but tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which businesses are managed and monitored by common cluster heads and Financial Directors/Financial Managers.

(b) Intellectual property, customer relationships, and contracts purchased

Separately acquired intellectual property is measured at historical cost. Intellectual property, customer relationships, and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have finite useful lives and are subsequently carried at cost less accumulated amortisation and impairment losses.

(c) Internally generated software

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as an intangible asset when the following criteria are met:

- ▶ it is technically feasible to complete the asset so that it will be available for use or sale
- ▶ there is an intention to complete and use or sell it
- ▶ there is an ability to use or sell it
- ▶ it will generate probable future economic benefits
- ▶ there are available technical, financial and other resources to complete the development and to use or sell the asset
- ▶ the expenditure attributable to the asset during its development can be measured reliably

Capitalised development costs are recorded as intangible assets and are amortised from the point at which the asset is ready for use.

Research expenditure and development expenditure that do not meet the above criteria are recognised as an expense as incurred.

(d) Acquired computer software and other intangible assets

Acquired computer software and other intangible assets are measured at historical cost. They have finite useful lives and are subsequently carried at cost less accumulated amortisation and impairment losses.

(e) Amortisation methods and periods

The amortisation period for intangible assets is reviewed on an annual basis and adjustments, where applicable, are accounted for as a change in accounting estimate. Amortisation, charged to profit or loss, is provided to write-down the intangible asset, on a straight-line basis, over the finite useful life of the asset, as follows:

Item	Average useful life
Contracts purchased	2 to 5 years
Customer relationships	2 to 15 years
Intellectual property	2 to 10 years
Internally generated software	3 to 15 years
Other intangible assets	2 to 13 years
Computer software	2 to 3 years

(f) Derecognition

An intangible asset is derecognised upon disposal (ie at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

1 SIGNIFICANT ACCOUNTING POLICIES continued

1.5 Summary of significant accounting policies continued

Impairment of non-financial assets

Goodwill and intangible assets not subject to amortisation are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Financial instruments

(1) Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement category:

Those to be measured at amortised cost: ie trade receivables, other loans and receivables, loans to Group companies, restricted cash, and cash and cash equivalents.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. For a financial asset to be classified and measured at amortised cost the Group's business model for it needs to be managing the financial asset to collect contractual cash flows.

(b) Measurement

At initial recognition, which is on trade date, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method, less expected credit losses (ECLs). ECLs are presented as a separate line item in the statement of profit or loss as net financial asset impairment losses. Investment income determined using the effective interest method is recognised in the statement of profit or loss.

(c) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(d) Impairment

The Group assesses, on a forward-looking basis, the ECLs associated with its debt instruments carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises a loss allowance for ECLs on loans, finance lease receivables, cash and cash equivalents, and other financial assets using the general approach. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition. The Group considers there to have been a significant increase in credit risk when contractual payments are more than 30 days past due. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

1 SIGNIFICANT ACCOUNTING POLICIES continued

1.5 Summary of significant accounting policies continued

Financial instruments continued

(1) Financial assets continued

(d) Impairment continued

For trade receivables and contracts assets, the Group applies the simplified approach permitted by IFRS 9 *Financial Instruments* (IFRS 9), which requires expected lifetime credit losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Refer to note 37 for further details on the methodology applied by the Group.

(2) Financial liabilities

(a) Measurement

At initial recognition, the Group measures a financial liability at its fair value plus, in the case of a financial liability not at fair value through profit or loss (FVTPL), directly attributable transaction costs. Transaction costs of financial liabilities carried at FVTPL are expensed in profit or loss.

The Group's financial liabilities include trade and other payables, and loans and borrowings including bank overdrafts.

These are subsequently measured at amortised cost, using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(b) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. This difference between the carrying value of the derecognised liability and the fair value of the new liability at initial recognition is recognised in the statement of profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are subsequently measured at amortised cost. Bank overdrafts are shown within other financial liabilities in the statement of financial position.

For the purpose of the consolidated and separate statement of cash flows, cash and cash equivalents are net of outstanding bank overdrafts as they are repayable on demand, considered an integral part of the Group's cash management and have fluctuating balances.

Restricted cash

Restricted cash comprises bank balances that are ring-fenced and are not highly liquid. These balances are not included in cash and cash equivalents and are measured at amortised cost.

Taxation

(a) Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income or equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively
- a business combination

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

1 SIGNIFICANT ACCOUNTING POLICIES continued

1.5 Summary of significant accounting policies continued

Taxation continued

(b) Tax assets and liabilities

Tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

(c) Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences unless the deferred tax liability arises from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction which:

- is not a business combination
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss)

Deferred tax liabilities are not recognised in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised in respect of deductible temporary differences associated with investments in subsidiaries, only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are adjusted if recovery is no longer probable.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Leases

(a) Group as lessor

The Group, as lessor, leases assets to customers. The accounting treatment depends on whether the leases are classified as operating or finance leases. Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases.

Finance leases: The Group recognises a finance lease receivable in the statement of financial position at an amount equal to the net investment in the lease. Finance lease income is recognised in the statement of profit or loss based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the finance lease. The Group applies the derecognition and impairment requirements applicable to financial assets to the net investment in the lease.

Operating leases: Operating lease income is recognised as rental income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. The respective leased assets are included in the statement of financial position based on their nature.

(b) Group as lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease contracts contain both lease and non-lease components. The Group has not elected the practical expedient to account for non-lease components as part of its lease liabilities and right-of-use assets. Accordingly, non-lease components are recognised as an expense in operating expenses as they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

1 SIGNIFICANT ACCOUNTING POLICIES continued

1.5 Summary of significant accounting policies continued

Leases continued

(b) *Group as lessee continued*

The Group recognises right-of-use assets and lease liabilities at the lease commencement date for most leases. However, the Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and for short-term leases. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit or loss. Short-term leases have a lease term of 12 months or less and no purchase option. Low-value assets comprise leases such as IT equipment (tablets and personal computers), office furniture or telephones.

Extension and termination options are included in a number of leases across the Group. In determining the lease term, all facts and circumstances are considered when assessing whether such options will be exercised. Extension options and periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

Assets and liabilities arising from leases are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments).

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes adjustments, where necessary, to reflect changes in financing conditions and those specific to the lease, eg term and security.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. Interest costs are charged to the statement of profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to extend the lease term.

The right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

The Group presents right-of-use assets together with property, plant and equipment in the statement of financial position. Lease liabilities are shown separately in the statement of financial position.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out formula or weighted average cost method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to its present location and condition.

Stated capital

Shares in the Company held by its subsidiaries or re-acquired by the Group, are classified in the Group's shareholders' interest as treasury shares. The consideration paid, including any directly attributable incremental costs (net of income taxes) on those treasury shares, is deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any distributions received on the treasury shares are eliminated on consolidation. Consideration paid or received is recognised directly in equity.

Share-based payments

Employee share plans

The Group has three equity-settled share schemes: The EOH Share Trust, The Mthombo Trust and The EOH Share Ownership Plan under which share-based compensation benefits are provided to employees through issue of share options or shares. Information relating to these schemes is set out in note 35.

The fair value of the share options granted is measured at the grant date using the binomial model and recognised as an employee benefit expense with a corresponding increase in equity over the vesting period. The total amount to be expensed is determined by reference to the fair value of the options granted on the grant date using the binomial model. The share options/shares are only conditional on employees remaining in service and have no other performance conditions attached. The impact of any service conditions is excluded in determining the fair value of the options.

At each reporting date, the Group revises its estimates of the number of share options/shares that are expected to vest based on the service conditions. The Group recognises the impact of the revision to original estimates in profit or loss with a corresponding adjustment to equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

1 SIGNIFICANT ACCOUNTING POLICIES continued

1.5 Summary of significant accounting policies continued

Share-based payments continued

Employee share plans continued

Amounts are transferred to retained earnings in so far as they relate to expired shares under these employee share plans.

The Group also has a cash-settled share scheme for which a liability is recognised in respect of the fair value thereof. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised as an expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using certain assumptions, further details of which are given in note 35. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

Employee benefits

(a) *Short-term obligations*

Liabilities for wages and salaries, compensated absences as well as profit sharing and bonus payments are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service and are recognised as current liabilities in the statement of financial position. The liabilities are recognised in the period in which the service is rendered and are measured at the amounts expected to be paid when the liabilities are settled (ie they are not discounted).

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

(b) *Post-employment obligations*

The Group pays contributions to a privately administered defined contribution retirement benefit plan on behalf of employees. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense as they fall due.

Revenue

Revenue is recognised based on the completion of performance obligations and an assessment of when control is transferred to the customer. The following indicators are used by the Group in determining when control has passed to the customer:

- The Group has a right to payment for the product or service.
- The customer has legal title to the product.
- The Group has transferred physical possession of the product to the customer.
- The customer has the significant risk and rewards of ownership of the product.
- The customer has accepted the product or service.

The Group has generally concluded that it is acting as the principal in its revenue arrangements, except for certain services, sales of software licences and hardware where it is acting as an agent.

Contracts are assessed individually to determine whether the products and services are distinct, ie the product or service is separately identifiable from other items in the contract with the customer and whether the customer can benefit from the goods or services either on its own or together with other resources that are readily available. The consideration is allocated between the goods and services in a contract based on management's best estimate of the standalone selling prices of the goods and services.

The Group evaluates the following control indicators, among others, when determining whether it is acting as a principal or agent in the transactions with customers and recording revenue on a gross, or net, basis:

- The Group is primarily responsible for fulfilling the promise to provide the specified goods or service.
- The Group has inventory risk before the specified goods or services have been transferred to a customer or after the transfer of control to the customer.
- The Group has discretion in establishing the price for the specified goods or services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

1 SIGNIFICANT ACCOUNTING POLICIES continued

1.5 Summary of significant accounting policies continued

Revenue continued

The Group primarily generates revenue from providing the following goods and services: software/licence contracts, hardware sales and services. The transaction price recognised is based on the contracted amounts, less amounts collected on behalf of third parties. If the transaction price includes a variable amount, the Group estimates the amount to which it will be entitled in terms of the contract. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Software/licence contracts

Agent

These are contracts that are billed on behalf of software vendors for the right to use the software.

The Group is an agent in these arrangements and recognises the net amount as revenue at a point in time when the software licences are delivered to the customer.

Principal

There are also cases under software/licence contracts where the Group acts as the principal as the Group obtains control of the goods before they are transferred to the customer.

Revenue is recognised over time as the customer benefits as and when the Group performs.

Hardware

Agent

These are contracts that are billed by the Group for hardware sales concluded on behalf of hardware vendors.

The Group is an agent in these arrangements and recognises the net amount as revenue at a point in time when the hardware is delivered to the customer.

Principal

The Group recognises revenue when control is transferred to the customer, being when the customer accepts delivery of the goods, at a point in time.

Services

The Group provides a range of maintenance, support and other services to customers. Maintenance and support services consist of contracts with/promises to customers where the Group mainly provides hardware maintenance, software maintenance and support, and unspecified upgrades and patches for software at an agreed fee based on defined service level agreements.

Agent

The Group introduces customers to third-party service providers and performs billing and other administrative activities on behalf of such third parties but does not control the delivery of such professional services or the setting of prices for them. The Group recognises such third-party professional services on an agent basis at a point in time when the services have been rendered.

Principal

There are also cases under service contracts where the Group acts as the principal as the Group obtains control of the service before it is rendered. Revenue is recognised over time as the customer benefits as the service is rendered.

Estimates of revenues, and costs to the extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates of revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Rentals

The Group supplies rentals of IT safety and security access equipment to customers. Revenue earned on rental contracts is recognised over time, being the period over which the customer and the Group are a party to the rental agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

1 SIGNIFICANT ACCOUNTING POLICIES continued

1.5 Summary of significant accounting policies continued

Revenue continued

(a) *Significant financing component*

Generally, the Group receives short-term advances from its customers and in certain cases there are delayed payment terms of generally 30 days. Using the practical expedient in IFRS 15 *Revenue from Contracts with Customers* (IFRS 15), the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

(b) *Contract balances*

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional other than through the passage of time.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (ie only the passage of time is required before payment of the consideration is due). Refer to accounting policies on financial assets for further detail.

(c) *Contract liabilities*

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

Finance costs

Finance costs comprise interest payable on borrowings and the interest expense component of lease liability charges, calculated using the effective interest rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

2 NEW STANDARDS AND INTERPRETATIONS

2.1 Adoption of new standards, amendments to standards and interpretations

Certain amendments to accounting standards became effective from 1 August 2023. These did not have a material impact on the Group.

2.2 Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not effective for 31 July 2024 reporting periods. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The following new or revised IFRS standards and interpretations have effective dates applicable to future financial years and have not been early adopted:

Effective from 1 August 2024:

- lease liability in a sale and leaseback (amendments to IFRS 16)
- classification of liabilities as current or non-current and non-current liabilities with covenants (amendments to IAS 1)
- disclosures relating to supplier finance arrangements (amendments to IAS 7 and IFRS 7)

Effective from 1 August 2025 and onwards:

- lack of exchangeability (amendments to IAS 21)
- IFRS 18 *Presentation and Disclosure in Financial Statements*
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

2.3 Standards and interpretations early adopted

The Group has chosen not to early adopt any new standards or interpretations.

3 PROPERTY, PLANT, EQUIPMENT AND RIGHT-OF-USE ASSETS

<i>Figures in Rand thousand</i>	2024			2023		
	Cost	Accumulated depreciation and impairments	Carrying value	Cost	Accumulated depreciation and impairments	Carrying value
Land and buildings	664	(78)	586	664	(62)	602
Right-of-use assets (buildings)	188 907	(117 618)	71 289	316 566	(264 960)	51 606
Furniture and fixtures	42 220	(34 485)	7 735	60 088	(47 943)	12 145
Motor vehicles	22 627	(20 186)	2 441	34 478	(30 817)	3 661
Right-of-use assets (motor vehicles)	1 473	(455)	1 018	597	(313)	284
Office equipment	19 245	(16 519)	2 726	27 280	(25 232)	2 048
IT equipment	246 323	(182 201)	64 122	261 041	(192 981)	68 060
Right-of-use assets (IT equipment)	183	(70)	113	–	–	–
Leasehold improvements	15 353	(15 187)	166	45 324	(42 047)	3 277
Other equipment	10 351	(6 765)	3 586	21 428	(17 751)	3 677
Closing balance	547 346	(393 564)	153 782	767 466	(622 106)	145 360

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

3 PROPERTY, PLANT, EQUIPMENT AND RIGHT-OF-USE ASSETS continued

Reconciliation of property, plant, equipment and right-of-use assets

<i>Figures in Rand thousand</i>	Opening balance	Additions	Disposals	Transfers	Foreign currency translation	Depreciation	(Impairments)/ Reversals	Disposals of business (note 14)	Total
2024									
Land and buildings	602	-	-	-	-	(16)	-	-	586
Right-of-use assets (buildings)	51 606	53 972	(1 025)	-	2	(37 766)	4 500	-	71 289
Furniture and fixtures	12 145	9 281	(1 934)	-	(6 530)	(4 880)	-	(347)	7 735
Motor vehicles	3 661	1 985	(1 141)	-	-	(782)	-	(1 282)	2 441
Right-of-use assets (motor vehicles)	284	1 002	-	-	-	(268)	-	-	1 018
Office equipment	2 048	2 226	(90)	-	7	(1 112)	-	(353)	2 726
IT equipment	68 060	29 412	(1 007)	(129)	150	(29 859)	-	(2 505)	64 122
Right-of-use assets (IT equipment)	-	-	-	174	-	(61)	-	-	113
Leasehold improvements	3 277	2 943	(1 501)	-	-	(4 553)	-	-	166
Other equipment	3 677	2 082	(1 142)	(45)	-	(686)	-	(300)	3 586
	145 360	102 903	(7 840)	-	(6 371)	(79 983)	4 500	(4 787)	153 782

<i>Figures in Rand thousand</i>	Opening balance	Additions	Disposals	Transfers	Foreign currency translation	Depreciation	(Impairments)/ Reversals	Disposals of business (note 14)	Total
2023									
Land and buildings	664	-	-	-	-	(62)	-	-	602
Right-of-use assets (buildings)	83 865	17 944	-	-	-	(50 203)	-	-	51 606
Furniture and fixtures	19 846	2 544	(5 376)	-	377	(4 554)	-	(692)	12 145
Motor vehicles	2 759	2 315	(254)	-	146	(1 269)	-	(36)	3 661
Right-of-use assets (motor vehicles)	389	50	-	-	-	(155)	-	-	284
Office equipment	3 467	774	(205)	(14)	11	(1 438)	-	(547)	2 048
IT equipment	105 811	41 671	(569)	-	1 376	(33 992)	-	(46 237)	68 060
Leasehold improvements	9 701	1 591	(420)	-	-	(7 595)	-	-	3 277
Other equipment	4 840	774	(547)	14	-	(1 404)	-	-	3 677
	231 342	67 663	(7 371)	-	1 910	(100 672)	-	(47 512)	145 360

Refer to note 17 for details of the security provided on the loans secured through Security SPV.

The loss on disposal of items of property, plant and equipment is included in operating expenses as per note 23.

The impairment loss reversal to property, plant and equipment is as follows:

- In the current period, a reversal of a prior year impairment loss of R4.5 million was recognised on certain right-of-use assets (buildings) in a cash-generating unit (CGU) in the Connected Industrial Ecosystems segment, in which impairments to goodwill and other assets were previously recognised. The impairment loss reversal results in a right-of-use asset's carrying amount being that which would have been determined, net of depreciation, had no previous impairment loss been recognised. The impairment loss reversal was recognised as a result of evidence becoming available indicating that there is significant value remaining in the right-of-use asset (buildings) which the Group has made use of in the current period and will make use of in the future periods.

Refer to note 5 which further discusses the impairments, including key assumptions and estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

4 INTANGIBLE ASSETS

<i>Figures in Rand thousand</i>	2024			2023		
	Cost	Accumulated amortisation and impairments	Carrying value	Cost	Accumulated amortisation and impairments	Carrying value
Customer relationships	23 854	(18 934)	4 920	23 854	(16 880)	6 974
Intellectual property	25 311	(13 851)	11 460	25 311	(11 957)	13 354
Internally generated software	98 451	(53 738)	44 713	146 834	(96 337)	50 497
Computer software	57 335	(51 769)	5 566	64 109	(58 919)	5 190
Other intangible assets	73 370	(61 063)	12 307	92 600	(75 044)	17 556
Closing balance	278 321	(199 355)	78 966	352 708	(259 137)	93 571

Reconciliation of intangible assets

<i>Figures in Rand thousand</i>	Opening balance		Additions		Disposals		Transfers		Foreign currency translation		Amortisation		Impairments		Disposals of business (note 14)		Total	
2024																		
Customer relationships	6 974	-	-	-	-	-	-	-	-	(2 054)	-	-	-	-	-	-	-	4 920
Intellectual property	13 354	-	-	-	-	-	-	-	-	(1 894)	-	-	-	-	-	-	-	11 460
Internally generated software	50 497	10 672	(3 386)	93	134	(11 289)	(2 008)	-	44 713									50 497
Computer software	5 190	5 818	(545)	-	65	(3 839)	(1 095)	(28)	5 566									5 566
Other intangible assets	17 556	8 970	(213)	(93)	(3 837)	(7 339)	-	(2 737)	12 307									12 307
	93 571	25 460	(4 144)	-	(3 638)	(26 415)	(3 103)	(2 765)	78 966									
2023																		
Customer relationships	10 361	-	(925)	-	-	(2 462)	-	-	6 974									6 974
Intellectual property	15 220	48	-	(19)	-	(1 895)	-	-	13 354									13 354
Internally generated software	30 405	22 947	(513)	3 907	254	(6 495)	-	(8)	50 497									50 497
Computer software	13 824	7 338	-	(2 458)	97	(6 454)	-	(7 157)	5 190									5 190
Other intangible assets	31 404	12 418	(1 079)	(1 430)	(4 725)	(9 700)	-	(9 332)	17 556									17 556
	101 214	42 751	(2 517)	-	(4 374)	(27 006)	-	(16 497)	93 571									

Impairments to intangible assets largely relate to:

- internally generated software and computer software that were impaired for an amount of R3 million (2023: Rnil) in a number of underperforming CGUs in which goodwill impairments have also been recognised

Impairment testing

The Group performed a review of intangible assets for impairment, which highlighted impairments of R3 million (2023: Rnil). For the purpose of impairment testing, intangibles were allocated, together with goodwill, to the Group's CGUs. The recoverable amount of these CGUs was determined based on the value-in-use calculations, discounting future cash flows expected to be generated. Impairment tests on assets held for sale were based on fair value less cost to sell.

Note 5 further discusses the impairments, including key assumptions, estimates and sensitivities, in relation to the testing performed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

5 GOODWILL

Figures in Rand thousand

	2024	2023
Cost	2 549 611	2 581 371
Accumulated impairments	(1 880 687)	(1 865 654)
Opening balance	668 924	715 717
Disposals	(75 049)	(29 101)
Impairments: continuing operations	(23 697)	(17 692)
Closing balance	570 178	668 924
Cost	2 339 220	2 549 611
Accumulated impairments	(1 769 042)	(1 880 687)
Closing balance	570 178	668 924

The Group has revised its reportable segments to better reflect how management evaluates performance in line with its product and service offering and executive responsibilities. CGUs as at 31 July 2024 and for the comparative period have been reported under the new reporting segment structures. Refer to the consolidated segment results section for more detail.

Goodwill is tested annually for impairment or more frequently where impairment indicators are identified. The Group's annual review of goodwill highlighted a total impairment of R24 million (R8 million in the iOCO SA – Digital segment, R6 million in iOCO SA – Connected Industrial Ecosystems segment and R10 million in the NEXTEC Legacy segment).

iOCO SA – Digital

As part of the ongoing initiative to streamline and simplify our operational structures, the Group performed a re-organisation of its digital businesses under a project named Tetris. The restructure specifically focused on the internal sale and transfer of digital businesses previously housed in EOH Mthombo Proprietary Limited and iOCO Software Distribution Proprietary Limited to iOCO Digital Proprietary Limited. As a result, the cash-generating units (CGUs) previously comprising these business units were restructured, and the associated goodwill was reallocated across the newly defined CGUs within the Group's digital business segment.

The Digital and Coastal CGU were subdivided into five new CGUs: Application development, Automation, Data and Analytics, Cloud and Security, and Testing and Quality assurance. Additionally, the Data Consultancy business, previously part of Softworks CGU, and the Database Support Services business, previously part of Integrated Services CGU, were reallocated to the newly formed Data and Analytics CGU.

Goodwill was reallocated using revenue as a proxy reflecting the size, performance, and economic benefits of each reporting unit and its contribution to the overall CGU. The newly defined CGUs, including the reallocated goodwill, were tested for impairment at the end of the reporting period and no impairment loss was recognised.

During the year ended 31 July 2024, an impairment of R4 million related to the Impression CGU was recognised. This impairment was primarily attributed to the decline in revenue compared to budgeted expectations and a loss of notable pipeline revenue opportunities which prompted a downward revision in revenue projections. The recoverable amount for the Impression CGU amounted to R25 million. The goodwill balance of R4 million attributable to Shandon Business Solutions Proprietary Limited was fully impaired as a result of the disposal of its core business assets to its key customer. Its recoverable amount post the disposal was considered negligible.

iOCO SA – Connected Industrial Ecosystems

During the year ended 31 July 2024, Energy Insight CGU recorded a full impairment of its goodwill balance amounting to R6 million. This impairment was driven by stagnant revenue growth, a lack of new business opportunities and high operating costs. The recoverable amount for Energy Insight CGU was considered negligible.

NEXTEC Legacy

During the interim period ended 31 January 2024, goodwill amounting to R10 million attributed to the JOAT CGU was impaired. This impairment was necessitated by delays on the commencement of major contracts which contributed to a downward adjustment in forecast revenue and adjusted EBITDA margins compared to the budgeted expectations. JOAT CGU was subsequently marketed for sale and successfully sold in June 2024. Refer to note 14 of the consolidated financial statements.

Prior year impairments

Prior year goodwill impairment amounted to R18 million (R10 million in the EasyHQ segment and R8 million in the NEXTEC Legacy segment). The impairment in EasyHQ related to the R2 million write-down of Employee Benefits CGU to its fair value less cost of disposal and the R8 million full impairment of the goodwill balance attributable to Impact Human Resources CGU which was driven by the non-renewal of certain key contracts resulting in the significant decline of their revenue forecasted. NEXTEC Legacy segment impaired the full goodwill balance of R8 million attributable to the BT Cape CGU due to the limited upside outlook expected for the business. The business was materially impacted by the impairment of legacy debtors, declining revenue and retention of key skills.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

5 GOODWILL continued

Impairment testing

For the purpose of impairment testing, goodwill is allocated to the Group's CGUs. The recoverable amount of these CGUs was determined based on value-in-use calculations, discounting the future cash flows expected to be generated from the continuing operations of each CGU. Impairment tests on assets held for sale were based on fair value less costs of disposal.

A post-tax discount rate was used in discounting post-tax projected cash flows depending on the nature of business and operating markets. Cash flow projections used in the value-in-use calculations cover a minimum of three years based on financial budgets and forecasts, as approved by the Board, which are based on assumptions of the business, industry and economic growth. Cash flows beyond the approved forecast period are extrapolated using the perpetual growth rates in line with industry norms. A perpetuity growth rate is calculated using long-term growth rates. This is further applied based on conservative historical market trends and operating markets.

Key assumptions used in discounted cash flow projection calculations

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on past experience and both external and internal data.

Changes in key assumptions, as well as the actual cash flows achieved against forecasts, may result in further impairments to the CGUs impaired during the year. The forecast cash flows of these CGUs are reliant on a certain level of anticipated improvement within the forecast period.

The assumptions below have been applied to calculate the recoverable amount of CGUs based on value-in-use calculations. The discount rates used in the discounted cash flow models are calculated using the principles of the Capital Asset Pricing Model, taking into account current market conditions.

The following key assumptions were used for the value-in-use calculations:

- **Revenue growth rates:** the Group used growth rates for the forecast period based on the different industries the CGUs operate in, as well as management's views on the growth prospects of the businesses.
- **Discount rates:** the discount rates reflect the time value of money and CGU-specific risk factors which have not been adjusted in the forecast cash flows.
- **Adjusted EBITDA margins:** the Group uses adjusted EBITDA margins as a reliable indicator of operational performance.
- **Perpetuity growth rates:** a perpetuity growth rate of 4.0% (2023: 4.0%) has been used for the Group.

	2024			
	Goodwill closing balance	Pre-tax discount rates %	Average revenue growth rates %	Average adjusted EBITDA margins %
<i>Figures in Rand thousand</i>				
EasyHQ				
Learning and Development	93 488	27.3	11.6	23.1
Legal Consulting	26 154	25.4	1.2	14.8
Symplexity	50 123	23.2	9.3	9.9
XTND	13 333	23.4	5.2	10.2
iOCO SA – Digital Business Solutions				
CA	10 387	24.4	5.3	12.8
Oracle	11 670	27.2	6.3	8.5
Softworks	22 193	25.0	1.0	8.5
iOCO SA – Connected Industrial Ecosystems				
SCAN RF	28 155	24.4	8.5	7.4
Operational Technology	14 814	24.2	7.1	34.6
iOCO SA – Infrastructure Services				
Compute	103 662	21.2	7.0	4.5
Managed Services	80 793	22.1	3.8	8.1
Cloud and Security	9 019	24.6	8.7	7.4
iOCO SA – Digital				
Freethinking	14 081	26.9	3.8	20.0
Impression*	8 353	23.0	38.0	16.4
Integrated Services	8 999	25.3	4.8	31.3
Application development	43 872	24.3	4.6	19.0
Data and analytics	22 881	24.6	10.9	19.8
Testing and quality assurance	6 866	26.1	6.7	18.7
Automation	1 335	25.7	8.0	19.8
Total	570 178			

* The Impression CGU is forecast to grow significantly due to its early stage in its lifecycle and expectations to leverage off its investments in its intellectual property and route to market.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

5 GOODWILL continued

Key assumptions used in discounted cash flow projection calculations continued

	2023			
	Goodwill closing balance	Pre-tax discount rates %	Average revenue growth rates %	Average adjusted EBITDA margins %
<i>Figures in Rand thousand</i>				
EasyHQ				
Learning and Development	93 488	19.7	10.0	12.7
Symplexity	50 123	25.7	5.2	19.6
Legal Consulting	26 154	24.3	4.7	16.4
XTND	13 333	24.1	7.9	11.1
Employee Benefits [^]	10 358	n/a	n/a	n/a
iOCO SA – Digital Business Solutions				
CA	10 387	26.1	4.6	17.1
Oracle	11 670	20.3	5.4	2.6
Softworks	39 345	21.7	5.8	14.4
iOCO SA – Connected Industrial Ecosystems				
SCAN RF	28 155	23.3	1.9	15.1
Operational Technology	14 814	25.5	6.7	38.1
Energy Insight	5 646	21.9	5.0	2.9
iOCO SA – Infrastructure Services				
Compute	103 662	23.4	2.9	3.9
Managed Services	80 793	20.3	4.4	6.9
iOCO SA – Digital				
Digital	35 707	23.9	6.6	12.3
Coastal	32 014	24.2	8.6	20.8
Freethinking	14 081	21.4	9.4	17.8
Impression**	12 240	23.6	31.1	32.6
Integrated Services	12 016	23.6	5.4	14.6
NEXTEC Legacy				
JOAT	59 463	23.4	7.7	6.2
ILS	10 429	20.1	7.8	19.5
GLS Consulting	3 804	25.3	8.5	8.1
CES	1 242	24.7	5.9	9.0
Total	668 924			

** The Impression CGU is forecast to grow significantly due to its early stage in its lifecycle and expectations to leverage off its investments in its intellectual property and route to market.

[^] The Employee Benefits disposal group ceased to be classified as held for sale at the end of July 2023. As at July 2023, the CGU was measured at the lower of its carrying amount and fair value at the point in time change in plan to sell was made. This disposal group was sold during the current year. Refer to note 14 for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

5 GOODWILL continued

Sensitivity analysis on value in use

In performing the impairment test for goodwill, the Group considered the sensitivity of the CGUs to changes in assumptions around key value drivers. The key value drivers for the EOH CGUs are revenue, adjusted EBITDA margins, and discount rates assumptions. Management has refined its approach and determined reasonable possible changes to these key assumptions on the recoverable amount of the CGUs based on their historical volatility embedded in each CGU. The percentage change noted below would result in the recoverable amount of the CGUs listed to approximate their carrying amount. Prior year amounts have been represented to align to the current year disclosure.

Figures in Rand thousand	2024				2023			
	Headroom	% decrease in revenue	% decrease in adjusted EBITDA margin	% increase in discount rate	Headroom	% decrease in revenue	% decrease in adjusted EBITDA margin	% increase in discount rate
EasyHQ								
Learning and Development	105 674	n/a	5.7	n/a	30 273	n/a	1.5	n/a
Symplexity	1 184	0.2	0.2	0.5	40 159	n/a	n/a	n/a
iOCO SA – Infrastructure Services								
Managed Services	165 441	n/a	n/a	n/a	65 276	n/a	1.6	n/a
Compute	14 600	0.6	0.6	n/a	10 714	0.4	0.5	n/a
iOCO SA – Connected Industrial Ecosystems								
Energy Insight*	–	n/a	n/a	n/a	2 323	n/a	1.7	n/a
SCAN RF	31 179	2.9	2.9	n/a	184 669	n/a	n/a	n/a
iOCO SA – Digital								
Impression	13 696	1.3	2.7	n/a	42 172	n/a	n/a	n/a
iOCO SA – Digital Business Solutions								
Oracle	34 194	n/a	4.0	n/a	49 949	n/a	n/a	n/a
Softworks	15 659	2.2	2.0	n/a	170 626	n/a	n/a	n/a

* Energy Insight goodwill was fully impaired in the current financial year.
n/a – not applicable.

The CGUs not included and those referenced not applicable in the table above have sufficient headroom and no reasonable possible change to the key assumptions would result in the carrying amount of the CGU exceeding its recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

6 OTHER FINANCIAL ASSETS

Figures in Rand thousand

	2024	2023
Debt instruments at amortised cost	34 363	75 279
Enterprise development loan receivables	9 590	9 590
Restricted cash	2 261	38 056
Gross loans and receivables	30 861	64 044
Receivables from disposal of subsidiaries	2 791	23 160
Allowance for expected credit losses	(11 140)	(59 571)
Total other financial assets	34 363	75 279
Non-current other financial assets	18 882	15 968
Current other financial assets	15 481	59 311
	34 363	75 279

Restricted cash balances are those that are not available for use by the Group and are ring-fenced for repayment to the lenders. Refer to note 17 for additional information.

Expected credit losses

A total allowance for expected credit losses of R11 million (2023: R60 million) has been raised against debt instruments carried at amortised cost. Significant expected credit losses raised in prior years were written off in the current year, as there was no realistic expectation of recovering these amounts. Both the gross carrying amounts and related expected credit loss allowances were written off in these instances.

R4 million of the impairment allowance relates to enterprise development loans and receivables, R2 million relates to receivables from the disposal of subsidiaries, and the remaining R5 million relates to gross loans and receivables. The allowances raised are based on the general approach, considering the probability of default and collateral (if any).

Refer to note 37 for the disclosure on the expected credit losses.

Reconciliation of movements of debt instruments measured at amortised cost

Figures in Rand thousand

	2024	2023
Opening balance	75 279	32 701
Net (decrease)/increase in restricted cash	(35 795)	37 407
Receivables from disposal of subsidiaries (note 14)	(20 369)	5 369
Reclassification of balances on disposal of subsidiaries	11 817	-
Disposal of subsidiaries (note 14)	(485)	-
Interest accrued	2 914	1 580
Interest received	-	(1 429)
Other movements	1 002	(349)
Closing balance	34 363	75 279

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

7 DEFERRED TAXATION

Figures in Rand thousand

	2024	2023
The balance comprises		
Aggregate of deferred taxation assets	103 764	112 125
Aggregate of deferred taxation liabilities	(4 430)	(25 095)
	99 334	87 030
Analysis of deferred taxation balances		
Prepaid expenses	(5 185)	(5 680)
Right-of-use assets and lease liabilities	2 253	(4 867)
Intangible assets	(7 733)	(6 954)
Property, plant and equipment	(1 056)	(6 314)
Net financial asset impairment losses	68 024	68 724
Payroll accruals	48 927	80 481
Assessed losses	747 070	705 940
Contract liabilities	83 617	52 549
Fair value adjustments	9 604	11 887
	945 521	895 766
Deferred taxation assets not recognised in respect of deductible temporary differences	(124 264)	(122 828)
Deferred taxation assets not recognised in respect of assessed losses	(721 923)	(685 908)
	99 334	87 030
Deferred taxation movement		
Balance at the beginning of the year	87 030	80 095
Disposals of subsidiaries (note 14)	(3 072)	2 362
Movement recognised in profit or loss (note 26)	16 378	4 526
Foreign currency translation	(1 002)	47
Balance at the end of the year	99 334	87 030

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

8 FINANCE LEASE RECEIVABLES

Figures in Rand thousand

	2024	2023
Gross investment in the leases due		
– within one year	118 941	157 296
– within one to two years	414	916
– within two to three years	492	368
– within three to five years	–	123
	119 847	158 703
Less: unearned finance income	–	(1 080)
	119 847	157 623
Impairment allowance (note 37)	(101 458)	(135 593)
	18 389	22 030
Present value of minimum lease payments due		
– within one year	118 941	156 371
– within two to five years	906	1 252
	119 847	157 623
Impairment allowance	(101 458)	(135 593)
– current finance lease receivables	(101 458)	(135 567)
– non-current finance lease receivables	–	(26)
	18 389	22 030
Finance lease receivables		
Current	17 483	20 804
Non-current	906	1 226
	18 389	22 030

The Group entered into finance lease agreements where it is the lessor of certain IT safety and security access equipment.

The lease terms are generally three to five years and the interest rate implicit in the lease is prime plus 1% to 6.5% above prime lending rates (2023: prime plus 1% to 6.5% above prime lending rates).

Income received from finance leases is fixed.

9 INVENTORIES

Figures in Rand thousand

	2024	2023
Finished goods	69 544	119 136
Consumables	425	92
Work-in-progress	14 827	1 730
	84 796	120 958
Provision for write-down of inventories to net realisable value	(14 066)	(47 231)
	70 730	73 727
Cost of goods sold during the year from continuing operations amounted to	962 913	981 548

Write-down of inventories of R1 million (2023: R17 million) to net realisable value were recognised as an expense during the year and included in cost of sales in the statement of profit or loss and other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

10 TRADE AND OTHER RECEIVABLES

Figures in Rand thousand

	2024	2023
Financial instruments	1 196 655	1 414 691
Trade receivables	1 177 900	1 385 112
Gross trade receivables	1 259 906	1 508 184
Impairment allowance (note 37)	(82 006)	(123 072)
Other receivables	18 755	29 579
Non-financial instruments	475 575	544 412
Contract assets	169 070	220 018
Gross contracts assets	175 069	226 700
Impairment allowance (note 37)	(5 999)	(6 682)
Prepayments	259 066	288 308
Value-added tax (VAT) receivable	17 324	25 089
Other receivables	30 115	10 997
	1 672 230	1 959 103

Included in prepayments are contract costs amounting to R163 million (2023: R177 million).

Refer to note 17 for details on the security provided on the loans secured through Security SPV.

11 CASH AND CASH EQUIVALENTS

Figures in Rand thousand

	2024	2023
Cash and cash equivalents consist of:		
Cash on hand	723	685
Bank balances and short-term deposits	346 499	235 263
	347 222	235 948
Bank overdrafts (note 17)	(192 585)	(31 868)
Net cash and cash equivalents per the statement of cash flows	154 637	204 080
The total amount of undrawn facilities available for future operating activities and commitments	87 415	218 132

Refer to note 17 for details on the security provided on the loans secured through Security SPV.

Refer to note 37 for disclosure on expected credit losses.

12 ASSETS HELD FOR SALE

Over the past few years, EOH had embarked on a strategic journey to deleverage and create a sustainable capital structure. A key part of that deleveraging strategy was the disposal of non-core businesses and the Group has, over the past years, identified and sold a group of assets in line with that strategy. The restructuring and deleveraging strategy was effectively completed with the capital raise closing in February 2023 and the focus has now shifted towards the alignment of product and service offering within the Group and the enhancement of operational efficiency.

As at 31 July 2024, there were no disposal groups classified as held for sale. All planned disposals, part of a strategic portfolio clean-up aimed at further streamlining the Group's operations, were approved and sold within the current financial year. Refer to note 14 for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

13 DISCONTINUED OPERATIONS

Identification and classification of discontinued operations

Judgement was applied in determining whether a component is a discontinued operation by assessing whether it represents a separate major line of business or geographical area of operations or is part of a single plan to dispose of a separate major line of business or geographical area of operations.

Network Solutions business and Hymax SA Proprietary Limited, which represented a significant component of the mobile network and voice solutions within the Group, was previously classified as held for sale and successfully disposed in the 2023 financial year. Their results as reported below were classified as discontinued operations in the prior year. In the 2024 financial year, the disposed businesses did not meet the classification of discontinued operations.

<i>Figures in Rand thousand</i>	2024	2023
Revenue	-	28 856
Cost of sales	-	(28 819)
Gross profit	-	37
Net financial asset impairment losses	-	(228)
Gain on disposal	-	39 297
Other operating expenses	-	(10 166)
Operating profit	-	28 940
Investment income	-	28
Profit before taxation	-	28 968
Taxation (note 26)	-	-
Profit for the year from discontinued operations	-	28 968
Attributable to:		
Owners of EOH Holdings Limited	-	28 968
Non-controlling interests	-	-
Earnings per share (cents)		
Earnings per share from discontinued operations	-	7
Diluted earnings per share from discontinued operations	-	7
Net cash flows in relation to discontinued operations		
Net decrease in cash and cash equivalents	-	(14 564)
Operating activities	-	(1 823)
Investing activities	-	(12 309)
Financing activities	-	(432)

Loss before taxation and before including the gain on disposal and remeasurement to fair value less costs to sell for the 2023 financial year was R10.3 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

14 DISPOSAL OF SUBSIDIARIES

The Group has disposed of the below investments in subsidiaries during the period.

<i>Figures in Rand thousand</i>	Continuing/ Discontinued operations	Percentage holding disposed	Date of disposal	Consideration received or receivable	Gain/ (Loss) on disposal
Entities disposed					
NEXTEC Legacy					
IMQS Software Proprietary Limited	Continuing	100%	1 November 2023	6 000	(2 769)
CES cluster*	Continuing	100%**	23 February 2024	14 000	4 327
GLS Consulting Proprietary Limited	Continuing	100%	10 May 2024	9 000	(4 041)
JOAT cluster***	Continuing	100%	7 June 2024	30 000	(19 287)
Dihlase Consulting Engineers Proprietary Limited	Continuing	100%	1 July 2024	450	(10)
Industrial Logistic Systems Proprietary Limited	Continuing	100%	26 July 2024	16 700	1 995
iOCO International					
E-Business System S.A.R.L (EBS)	Continuing	80%	30 June 2024	2 750	(12 099)
EasyHQ					
Employee Benefits cluster****	Continuing	100%	10 July 2024	23 000	(8 258)
Net loss on disposal of subsidiaries				101 900	(40 142)

* CES cluster refers to the disposal of Coastal and Environmental Services Proprietary Limited including its subsidiary Coastal & Environmental Services Mozambique Limitada and Exigo Sustainability Proprietary Limited sold to the same purchaser as one indivisible transaction.

** The EOH Group held 98% shareholding in Coastal & Environmental Services Mozambique Limitada through its wholly-owned subsidiary, Coastal and Environmental Services Proprietary Limited.

*** JOAT cluster refers to the disposal of JOAT Consulting Proprietary Limited and JOAT Sales and Services Proprietary Limited sold to the same purchaser as one indivisible transaction.

**** Employee benefits cluster refers to the disposal of CSO Employee Benefit Services Proprietary Limited, EOH Employee Benefits Proprietary Limited, HCI Financial Services Proprietary Limited and Scientia Optimate Financial Services Proprietary Limited sold to the same purchaser as one indivisible transaction.

Reconciliation of cash received from disposal of businesses

<i>Figures in Rand thousand</i>	2024	2023
Opening balance	23 160	17 791
Cash consideration received or receivable	101 900	164 273
Less: amount outstanding at year end	(2 791)	(23 160)
Cash received from disposal of businesses	122 269	158 904
Less: cash balances disposed of	(37 581)	(23 550)
Cash receipt from disposal of businesses, net of cash given up	84 688	135 354

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

14 DISPOSAL OF SUBSIDIARIES continued

The carrying amounts of major classes of assets and liabilities associated with subsidiaries disposed of during the current and prior years are as follows:

<i>Figures in Rand thousand</i>	Notes	2024	2023
Assets			
Property, plant, equipment and right-of-use assets	3	4 787	47 512
Goodwill and intangible assets	4, 5	77 814	45 598
Other financial assets	6	485	–
Deferred taxation	7	3 212	–
Inventories		11 871	3 719
Current taxation receivable		1 078	–
Trade and other receivables		112 897	56 443
Cash and cash equivalents		37 581	23 550
Liabilities			
Other financial liabilities	17	(6 937)	(5 191)
Lease liabilities	18	(610)	–
Deferred taxation	7	(140)	(2 362)
Current taxation payable		(1 272)	(693)
Trade and other payables		(100 591)	(57 460)

15 STATED CAPITAL

Figures in Rand thousand

	2024	2023
Stated capital		
Opening balance	4 774 521	4 217 285
Share issue – rights to qualifying shareholders	–	500 000
Transaction costs related to the issue of shares	–	(42 764)
Share issue – specific issue of shares to Lebashe	–	100 000
	4 774 521	4 774 521

Authorised

7 500 000 000 (2023: 7 500 000 000) ordinary shares of no par value.

40 000 000 (2023: 40 000 000) EOH A shares of no par value.

Unissued

6 861 916 579 (2023: 6 861 916 579) unissued ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

15 STATED CAPITAL continued

Issued	2024	2023
<i>Figures in thousand</i>		
Reconciliation of the number of shares in issue		
Opening balance	638 083	176 545
Share issue – rights to qualifying shareholders	–	384 615
Share issue – specific issue of shares to Lebashe	–	76 923
Shares in issue at the end of the year (fully paid)	638 083	638 083
Less:		
Treasury shares held in the Group share incentive schemes	(2 341)	(2 341)
Treasury shares held by wholly-owned subsidiaries of the Group	(5 446)	(5 446)
	630 296	630 296
EOH A shares of no par value:		
Reconciliation of the number of shares in issue		
Opening balance*	40 000	40 000
Closing balance	40 000	40 000

* The Lebashe transaction was approved by shareholders on 18 September 2018 and effectively implemented on 1 October 2018. Lebashe received 40 million unlisted EOH A shares which was to be redeemed in five years on 1 October 2023 through an ordinary share issue.

As at 13 February 2023 and in keeping with the spirit of the 2018 empowerment transaction, the Company and Lebashe have amended the EOH A share terms by:

- amending the strike price of the EOH A shares from R90 per ordinary share to a price per ordinary share equal to the closing ordinary share price on the day following the publication of the results of the rights offer increased by a 25% CAGR which amounted to R11.81 per share
- extending the maturity of the EOH A shares by a further five years until 30 September 2028, as well as amending the Amended and Restated Relationship Agreement (being one of the key agreements of the 2018 empowerment transaction) to further enable Lebashe to add value as a strategic partner of EOH. The effect of the EOH A share amendments has been to provide Lebashe with a reasonable prospect of it being issued with EOH ordinary shares upon maturity of the EOH A shares while also extending the life of the Company's empowerment transaction (and the resultant benefits thereof to the Company) by a further five years

The EOH A shares rank equal to an EOH ordinary share in respect of voting rights and each EOH A share will receive cash dividends in an amount equal to the value of 15% of dividends paid by EOH to ordinary shareholders. The remaining 85% of the dividend value will be accrued and redeemed through the redemption of the EOH A shares. Despite the variability in the number of EOH ordinary shares that will be issued, the obligation to Lebashe is treated as an equity transaction as the settlement will be undertaken in ordinary shares and the transaction is therefore within the scope of IFRS 2 Share-based Payments (IFRS 2).

16 OTHER RESERVES

<i>Figures in Rand thousand</i>	Foreign currency translation reserve	Share-based payments reserve	Total
Opening balance at 1 August 2022	20 754	474 000	494 754
Other comprehensive loss	(20 490)	–	(20 490)
Transfer within equity*	–	(410 602)	(410 602)
Share-based payments	–	50 145	50 145
Share-based payments paid out during the year	–	(2 229)	(2 229)
Balance at 31 July 2023	264	111 314	111 578
Other comprehensive loss	(19 557)	–	(19 557)
Reclassification of foreign currency translation differences on loss of control	2 896	–	2 896
Transfer within equity*	–	(52 790)	(52 790)
Share-based payments	–	4 905	4 905
Share-based payments paid out during the year	–	(15 892)	(15 892)
Balance at 31 July 2024	(16 397)	47 537	31 140

* Transfers within equity are transfers from the share-based payments reserve to retained earnings for expired, unexercised options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

17 OTHER FINANCIAL LIABILITIES

Figures in Rand thousand

	2024	2023
Interest-bearing liabilities	951 640	833 643
Interest-bearing bank loans secured through Security SPV	643 576	683 176
Bank overdrafts	192 585	31 868
Project finance loan	113 456	113 456
Unsecured interest-bearing bank loans	2 023	5 143
Non-interest-bearing liabilities	8 771	4 852
Cash-based long-term incentive (note 35)*	8 771	4 852
	960 411	838 495
Non-current financial liabilities	587 043	2 489
Current financial liabilities	373 368	836 006
	960 411	838 495
Reconciliation of other financial liabilities – financial instruments		
Balance at the beginning of the year	833 643	1 434 668
Draw-down of bank overdrafts	160 717	31 868
Proceeds from other financial liabilities	–	14 464
Repayment of other financial liabilities	(41 061)	(678 580)
Disposal of subsidiaries (note 14)	(6 937)	(5 191)
Write-off of vendors for acquisition	–	(188)
Interest accrued on other financial liabilities	81 642	131 465
Interest repaid on other financial liabilities	(81 871)	(117 518)
Amortisation of debt restructuring fee (note 25)	1 689	22 843
Other non-cash items	3 818	(188)
Closing balance – financial instruments	951 640	833 643
Reconciliation of other financial liabilities – non-financial instruments		
Opening balance of cash-based long-term incentive*	4 852	–
Recognition of cash-based long-term incentive*	–	4 852
Remeasurement of cash-based long-term incentive*	18 932	–
Payment of the cash-based long-term incentive*	(15 013)	–
Closing balance – non-financial instruments	8 771	4 852
Financial instruments		
Measured at amortised cost	951 640	833 643
Non-financial instruments		
Cash-based long-term incentive (note 35)*	8 771	4 852
	960 411	838 495

* The cash-based long-term incentive is measured in accordance with IFRS 2 Share-based Payments.

Interest-bearing bank loans are secured through a Security SPV, which requires that the South African wholly-owned subsidiaries of the Group provide a pledge and cession of:

- all shares in, and claims on loan account against, any member of the Group incorporated in South Africa
- cash
- cash equivalents
- bank accounts
- investments
- claims
- disposal proceeds
- any other amounts, of any nature whatsoever, now or from time to time in the future owing to that Obligor by any third person arising out of any cause of action whatsoever, including, without limitation, all amounts owing or becoming payable to that Obligor by any of its debtors
- related rights

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

17 OTHER FINANCIAL LIABILITIES continued

South African wholly-owned subsidiaries contributing more than 85% of the Group's adjusted EBITDA are pledged as required above.

The Group has the following loans and facilities secured through the Security SPV:

- an amortising term loan of R169 million at year end, currently bearing interest at three-month JIBAR + 3.7% repayable in equal amounts quarterly March 2027
- a bullet term loan of R227 million at year end, currently bearing interest at three-month JIBAR + 3.8% repayable in March 2026
- R250 million four-year revolving credit facility fully drawn at year end, currently bearing interest at three-month JIBAR + 4% repayable in March 2027
- R500 million general banking facilities which include a working capital facility bearing interest at Prime + 1% and ancillary banking facilities

The JIBAR margins above apply for debt to EBITDA ratios of 2.50x or above, and reduce by 0.35, 0.60 and 1.05 percentage points respectively for ratios below 2.50, 2.00 and 1.50.

The Group has the following debt covenant limits in respect of the above-mentioned loans at 31 July 2024:

- debt to EBITDA ratio of 2.75x or lower, whereas the actual ratio was 3.28x
- debt service cover ratio of 1.10x or higher, whereas the actual ratio was 1.73x
- interest cover ratio of 2.00x or higher, whereas the actual ratio was 2.11x

The debt to EBITDA limit was exceeded at 31 July 2024. The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking division) (Standard Bank), agreed in advance to waive this covenant measurement and therefore there was no default or event of default for the measurement date ending 31 July 2024.

18 LEASE LIABILITIES

Figures in Rand thousand

	2024	2023
<i>Amounts recognised in the statement of financial position</i>		
Lease liabilities relate to:		
Buildings	79 902	63 988
Motor vehicles	1 185	3 435
	81 087	67 423
Additions to the lease liabilities amounted to R55 million (2023: R8 million).		
<i>Amounts recognised in the statement of profit or loss and other comprehensive income</i>		
Interest expense (note 25)	6 349	8 033
Expense relating to short-term leases and low-value leases (note 23)	22 084	10 307
	28 433	18 340

The total cash outflow for leases amounted to R67 million (2023: R79 million).

Potential future cash flows of R86 million (2023: R80 million) undiscounted have not been included in the lease liability as it is not reasonably certain that the leases will be extended in considering their available extension options.

Lease commitments for short-term leases and leases of low-value items were considered and deemed immaterial.

Figures in Rand thousand

	2024	2023
Lease liabilities reconciliation		
Opening balance	67 423	106 887
Additions	54 974	8 529
Lease payments	(44 679)	(68 509)
Interest accrued	6 349	8 033
Disposal of businesses (note 14)	(610)	–
Remeasurements	(1 025)	9 465
Other movements	(1 345)	3 018
Closing balance	81 087	67 423

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

18 LEASE LIABILITIES continued

Figures in Rand thousand

	2024	2023
Lease liabilities		
Current	48 686	34 099
Non-current	32 401	33 324
	81 087	67 423

19 TRADE AND OTHER PAYABLES

Figures in Rand thousand

	2024	2023
Financial instruments	478 719	681 440
Trade payables	391 147	586 197
Other payables	87 572	95 243
Non-financial instruments	1 001 178	1 017 555
VAT payable	97 707	60 758
Other accrued expenses	193 333	223 761
Payroll accruals	249 228	364 891
Contract liabilities (note 21)	460 910	368 145
	1 479 897	1 698 995

Included in payroll accruals are amounts relating to leave pay, bonuses, profit share and PAYE.

20 PROVISIONS

Figures in Rand thousand

	Provision for litigation	PAYE provision	Onerous contracts	Total
Opening balance at 1 August 2022	112 298	178 827	24 626	315 751
Raised/(released) during the year	45 000	(63 996)	9 746	(9 250)
Utilised	-	-	(10 438)	(10 438)
Transferred to trade and other payables	(112 298)	-	-	(112 298)
Balance at 31 July 2023	45 000	114 831	23 934	183 765
Raised during the year	4 000	-	14 894	18 894
Paid	-	(111 811)	-	(111 811)
Utilised	-	-	(8 749)	(8 749)
Transferred to trade and other payables	(49 000)	-	-	(49 000)
Balance at 31 July 2024	-	3 020	30 079	33 099

The provision for litigation related to the matter arising in the course of liquidating Mehleketo Resources Proprietary Limited (Mehleketo), which was a wholly-owned subsidiary which was placed into liquidation in 2019, due to its inability to pay its financial obligations as they became due. The liquidators of Mehleketo held certain section 417 and 418 (in terms of the Companies Act) inquiries. In 2022, the liquidators instituted litigious action against various EOH entities citing, among other things, preference of creditors. In January 2024, the various EOH entities and the liquidators of Mehleketo concluded a settlement agreement in respect of the ongoing dispute between the parties. The settlement agreement sees the various EOH entities paying the liquidators an amount of approximately R49 million. The settlement agreement was concluded on a without prejudice basis. This balance was transferred out of provisions to other payables as there is no longer uncertainty over the timing or amount payable.

The PAYE provision relates to a PAYE dispute which the Group was contesting, this relates to EOH Abantu Proprietary Limited (Abantu), a wholly-owned subsidiary, which had an ongoing tax dispute dating back to 2012 related to a PAYE dispute in two of its staff outsourcing businesses. At 31 January 2024, the Group had provided for R115 million on the PAYE liability assessed and was in ongoing discussions with SARS, regarding the potential settlement of this matter, in line with the requirements of the Tax Administration Act. In October 2022, Abantu launched a review application against SARS relating to the above-mentioned tax dispute. Since the launch of the review application, Abantu and SARS have been engaging to resolve the dispute in an amicable and efficient manner through a Compromise process, which was resolved in February 2024. An amount of R112 million was paid to SARS on 1 March 2024 and considered as final settlement.

Provisions also include onerous contract provisions, where there is uncertainty on the final amount, which is the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil the contracts, with the timing of outflow expected to be in the next financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

21 REVENUE

Disaggregated revenue

Figures in Rand thousand

	2024	2023
Revenue by sector		
Public sector	14%	14%
Private sector	86%	86%
Total	100%	100%
Major revenue types		
Hardware sales	623 728	621 753
Services	4 655 833	4 705 004
Software/licence contracts	749 263	912 360
Rentals*	6 350	19 061
Total	6 035 174	6 258 178
Timing of revenue recognition		
Goods or services transferred to customers:		
– at a point in time	2 376 345	1 838 927
– over time	3 658 829	4 419 251
Total	6 035 174	6 258 178
Continuing operations	6 035 174	6 229 322
Discontinued operations	–	28 856
Total	6 035 174	6 258 178

* Rentals recognised are excluded from revenue from contracts with customers and accounted for under IFRS 16 Leases.

Figures in Rand thousand

	2024	2023
Contract balances		
Contract assets (note 10)	169 070	220 018
Contract liabilities (note 19)	(460 910)	(368 145)
Total	(291 840)	(148 127)

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date, mostly for services contracts.

Contract assets are transferred to receivables when the rights become unconditional, which usually occurs when the Group issues an invoice to the customer.

Contract liabilities primarily relate to the advance consideration received from customers for services and maintenance contracts. Revenue is recognised from the contract liability amounts as and when services are delivered and related performance obligations satisfied.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

21 REVENUE continued

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

<i>Figures in Rand thousand</i>	2024	2023
Contract assets		
Contract assets at the beginning of the year	220 018	238 411
Transfers from contract assets recognised at the beginning of the period and during the current period to receivables	(662 468)	(409 671)
Increases as a result of revenue recognised	610 710	390 668
Foreign exchange translation	(497)	3 841
Impairment allowance reversed/(raised) (note 37)	1 307	(3 231)
Contract assets at the end of the year	169 070	220 018
Contract liabilities		
Contract liabilities at the beginning of the year	368 145	376 746
Revenue recognised during the year and which was included in the contract liability balance at the beginning of the year	(302 148)	(397 379)
Increases due to advance cash received or amounts billed, excluding amounts recognised as revenue during the year	395 926	396 660
Foreign exchange translation	(1 013)	(1 225)
Disposals	–	(6 657)
Contract liabilities at the end of the year	460 910	368 145
Net contract assets		
Unbilled revenue (note 10)	175 069	226 700
Allowance for impairment (note 10)	(5 999)	(6 682)
Net contract assets	169 070	220 018

Performance obligations

Nature of goods and services

The following table provides an explanation of the Group's performance obligations:

Revenue type	Recognition drive	Transfer of control	Measurement of transaction price	Duration of contract
Hardware sales	Upon delivery	At a point in time	Contracted amounts	<1 year
Services	Monthly/costs incurred	Over time	Contracted amounts	>1 year
Software/licence contracts	Agent – upon delivery Principal – monthly	Agent – at a point in time Principal – over time	Contracted amounts	>1 year
Rentals	Monthly rentals	Over time	Contracted amounts	>1 year

The Group recognised revenue as principal of R5 845 million (2023: R6 014 million) and as agent of R190 million (2023: R244 million).

The Group has applied the practical expedient allowed for contracts expected to be less than one year. The Group is not separating the significant financing component out of the transaction price.

Remaining performance obligations

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied):

<i>Figures in Rand thousand</i>	2024	2023
Within one year	474 861	533 306
More than one year	769 680	10 603
Total	1 244 541	543 909

The performance obligations expected to be recognised in more than one year relate to maintenance, software, managed and services contracts which are to be satisfied within two years. All the other remaining performance obligations are expected to be recognised within one year.

Where revenue is recognised over time on the costs incurred method, estimates are made to the total budgeted cost.

Significant judgement was applied in assessing whether the Group is an agent or principal in respect of the software/licence contracts and hardware sales (refer to note 1.3 for additional information).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

22 NET FINANCIAL ASSET IMPAIRMENT LOSSES

Impairment losses/(reversals) on financial assets recognised in profit or loss from continuing operations were as follows:

<i>Figures in Rand thousand</i>	2024	2023
Impairment loss/(reversal) on trade and other receivables	38 876	(4 720)
Impairment (reversal)/loss on contract assets	(1 307)	3 231
Impairment (reversal)/loss on finance lease receivables	(102)	80 506
	37 467	79 017

23 OPERATING PROFIT

Figures in Rand thousand

<i>Figures in Rand thousand</i>	2024	2023
Operating profit from continuing operations is stated after taking into account the following other items:		
Amortisation	26 415	27 006
Amortisation included in cost of sales	3 151	8 357
Amortisation not included in cost of sales	23 264	18 649
Auditor's remuneration	36 255	48 905
Other auditors	4 381	6 813
Audit fee	3 601	5 367
Fees for other services	780	1 446
PricewaterhouseCoopers Inc.	31 874	42 092
Audit fee	31 874	38 249
Audit fee – prior year	–	3 199
Fees for other services	–	644
Depreciation	79 983	100 672
Depreciation included in cost of sales	17 710	26 366
Depreciation not included in cost of sales	62 273	74 306
Employee costs	3 061 037	3 162 974
Employee costs included in cost of sales	1 996 840	2 057 956
Employee costs not included in cost of sales	1 064 197	1 105 018
Materials, services and travel included in cost of sales	2 367 862	2 390 165
Materials	2 364 956	2 389 185
Travel and accommodation	2 906	980
Inventory write-off	1 456	16 620
Advisory services	25 627	65 284
IT and network support services	6 874	11 868
Legal fees	18 638	30 784
IT expenses: software licence fees	61 784	65 795
Reversal of historic VAT accruals	(4 400)	(26 918)
Loss/(profit) on disposal of subsidiaries	40 142	(13 829)
IFRS 5 remeasurement to fair value less costs to sell	–	1 684
Share-based payment expense	23 837	55 236
Foreign exchange gain	(3 243)	(6 592)
Loss on disposal of intangible assets and property, plant and equipment	2 273	463
Short-term and low-value lease charges	22 084	10 307
Short-term and low-value lease charges on immovable property	20 870	8 261
Short-term and low-value lease charges on movable property	1 214	2 046
Provisions raised/(released)	18 894	(9 250)
IAS 36 impairment of goodwill	23 697	16 008
IAS 36 reversal of impairment of intangible assets and property, plant and equipment	(1 397)	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

24 INVESTMENT INCOME

From continuing operations

Figures in Rand thousand

	2024	2023
Interest income		
Bank	9 589	7 684
Other interest received	4 940	2 868
	14 529	10 552

25 FINANCE COSTS

From continuing operations

Figures in Rand thousand

	2024	2023
Other financial liabilities	81 642	131 465
Debt restructuring fee	1 689	22 843
Lease liabilities	6 349	8 033
Bank	21 718	6 538
Other interest	21 029	5 448
	132 427	174 327

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

26 TAXATION

Figures in Rand thousand

	2024	2023
Current taxation		
Local income taxation – current year	63 822	58 065
Local income taxation – prior years	1 092	(2 425)
Foreign income taxation – current year	–	1 080
	64 914	56 720
Discontinued operations	–	–
Continuing operations	64 914	56 720
	64 914	56 720
Deferred taxation		
Originating and reversing temporary differences	(5 078)	(6 754)
Prior year adjustments	(11 300)	2 228
	(16 378)	(4 526)
Discontinued operations	–	–
Continuing operations	(16 378)	(4 526)
	(16 378)	(4 526)
Total taxation	48 536	52 194
Discontinued operations	–	–
Continuing operations	48 536	52 194
Total taxation	48 536	52 194
Reconciliation of rate of taxation	%	%
<i>For both continuing and discontinued operations</i>		
South African normal rate of taxation	27.0	27.0
Reduction in rate for the year, due to:		
Exempt income [^]	(68.6)	(3 731.0)
Foreign taxation rate differences	(138.6)	(5 176.2)
Disallowed gain on disposal	–	(8 598.6)
Prior year adjustments to underprovision of deferred taxation/current taxation	(178.6)	(1 447.8)
Effect of unutilised temporary differences	(301.8)	(17 105.5)
Effect of utilised/not utilised estimated tax losses	–	(22 001.9)
Abantu settlement (assessed loss forfeited)	(162.9)	–
Increase in rate for the year, due to:		
Effect of utilised/not utilised estimated tax losses	630.0	–
Disallowed loss on disposal	406.5	–
Non-deductible expenditure*	636.0	61 445.4
Capital gains taxation	–	27 754.9
	849.0	31 166.3
Unrecognised deferred taxation assets		
Deferred taxation assets not recognised in respect of deductible temporary differences	460 235	454 920
Deferred taxation assets not recognised in respect of taxation losses	2 673 789	2 540 399
	3 134 024	2 995 319

* The non-deductible expenditure relates mainly to goodwill (112%), interest expenses recognised (Rnil) (2023: 18 442%) and inter-company loan write-off (574%) (2023: 8 035%), which will result in capital losses that can be utilised against future capital gains in terms of section 19 and paragraph 12A of the Income Tax Act of South Africa.

[^] Exempt income (-36%) relates mainly to government grants received (-21%) and special allowances in terms of S12H learnerships. Exempt income in the prior year (-3 731%) related mainly to government grants received.

The deductible temporary differences do not expire under the current taxation legislation.

Deferred tax assets have been recognised to the extent that the realisation of the related tax through future taxable profits is probable. An assessment of future taxable profits has been performed at a relevant subsidiary level based on budgets.

In 2024, R75 million (2023: R276 million) of previously unrecognised taxation losses was utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

27 EARNINGS PER SHARE

	2024	2023
Basic loss per share and diluted loss per share		
Loss attributable to owners of EOH Holdings Limited from continuing and discontinued operations (R'000)	(65 920)	(57 576)
Weighted average number of shares in issue ('000)*	630 296	436 578
Basic loss per share from continuing and discontinued operations (cents)	(10)	(13)
Diluted loss per share from continuing and discontinued operations (cents)	(10)	(13)
Basic loss per share from continuing operations (cents)	(10)	(20)
Diluted loss per share from continuing operations (cents)	(10)	(20)

* The impact of share options and EOH A shares has been excluded from the weighted average diluted number of shares as they would be anti-dilutive.

Basic earnings and diluted earnings are equal for the years ended 31 July 2023 and 31 July 2024.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

28 HEADLINE LOSS PER SHARE

	2024	2023
Headline loss per share and diluted headline loss per share		
Headline loss from continuing operations (R'000)	(1 323)	(82 318)
Weighted average number of shares in issue ('000)*	630 296	436 578
Headline loss per share from continuing operations (cents)	(0.21)	(19)
Diluted headline loss per share from continuing operations (cents)	(0.21)	(19)
Headline loss from continuing and discontinued operations (R'000)	(1 323)	(92 647)
Weighted average number of shares in issue ('000)*	630 296	436 578
Headline loss per share from continuing and discontinued operations (cents)	(0.21)	(21)
Diluted headline loss per share from continuing and discontinued operations (cents)	(0.21)	(21)

* The impact of share options and EOH A shares has been excluded from the weighted average diluted number of shares as they would be anti-dilutive.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

28 HEADLINE LOSS PER SHARE continued

<i>Figures in Rand thousand</i>	2024		2023	
	Gross	Net	Gross	Net
Reconciliation between earnings, headline earnings and diluted headline earnings from continuing and discontinued operations				
Loss attributable to owners of EOH Holdings Limited	(65 920)	(65 920)	(57 576)	(57 576)
Adjusted for:				
Loss on disposal of intangible assets and property, plant and equipment	2 273	1 782	463	363
Loss/(profit) on disposal of subsidiaries	40 142	40 142	(53 126)	(53 126)
IAS 36 impairment of goodwill	23 697	23 697	16 008	16 008
IAS 36 reversal of impairment of intangible assets and property, plant and equipment	(1 397)	(1 020)	-	-
IFRS 5 remeasurement to fair value less costs to sell	-	-	1 684	1 684
Total non-controlling interest effects on adjustments	(4)	(4)	-	-
Headline loss from continuing and discontinued operations	(1 209)	(1 323)	(92 547)	(92 647)
<i>Figures in Rand thousand</i>				
Reconciliation between earnings, headline earnings and diluted headline earnings from continuing operations				
Loss attributable to owners of EOH Holdings Limited	(65 920)	(65 920)	(57 576)	(57 576)
Adjusted for profit from discontinued operations (note 13)	-	-	(28 968)	(28 968)
Continuing loss attributable to ordinary shareholders	(65 920)	(65 920)	(86 544)	(86 544)
Continuing operations adjustments:				
Loss on disposal of intangible assets and property, plant and equipment	2 273	1 782	463	363
Loss/(profit) on disposal of subsidiaries	40 142	40 142	(13 829)	(13 829)
IAS 36 impairment of goodwill	23 697	23 697	16 008	16 008
IAS 36 reversal of impairment of intangible assets and property, plant and equipment	(1 397)	(1 020)	-	-
IFRS 5 remeasurement to fair value less costs to sell	-	-	1 684	1 684
Total non-controlling interest effect on adjustments	(4)	(4)	-	-
Headline loss from continuing operations	(1 209)	(1 323)	(82 218)	(82 318)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

29 CASH GENERATED FROM OPERATIONS

Figures in Rand thousand

	2024	2023
(Loss)/profit before taxation from:	(5 716)	168
Continuing operations	(5 716)	(28 800)
Discontinued operations (note 13)	–	28 968
Adjustments for:		
Depreciation and amortisation	106 398	127 678
IAS 36 impairment of goodwill	23 697	16 008
IAS 36 impairment reversals of intangible assets and property, plant and equipment	(1 397)	–
IFRS 5 remeasurement to fair value less costs to sell	–	1 684
Loss on disposal of intangible assets and property, plant and equipment	2 273	463
Loss/(profit) on disposal of subsidiaries	40 142	(53 126)
Share-based payment expense	23 837	54 997
Net finance costs	117 898	163 747
Net financial asset impairment losses	37 467	79 245
Inventory write-off	1 456	16 620
Movement in provisions	10 145	(9 250)
Foreign exchange gains	(3 243)	(6 592)
Other non-cash items	4 169	654
Cash generated before changes in working capital	357 126	392 296
Working capital changes net of effects of disposal of subsidiaries	(155 654)	(281 599)
(Increase)/decrease in inventories	(10 330)	16 903
Decrease/(increase) in trade and other receivables	114 814	(158 232)
Decrease in trade and other payables	(260 138)	(140 270)
Historical share-based payment plans paid out during the year	(30 905)	(2 229)
Cash generated from operations	170 567	108 468

30 TAXATION PAID

Figures in Rand thousand

	2024	2023
Amounts receivable/(owing) at the beginning of the year	15 375	(1 386)
Assets held for sale at the beginning of the year	–	384
Current taxation for the year (note 26)	(64 914)	(56 720)
Disposals (note 14)	194	693
Interest and other	(1 058)	1 161
Penalties	(6 683)	–
Amounts receivable at the end of the year	(7 823)	(15 375)
Taxation paid	(64 909)	(71 243)

31 CONTINGENCIES AND COMMITMENTS

Parent company guarantees

EOH issued parent company guarantees (PCGs) during May 2019, as required by a client for a wholly-owned subsidiary, PiA Solar SA Proprietary Limited (PiA). The guarantees were provided during both construction and after handover, including an operation warranty guarantee, which by nature could (in the event of underperformance by PiA) compel EOH to either ensure physical performance or settle such underperformance in cash terms. The continued provision of these guarantees is being discussed with the relevant clients. While PiA had undergone some operational challenges as a result of several factors, EOH has intervened in order to minimise the potential impact of these PCGs. All the projects subject to these PCGs are now substantially complete and have been handed over to the client. EOH will continue to proactively manage these projects to ensure that the risks presented by the PCGs are mitigated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

31 CONTINGENCIES AND COMMITMENTS continued

Litigation

EOH and its subsidiaries are involved in various litigation matters, which are at varying stages in the litigation process, and most of which arise from the ordinary course of business and some of which arise from legacy issues. None of these matters are considered material on an individual or in aggregate basis. Management has no reason to believe that the outcome of these matters will have a materially adverse effect in the consolidated financial position, financial results or cash flows of EOH.

Commitments

Figures in Rand thousand

	2024	2023
Expected, but not yet contracted capital expenditure	34 279	65 244
Contractual obligation for future lease payments	88 672	25 157
	122 951	90 401

32 RETIREMENT BENEFITS

The Group is a member of a corporate defined contribution plan which is governed by the Pension Funds Act to which employees elect to make retirement contributions on an income sacrifice basis. The Group makes no additional contribution and is under no obligation to cover any other benefits. Employees are also eligible and obliged to become members of the Group risk benefit scheme, providing certain minimum death and disability benefits. Such Group risk benefit scheme is external to the Group, to which employees make contributions, and the benefits paid out are paid by the third party.

At 31 July 2024, the membership of the funds were 2 553 (2023: 2 869) employees.

At 31 July 2024, the Group's contribution to the fund was R106 million (2023: R108 million).

33 DIRECTORS AND PRESCRIBED OFFICERS' INTEREST IN ORDINARY SHARES OF THE COMPANY

Number of shares	2024		2023	
	Beneficial direct interest	Total	Beneficial direct interest	Total
Executive Directors				
Marius de la Rey (appointed 30 May 2024)	70 500	70 500	70 500	70 500
Prescribed Officers				
Brian Harding	1 105 986	1 105 986	1 105 986	1 105 986
Fatima Newman (appointed 1 June 2024)	70 800	70 800	70 800	70 800
	1 247 286	1 247 286	1 247 286	1 247 286

Shareholding of previous Executive Directors

Number of shares	2024		2023	
	Beneficial direct interest	Total	Beneficial direct interest	Total
Executive Directors				
Stephen van Coller (resigned 31 March 2024)	1 311 023	1 311 023	1 311 023	1 311 023
Megan Pydigadu (resigned 31 October 2023)	89 603	89 603	89 603	89 603
Fatima Newman (resigned 30 May 2024)	70 800	70 800	70 800	70 800
Marialet Greeff (appointed 1 November 2023; resigned 22 July 2024)	8 175	8 175	8 175	8 175
	1 479 601	1 479 601	1 479 601	1 479 601

There have been no other changes in the Directors' interest in shares of the Company between year end and the date of approval of the consolidated and separate financial statements. Non-executive Directors do not hold any direct or indirect interest in shares of the Company, except for Rhys Summerton who holds 1.46% directly and 2.60% indirectly. The Executive Directors and Prescribed Officers do not hold indirect interests in shares of the Company. No shares held by the Directors have been pledged as security or subject to a guarantee, collated or other encumbrance. Jabu Moleketi, who was appointed as Chairman during the year, is a shareholder and Director of Lebashe Investment Group, which holds 121 444 033 (2023: 127 998 548) ordinary shares of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

34 DIRECTORS AND PRESCRIBED OFFICERS' REMUNERATION

<i>Figures in Rand thousand</i>	Remuneration including other benefits*	Short-term benefits		Total	Share-based payments charge
		Bonuses	For services as Directors		
2024					
Executive Directors					
Marius de la Rey (appointed 30 May 2024)	1 000	–	–	1 000	–
Ashona Kooblall (appointed 22 July 2024)	101	750	–	851	–
Marialet Greeff (appointed 1 November 2024; resigned 22 July 2024)	2 794	1 391	–	4 185	1
Stephen van Coller (resigned 31 March 2024)	7 050	31 649	–	38 699	4 843
Megan Pydigadu (resigned 31 October 2023)	1 772	3 255	–	5 027	6
Fatima Newman (resigned 30 May 2024)	5 737	3 255	–	8 992	–
Prescribed Officers					
Brian Harding	5 868	–	–	5 868	61
Fatima Newman (appointed 1 June 2024)	1 147	3 000	–	4 147	–
Marius de la Rey (resigned 29 May 2024)	5 000	2 616	–	7 616	–
Non-executive Directors					
Andrew Mthembu (resigned 30 May 2024)	–	–	1 287	1 287	–
Andrew Marshall	–	–	971	971	–
Bharti Harie (resigned 30 May 2024)	–	–	632	632	–
Dennis Venter (appointed 30 May 2024)	–	–	–	–	–
Jabu Moleketi	–	–	937	937	–
Jesmane Boggenpoel (resigned 10 May 2024)	–	–	511	511	–
Mike Bosman (resigned 22 November 2023)	–	–	266	266	–
Nosipho Molope (resigned 18 July 2024)	–	–	810	810	–
Rhys Summerton (appointed 30 May 2024)	–	–	–	–	–
Sipho Ngidi	–	–	888	888	–
Veronica Motloutsi (appointed 30 May 2024)	–	–	251	251	–
	30 469	45 916	6 553	82 938	4 911
Less: Paid/payable by subsidiaries	30 469	45 916	6 553	82 938	–
	–	–	–	–	4 911

* Other benefits include medical aid and retirement fund contributions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

34 DIRECTORS AND PRESCRIBED OFFICERS' REMUNERATION continued

<i>Figures in Rand thousand</i>	Remuneration including other benefits*	Short-term benefits		Total	Share-based payments charge
		Bonuses	For services as Directors		
2023					
Executive Directors					
Stephen van Coller	10 500	4 256	–	14 756	5 248
Megan Pydigadu	7 088	1 959	–	9 047	592
Fatima Newman	6 458	1 815	–	8 273	1 109
Non-executive Directors					
Andrew Mthembu	–	–	1 621	1 621	–
Andrew Marshall	–	–	946	946	–
Bharti Harie	–	–	938	938	–
Jabu Moleketi	–	–	759	759	–
Jesmane Boggenpoel	–	–	974	974	–
Mike Bosman	–	–	1 122	1 122	–
Nosipho Molope	–	–	939	939	–
Sipho Ngidi	–	–	923	923	–
	24 046	8 030	8 222	40 298	6 949
<i>Less: Paid/payable by subsidiaries</i>	24 046	8 030	8 222	40 298	–
	–	–	–	–	6 949

* Other benefits include medical aid and retirement fund contributions.

35 SHARE-BASED PAYMENTS

The Group has three equity-settled share incentive schemes, The EOH Share Trust, The Mthombo Trust and The Share Ownership Plan. Inclusion in the schemes allows Directors, executive management and employees to benefit from the EOH share price performance. For the share trusts and share ownership scheme, the participant needs to be in the employ of the Group in order to exercise vested options and shares. The Mthombo Trust restricts participation to qualifying previously disadvantaged Directors, executive management and employees.

The EOH Share Trust

The scheme is governed by a trust deed approved by shareholders and the JSE Limited. The option strike price is equal to the share price at the date of the offer less 40% discount. The participant may exercise the option in respect of the shares granted in tranches from time to time as set out below. The share options will lapse 10 years after the grant date.

- › 25% after two years
- › 25% after three years
- › 25% after four years
- › 25% after five years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

35 SHARE-BASED PAYMENTS continued

The EOH Share Trust continued

A reconciliation of the movement of all share options in The EOH Share Trust is detailed below:

	The EOH Share Trust			
	Number of options		Weighted average strike price (Rand)	
	2024	2023	2024	2023
Opening balance	1 644 874	1 955 639	39.31	42.91
Forfeited during the year	(127 275)	(310 765)	69.28	61.93
Expired during the year	(169 140)	–	45.49	–
Exercised during the year	(1 000 000)	–	21.08	–
Options granted but not issued up to the end of the year	348 459	1 644 874	77.70	39.31
Vesting of share options				
Number of options exercisable at year end	348 459	1 394 874	77.70	42.58
Exercise date within one year	–	250 000		
	348 459	1 644 874		

There were no new share options granted during the prior and current financial years for The EOH Share Trust.

The Mthombo Trust

The scheme is governed by a trust deed approved by shareholders and the JSE Limited. The option strike price is equal to the share price at date of the offer less 40% discount. The participant may exercise the option in respect of the shares granted in tranches from time to time as set out below. The share options will lapse eight years after the grant date.

- 33.33% after three years
- 33.33% after four years
- 33.33% after five years

A reconciliation of the movement of all share options in The Mthombo Trust is detailed below:

	The Mthombo Trust			
	Number of options		Weighted average strike price (Rand)	
	2024	2023	2024	2023
Opening balance	5 687	118 020	89.12	66.70
Forfeited during the year	–	(82 332)	–	68.75
Expired during the year	(5 687)	(30 001)	89.12	56.82
Options granted but not issued up to the end of the year	–	5 687	–	89.12
Vesting of share options				
Number of options exercisable at year end	–	5 687	–	89.12
	–	5 687		

There were no new share options granted during the prior and current financial years for The EOH Mthombo Trust.

The Share Ownership Plan

The Share Ownership Plan was adopted in 2018. The scheme awards participants with shares and is determined to be equity settled. Shares granted vest in tranches from time to time as set out below.

- 25% after two years
- 25% after three years
- 25% after four years
- 25% after five years

An additional award was made to qualifying employees in June 2020 who had taken salary cuts as a result of Covid-19. Shares granted vest 100% after two years.

Shares have been exercised under this scheme in the current and prior years. These have been settled in cash as elected by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

35 SHARE-BASED PAYMENTS continued

The Share Ownership Plan continued

A reconciliation of the movement of all shares in The Share Ownership Plan is detailed below:

	The Share Ownership Plan			
	Number of shares		Weighted average strike price (Rand)	
	2024	2023	2024	2023
Opening balance	1 366 205	2 614 956	16.73	19.91
Forfeited during the year	(81 960)	(573 833)	15.37	10.07
Vested and exercised during the year	(1 026 292)	(674 918)	19.21	34.74
Shares granted but not issued up to the end of the year	257 953	1 366 205	7.29	16.73
Vesting of shares				
Number of shares vested at year end	257 953	447 229	7.29	9.97
Vesting date within one year	–	805 769		
Vesting date between two and five years	–	113 207		
	257 953	1 366 205		

The volatility of the share price at the grant date was determined using the share trading history of the Company prior to the grant date.

There were no new awards granted during the prior or current financial years for the Share Ownership Plan.

The Share Ownership Plan does not grant employees options, therefore a binomial option pricing model is not used.

Cash-based long-term incentive

Members of the Group's executives, divisional executives and management are granted cash-based long-term incentives (CBLTIs) settled in cash. These awards are not subject to an exercise price, and vest subject to the achievement of designated performance criteria (non-market performance conditions) and subject to an employment condition. The employment condition is deemed to have been satisfied if the grantee remains in the employ of the Group on vesting of the units. The performance conditions relate to growth of the Group's return on invested capital (weighted 25%), headline earnings per share (weighted 25%), and EBITDA cash conversion ratio (weighted 25%), as well as to the achievement of certain skills development (weighted 10%) and transformation (weighted 15%) targets. The awards vest in a three-year period subject to the meeting of the performance and employment conditions. The Board initially approved the award of CBLTIs during the prior year.

The liability for the CBLTIs is measured, initially, and at the end of each reporting date, until settled, at the fair value of the CBLTIs, applying an appropriate valuation model taking into account the terms and conditions under which the CBLTIs were granted, the expected achievement of non-market performance conditions, and the extent to which services have been rendered by the grantees to date.

The expense recognised during the period arising from the CBLTIs' cash-settled share-based payment transactions amounted to R18.9 million (2023: R4.9 million). Refer to note 17 for further details on the cash-based long-term incentive liability.

During the reporting period a dilution factor of 3.78 was applied to the number of cash-settled awards granted to all grantees as approved by the Remuneration and Nomination Committee during October 2023. This has been disclosed below as awards granted during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

35 SHARE-BASED PAYMENTS continued

Cash-based long-term incentive continued

A reconciliation of the movement of the CBLTIs is detailed below:

Cash-based long-term incentives

<i>Number of awards</i>	2024	2023
Opening balance	4 857 933	–
Granted during the year	13 505 054	8 583 041
Forfeited during the year	(563 617)	(1 078 049)
Vested during the year	(8 965 056)	(2 647 059)
Closing balance	8 834 314	4 857 933
Vesting of CBLTIs		
Number exercisable at year end	–	2 647 059
Exercise date within one year	4 212 647	–
Exercise date between two and five years	4 621 667	4 857 933
	8 834 314	7 504 992
Fair values		
The following table lists the inputs to the model used to value the CBLTIs:		
Expected volatility (%)	–	–
Risk-free interest rate (%)	8.50	8.20
Spot share price	1.55	1.52
Dividend yield	–	–
Fair value	1.55	1.52

The analysis of equity-settled share options/shares granted to Directors is detailed below:

	Outstanding at 31 July 2023	Exercised during the period	Shares granted during the year	Weighted average strike price/share price* (Rand)	Outstanding at 31 July 2024
Executive Directors					
Stephen van Coller					
The EOH Share Trust (options)	1 000 000	(1 000 000)	–	19.00	–
Vested at year end	750 000	(750 000)	–	19.00	–
Exercisable within one year	250 000	(250 000)	–	19.00	–
Exercisable between two and five years	–	–	–	–	–
The Share Ownership Plan (shares)	339 623	(339 623)	–	13.25	–
Exercisable within one year	226 416	(226 416)	–	13.25	–
Exercisable between two and five years	113 207	(113 207)	–	13.25	–
Megan Pydigadu					
The Share Ownership Plan (shares)	15 506	(15 506)	–	32.25	–
Exercisable within one year	15 506	(15 506)	–	32.25	–
Exercisable between two and five years	–	–	–	–	–

* Relates to the grant date fair value in terms of The Share Ownership Plan.

In terms of the CBLTI, the Directors and Prescribed Officers have been granted the following cash-settled awards:

- Marius de la Rey has 1 707 830 awards exercisable within one year, and 751 490 awards exercisable between two and five years.
- Brian Harding has 751 490 awards exercisable between two and five years.
- Fatima Newman has 1 707 830 awards exercisable within one year, and 2 367 194 awards exercisable between two and five years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

36 RELATED-PARTY TRANSACTIONS

The Group entered into various transactions with related parties.

Figures in Rand thousand

	2024	2023
Transactions between Group companies (subsidiaries)		
Sale of products and services	791 178	822 714
Purchases of products and services	513 952	592 116
Operating expenses	277 226	230 598
Outstanding loan balances		
Loans from EOH Holdings Limited to subsidiaries	884 370	2 851 241
Loans to EOH Holdings Limited from subsidiaries	142 447	237 176

Directors' remuneration

The remuneration for Directors of the Company paid during the year by subsidiaries within the Group has been disclosed in note 34. Directors and Prescribed Officers' interest in ordinary shares of the Company is disclosed in note 33. Directors are defined as key management.

37 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial risk management and fair value disclosures

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. Risk management is carried out centrally and management identifies, evaluates and analyses financial risks where necessary in close cooperation with the Group's operating business units. The Governance and Risk Committee oversees how management monitors compliance with the Group risk management policies and procedures and reviews the adequacy of the Risk Management Framework in relation to the risks faced by the Group.

The Group's normal operations expose it to the following financial risks from its use of financial instruments:

- capital risk
- liquidity risk
- interest risk
- credit risk
- currency risk

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy at 31 July 2024:

Figures in Rand thousand	Carrying amount				
	Mandatorily at FVTPL	Amortised cost	Total	Held for sale	Balance
Financial assets					
Cash and cash equivalents	–	347 222	347 222	–	347 222
Trade and other receivables	–	1 196 655	1 196 655	–	1 196 655
Finance lease receivables	–	18 389	18 389	–	18 389
Other financial assets	–	34 363	34 363	–	34 363
Financial liabilities					
Trade and other payables	–	478 719	478 719	–	478 719
Lease liabilities	–	81 087	81 087	–	81 087
Other financial liabilities	–	951 640	951 640	–	951 640

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

37 FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

Financial risk management and fair value disclosures continued

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy at 31 July 2023:

Figures in Rand thousand	Mandatorily at FVTPL	Carrying amount			Balance
		Amortised cost	Total	Held for sale	
Financial assets					
Cash and cash equivalents	–	235 948	235 948	–	235 948
Trade and other receivables	–	1 414 691	1 414 691	–	1 414 691
Finance lease receivables	–	22 030	22 030	–	22 030
Other financial assets	–	75 279	75 279	–	75 279
Financial liabilities					
Trade and other payables	–	681 440	681 440	–	681 440
Lease liabilities	–	67 423	67 423	–	67 423
Other financial liabilities	–	833 643	833 643	–	833 643

The Group does not have any financial instruments that are subject to offsetting.

All cash and cash equivalents, short-term receivables and short-term payables carrying amounts approximate their fair values due to their short-term nature.

Other financial liabilities and assets, and lease receivables and payables carrying amounts approximate their fair values due to the nature and contractual terms of the instruments.

There have been no transfers between levels of the fair value hierarchy.

Non-recurring fair value measurements

Disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The fair values are determined based on sales agreements and offers that are in place for each of the disposal groups that are held for sale. The total of such fair values is Rnil (2023: Rnil). These fair values are categorised as level 3, based on inputs used.

Capital risk management

The Group recognises, as part of its strategic intent, that an appropriate capital structure is required to ensure both sustainability of the business and to leverage growth opportunities.

The Group has a historically large debt burden which is not fit for purpose in terms of its capital structure. The stated objective of the Group has been to deleverage the Group to an appropriate capital structure. The deleveraging process has primarily been done by disposing of non-core assets (as disclosed in note 14). The Group is targeting a 70% equity to 30% debt ratio. Significant progress has been made in this regard over the past years.

While the Group is focused on creating a fit-for-purpose capital structure, the full focus has been on deleveraging. Appropriate funding for the business has also been a key focus.

In terms of allocating capital within the business, the Group looks at return on invested capital (ROIC) metrics to allocate capital. This is measured against the Group's discount rate of 15.9% (2023: 15.5%), to ensure there is value creation whereby ROIC needs to exceed the discount rate.

The debt-to-equity ratios were as follows:

Figures in Rand thousand	2024	2023
Debt* (R'000)	960 411	833 643
Equity at market value (R'000)	989 029	969 887
Debt to equity ratio	49:51	46:54

* Debt reflects amounts owed to funders.

Refer to note 1.2, which provides further discussion surrounding the Group's debt reduction strategy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

37 FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by reviewing future commitments and credit facilities to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

<i>Figures in Rand thousand</i>	Within six months	Within seven to 12 months	Between one and two years	Between two and three years	Between three and four years
At 31 July 2024					
Other financial liabilities	70 159	67 577	347 318	319 572	–
Lease liabilities	20 355	18 942	27 383	14 300	6 748
Trade and other payables	478 719	–	–	–	–
At 31 July 2023					
Other financial liabilities	41 260	40 943	82 246	68 318	729 294
Lease liabilities	21 229	16 385	22 763	10 390	–
Trade and other payables	681 440	–	–	–	–

The expected maturity of financial liabilities is not expected to differ from the contractual maturities as disclosed above.

Refer to note 1.2 for additional information.

Interest rate risk

The cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate owing to changes in the market interest rate. The fair value interest rate risk is the risk that the value of the financial instrument will fluctuate because of changes in the market interest rates. The Group assumes exposure to the effects of the fluctuations in the prevailing levels, if the market interest rates on both the fair value and cash flow risks fluctuate.

Interest rate risk arises from other financial liabilities, being borrowings (refer to note 17). Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group policy is to maintain most of its borrowings in variable rate instruments. The variable rates are influenced by movements in the JIBAR rates. During the reporting period, the Group's borrowings at variable rates were denominated in Rand.

The Group analyses its interest rate exposure on an ongoing basis. The Group does not hedge against fluctuations in interest rates.

At 31 July 2024, if the interest rate on Rand-denominated borrowings had been 1% higher/lower with all other variables held constant, post-tax loss for the year would have been R7 million (2023: R8 million) lower/higher, mainly as a result of higher interest expense on floating rate borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

37 FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

Credit risk and expected credit losses

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's other financial assets, finance lease receivables, trade and other receivables, contract assets, and cash and cash equivalents.

Trade receivables, contract assets and finance lease receivables comprise a widespread customer base, spread across diverse industries and geographical areas. The Group has a general policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Management evaluates credit risk relating to customers on an ongoing basis, taking into account its financial position, past experience and other relevant factors. If customers are independently rated, these ratings are also considered.

The gross carrying amounts of financial assets represent the maximum credit exposure. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. Financial assets exposed to credit risk at year end were as follows:

<i>Figures in Rand thousand</i>	2024	2023
Other financial assets	45 503	134 850
Finance lease receivables	119 847	157 623
Trade and other receivables	1 278 661	1 537 763
Cash and cash equivalents	347 222	235 948
Contract assets	175 069	226 700
	1 966 302	2 292 884

At the reporting date, the Group did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which customers operate.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. The Group's exposure and the credit scores of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved counterparties. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by the Risk Management Committee/Credit Control department annually.

The average credit period on sales of goods and services ranges from 30 days to 120 days. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Customers are grouped according to their credit characteristics. The customers grouped in a particular segment, which are industry segments, share similar credit risk characteristics. Trade receivables are assessed for impairment on a collective basis as well as on a specific basis considering the individual customers' credit quality and payment history in addition to their industry segment. The contract assets relate to unbilled work-in-progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group does not have trade receivables and contract assets for which no loss allowance is recognised because of collateral held.

Expected credit loss assessment for trade receivables and contract assets

The allowance for impairment of trade receivables and contract assets is created to the extent and as and when required, based upon the expected collectability of amounts receivable. The Group uses a provision matrix to measure the ECLs of trade receivables and contract assets. In addition to this, a specific assessment of customers for ECLs is performed.

Loss rates as per the provision matrix are calculated using a 'roll rate'/'flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. 'Roll rates'/'flow rates' are calculated separately for exposures in different industry segments based on the common credit risk characteristics. The expected credit loss calculation incorporates both industry risk and country risk depending on where the respective customers are based. The exposure to credit risk table presents the gross carrying amount of trade receivables and contract assets by industry together with the associated ECL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

37 FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

Credit risk and expected credit losses continued

Trade receivables and contract assets continued

Expected credit loss assessment for trade receivables and contract assets continued

The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Two scenarios have been modelled per customer incorporating both their historical payment profiles as well as expectations about their abilities to pay amounts due.

A default event is considered to have occurred when aged 90 days or beyond. Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the entity, and a failure to make contractual payments for a period of greater than 90 days past due.

The following table provides information about the exposure to credit risk and ECLs for contract assets as at 31 July 2024:

<i>Figures in Rand thousand</i>	Gross amount	Weighted average loss rate %	Expected credit loss
Industry			
Agriculture, environment, forestry and fisheries	7	–	2
Automotive	2 109	6	129
Business and professional services	74	–	*
Construction, real estate, facilities and property management	7 034	8	579
Education	6 556	6	405
Electricity, gas, water, energy and utilities	47 198	4	1 665
Financial services	15 190	2	256
Health and pharmaceuticals	2 526	9	228
Human capital and resourcing	–	–	–
Information technology	18 182	6	(1 330)
Manufacturing and FMCG	2 086	5	97
Metro and municipalities	20	6	1
Mining and quarrying	7 190	2	172
National government	9 768	4	387
Other	11 462	7	778
Public benefit and membership organisations	20	–	1
Public institutions and agencies	6 856	–	*
Retail and wholesale trade	1 474	5	68
State-owned entities	30 412	8	2 285
Telecommunications	4 073	3	116
Tourism, hospitality, food and beverage	2 318	7	160
Transport, supply chain, logistics and storage	514	–	*
	175 069		5 999

* Less than R1 000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

37 FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

Credit risk and expected credit losses continued

Trade receivables and contract assets continued

Expected credit loss assessment for trade receivables and contract assets continued

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 July 2024:

<i>Figures in Rand thousand</i>	Gross amount	Weighted average loss rate %	Expected credit loss
Industry			
Agriculture, environment, forestry and fisheries	40 476	3	1 318
Automotive	41 172	5	2 107
Business and professional services	54 092	6	3 229
Constitutional and regulatory body	2 049	3	57
Construction, real estate, facilities and property management	34 974	15	5 262
Education	24 599	7	1 776
Electricity, gas, water, energy and utilities	54 844	4	2 066
Financial services	124 381	5	6 787
Health and pharmaceuticals	151 069	1	2 253
Human capital and resourcing	8 316	7	553
Industrial services	16 431	2	382
Information technology	127 331	8	10 755
Manufacturing and FMCG	60 537	11	6 528
Marketing and advertising	15 764	3	447
Metro and municipalities	21 788	5	1 117
Mining and quarrying	49 153	8	3 715
National government	72 165	10	7 033
Other	58 572	–	93
Provincial government	39 418	1	584
Public benefit and membership organisations	7 986	5	389
Public institutions and agencies	11 749	12	1 391
Retail and wholesale trade	24 238	6	1 341
Security services	1 032	2	19
State-owned entities	59 428	9	5 548
Telecommunications	109 429	11	11 762
Tourism, hospitality, food and beverage	44 016	4	1 883
Transport, supply chain, logistics and storage	23 652	–	3 611
	1 278 661		82 006

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

37 FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

Credit risk and expected credit losses continued

Trade receivables and contract assets continued

Expected credit loss assessment for trade receivables and contract assets continued

The following table provides information about the exposure to credit risk and ECLs for contract assets as at 31 July 2023:

<i>Figures in Rand thousand</i>	Gross amount	Weighted average loss rate %	Expected credit loss
Industry			
Automotive	262	6	15
Business and professional services	3725	39	1439
Construction, real estate, facilities and property management	7599	5	353
Education	8713	6	509
Electricity, gas, water, energy and utilities	48201	3	1687
Financial services	3332	3	91
Health and pharmaceuticals	2423	5	130
Human capital and resourcing	8	6	*
Information technology	63298	–	90
Manufacturing and FMCG	2767	4	109
Metro and municipalities	2897	1	25
Mining and quarrying	338	100	338
National government	12550	–	*
Other	15484	7	1032
Provincial government	984	–	*
Public institutions and agencies	9191	–	*
Retail and wholesale trade	2089	5	100
Security services	1850	12	223
State-owned entities	27820	–	14
Telecommunications	3491	3	97
Tourism, hospitality, food and beverage	8472	5	430
Transport, supply chain, logistics and storage	1206	–	*
	226 700		6 682

* Less than R1 000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

37 FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

Credit risk and expected credit losses continued

Trade receivables and contract assets continued

Expected credit loss assessment for trade receivables and contract assets continued

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 July 2023:

<i>Figures in Rand thousand</i>	Gross amount	Weighted average loss rate %	Expected credit loss
Industry			
Agriculture, environment, forestry and fisheries	12 137	3	398
Automotive	35 042	6	2 238
Business and professional services	62 068	14	8 591
Constitutional and regulatory body	3 634	4	133
Construction, real estate, facilities and property management	57 595	19	11 083
Education	21 468	3	604
Electricity, gas, water, energy and utilities	72 327	7	5 205
Financial services	167 398	6	9 941
Health and pharmaceuticals	23 260	7	1 605
Human capital and resourcing	2 826	9	242
Industrial services	12 124	3	310
Information technology	200 832	6	12 078
Manufacturing and FMCG	73 595	20	14 707
Marketing and advertising	16 050	4	692
Metro and municipalities	57 560	13	7 350
Mining and quarrying	84 593	7	6 100
National government	101 198	8	8 035
Other	23 920	11	2 671
Provincial government	190 328	5	10 067
Public benefit and membership organisations	4 773	4	187
Public institutions and agencies	14 570	5	762
Retail and wholesale trade	32 214	4	1 318
Security services	3 006	48	1 438
State-owned entities	74 218	11	8 233
Telecommunications	102 047	5	5 308
Tourism, hospitality, food and beverage	71 843	4	2 891
Transport, supply chain, logistics and storage	17 137	5	885
	1537 763		123 072

The expected loss rate by industry is based on payment profiles of sales over a 12-month period and the corresponding historical credit losses experienced within this period, which is considered to be representative of the collection cycle. These loss rates are adjusted to reflect a deterioration in the risk of the customer and macroeconomic overlay affecting the ability of the customer to settle the receivables. The macroeconomic overlay is based on the difference in default rates during the 2016 – 2023 period including the Covid-19 pandemic versus the 2024 – 2027 forward-looking future period and applied to the portion of each industry that is expected to be affected by the anticipated economic circumstances (this industry expectation is taken from the International Monetary Fund, World Economic Outlook). South African customers had an overlay of 2.9% (2023: 2.9%) applied.

The gross carrying amounts and related ECLs on both contract assets and trade receivables decreased in the current year as a result of a number of businesses within the Group being disposed of. Refer to note 14.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

37 FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

Credit risk and expected credit losses continued

Trade receivables and contract assets continued

Expected credit loss assessment for trade receivables and contract assets continued

Movements in the allowance for impairment in respect of trade receivables and contract assets are as follows:

<i>Figures in Rand thousand</i>	2024		2023	
	Trade receivables	Contract assets	Trade receivables	Contract assets
Opening balance	123 072	6 682	216 317	11 259
Impairment losses (reversed)/recognised on receivables and contract assets	(23 377)	(712)	(4 720)	3 231
Amounts written off during the year as uncollectible	(5 742)	–	(83 289)	(7 808)
Disposals	(10 822)	79	(5 045)	–
Foreign exchange gains	(1 125)	(50)	(191)	–
Closing balance	82 006	5 999	123 072	6 682

Trade receivables with a contractual amount of R6 million (2023: R83 million) were written off during the year.

Trade receivables with a contractual amount of R50 million were subject to enforcement activity at year end. These amounts have not been written off as it is considered that there is a reasonable possibility of recovery.

Cash and cash equivalents

The Group maintains its cash and cash equivalents with banks and financial institutions that have good reputations, good past track records and high-quality credit ratings and also reviews their creditworthiness on an ongoing basis.

Due to the short-term nature of these assets and historical experience, cash and cash equivalents are regarded as having a low probability of default and therefore the related expected credit loss is deemed to be insignificant.

The risk rating grades (Moody's) of cash and cash equivalents for the current year are set out below. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

<i>Figures in Rand thousand</i>	Cash and cash equivalents 2024	Cash and cash equivalents 2023
Credit rating of financial institution		
Aaa – A3	155 291	84 079
Baa1 – B2	188 180	148 788
Other	3 751	3 081
	347 222	235 948

Finance lease receivables

The policy choice is to measure the loss allowance at an amount equal to lifetime ECLs.

Finance lease receivables have been assessed using a provision matrix as well as individually to determine ECLs. Allowances have been raised considering the probability of default of the counterparty to the lease taking into account creditworthiness and other relevant factors affecting their ability to make lease payments over the lifetime of the exposure. Loss rates per the provision matrix have been assessed using the same inputs and assumptions as mentioned above in respect of those applied to trade receivables and contract assets. There has been a decrease in the allowance for ECLs recognised during the current year as a result of certain long outstanding amounts being written off. These were previously raised specific allowance amounts on individual debtors who previously experienced a declining expected ability to repay amounts due, and had been fully provided for.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

37 FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

Credit risk and expected credit losses continued

Finance lease receivables continued

The following table provides information about the exposure to credit risk and ECLs for finance lease receivables as at 31 July 2024:

<i>Figures in Rand thousand</i>	Gross amount	Weighted average loss rate %	Expected credit loss
Industry			
Agriculture, environment, forestry and fisheries	243	4	9
Automotive	145	7	10
Business and professional services	387	87	337
Constitutional and regulatory body	–	–	–
Construction, real estate, facilities and property management	601	79	472
Education	9	7	1
Electricity, gas, water, energy and utilities	40	3	1
Financial services	178	5	9
Health and pharmaceuticals	1 025	87	892
Information technology	184	18	34
Manufacturing and FMCG	161	6	9
Marketing and advertising	1 186	87	1 030
Mining and quarrying	260	5	13
Public benefit and membership organisations	199	5	9
Public institutions and agencies	3	7	*
Retail and wholesale trade	5	5	*
Telecommunications	23 845	87	20 810
Tourism, hospitality, food and beverage	91 277	85	77 819
Transport, supply chain, logistics and storage	99	3	3
	119 847		101 458

* Less than R1 000.

The following table provides information about the exposure to credit risk and ECLs for finance lease receivables as at 31 July 2023:

<i>Figures in Rand thousand</i>	Gross amount	Weighted average loss rate %	Expected credit loss
Industry			
Constitutional and regulatory body	14	2	*
Construction, real estate, facilities and property management	802	12	100
Electricity, gas, water, energy and utilities	48	4	2
Financial services	990	5	46
Health and pharmaceuticals	2 938	38	1 109
Information technology	704	49	348
Manufacturing and FMCG	1 502	25	375
Marketing and advertising	1 693	11	189
Mining and quarrying	1 039	56	580
Other	856	99	850
Retail and wholesale trade	115	4	5
Telecommunications	36 553	92	33 740
Tourism, hospitality, food and beverage	110 369	89	98 249
	157 623		135 593

* Less than R1 000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

37 FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

Credit risk and expected credit losses continued

Finance lease receivables continued

Movements in the allowance for impairment in respect of finance lease receivables are as follows:

<i>Figures in Rand thousand</i>	2024	2023
Opening balance	135 593	55 087
Impairment losses (reversed)/recognised on finance lease receivables	(18 027)	80 506
Amounts written off during the year as uncollectible	(16 108)	–
Closing balance	101 458	135 593

Other financial assets

Other financial assets are specific assets and were assessed individually for ECLs, using the general approach under IFRS 9 raising a lifetime ECL. The expected credit loss model of IFRS 9 requires the classification and measurement of expected credit losses using the general model which is a three-stage model. The three stages are performing (stage 1), underperforming (stage 2) and non-performing (stage 3). Other financial assets are considered to be in stage 3.

Management evaluates the creditworthiness of counterparties on an ongoing basis, taking into account their financial position, past experience and other relevant factors that may indicate whether there is a significant increase in credit risk.

Allowances have been raised considering the probability of default by the borrower.

ECLs have historically been raised for a significant portion of other financial assets (refer to note 6). A large portion of these were written off in the current and prior years. Given the credit losses of banking institutions, restricted cash balances are not exposed to a significant increase in credit risk. Specific assessments were performed on Enterprise Development loans and on gross loans and receivables.

Movements in the allowance for impairment in respect of other financial assets are as follows:

<i>Figures in Rand thousand</i>	Other financial assets 2024	Other financial assets 2023
Opening balance	59 571	189 342
Impairment losses reversed	–	–
Amounts written off during the year as uncollectible	(47 231)	(129 771)
Disposals	(1 200)	–
Closing balance	11 140	59 571

Currency risk

The Group operates internationally but has limited exposure to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, the Arab Emirates Dirham, the Egyptian Pound and the British Pound.

Foreign exchange risk arises from future commercial transactions, recognised assets or liabilities that are denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The Group's strategy to dispose of non-core business lines has resulted in the sale of the majority of its foreign investments. The Group has limited investments in foreign operations where the assets are exposed to foreign currency translation risk. A 1% movement in the foreign currency exchange rates would not have a significant impact on the carrying values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

37 FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

Currency risk continued

Financial assets and financial liabilities are analysed by currency as follows:

Foreign currency financial instruments

	2024				
	Other financial assets	Financial assets Trade and other receivables	Cash and cash equivalents	Other financial liabilities	Financial liabilities Trade and other payables
<i>Figures in Rand thousand</i>					
British Pound	–	69 198	30 844	–	(29 973)
US Dollar	–	178 406	14 044	–	(84 288)
Arab Emirates Dirham	–	105 137	13 605	(573)	(71 987)
Euro	653	9 967	9 736	–	(14 540)
Egyptian Pound	–	77 866	4 698	(5)	(37 349)
Saudi Riyal	–	25 526	12 258	–	(19 478)
Swiss Franc	–	131 539	133 746	(617)	(3 217)
Mozambican Metical	–	13 719	2 546	–	–
Other	–	18 358	10 259	–	(2 963)

	2023				
	Other financial assets	Financial assets Trade and other receivables	Cash and cash equivalents	Other financial liabilities	Financial liabilities Trade and other payables
<i>Figures in Rand thousand</i>					
British Pound	–	49 349	40 091	(107)	(14 546)
US Dollar	–	65 072	42 502	–	(133 421)
Arab Emirates Dirham	–	95 544	23 319	(2 766)	(68 892)
Euro	–	2 706	10 051	–	(9 425)
Egyptian Pound	–	82 516	–	(536)	(22 635)
Saudi Riyal	–	30 430	21 415	–	(24 089)
Swiss Franc	–	10 373	21 261	(652)	(39 272)
Mozambican Metical	–	17 646	13 152	–	(2 178)
Other	–	17 836	7 656	–	(3 373)

38 EVENTS AFTER REPORTING DATE

The Directors are not aware of any material matter or circumstance arising after the reporting date.

The logo for EOH, consisting of the letters 'EOH' in a bold, white, sans-serif font, set against a black rectangular background. The background of the entire page is a dark teal color with a network of white lines and dots, and several translucent, overlapping triangles in shades of blue and teal.

EOH

Separate
Financial Statements
for the year ended 31 July 2024

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 July 2024

<i>Figures in Rand thousand</i>	Notes	2024	2023
Assets			
Non-current assets			
Investment in subsidiary	1	641 538	641 538
Deferred taxation asset		7	–
Loans to Group companies	2	884 370	2 851 241
		1 525 915	3 492 779
Current assets			
Current taxation receivable		–	1
Trade and other receivables		12	2
Cash and cash equivalents	3	12	*
		24	3
Total assets		1 525 939	3 492 782
Equity and liabilities			
Equity			
Stated capital	4	5 391 940	5 391 940
Other reserve	5	47 537	111 313
Accumulated losses		(4 070 960)	(2 266 377)
Total equity		1 368 517	3 236 876
Liabilities			
Current liabilities			
Financial guarantee liability	6	12 679	15 804
Loans from Group companies	2	142 447	237 176
Current taxation payable		148	–
Other payables	7	2 148	2 926
Total liabilities		157 422	255 906
Total equity and liabilities		1 525 939	3 492 782

* Less than R1 000.

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 July 2024

<i>Figures in Rand thousand</i>	Notes	2024	2023
Net impairment loss on loans to Group companies	2	(1 862 674)	(8 646)
Share-based payment expense	5	–	(49 164)
Remeasurement of financial guarantee liability	6	3 125	12 038
Other operating expenses		(8 670)	(9 850)
Operating loss		(1 868 219)	(55 622)
Finance costs	2	–	(7 354)
Loss before taxation		(1 868 219)	(62 976)
Taxation	8	(140)	–
Loss for the year		(1 868 359)	(62 976)
Other comprehensive income			
Other comprehensive income		–	–
Total comprehensive loss for the year		(1 868 359)	(62 976)

SEPARATE STATEMENT OF CHANGES IN EQUITY

For the year ended 31 July 2024

Figures in Rand thousand

	Stated capital	Other reserve	Accumulated losses	Total equity
Balance at 1 August 2022	4 834 704	517 554	(2 658 806)	2 693 452
Total comprehensive loss for the year	-	-	(62 976)	(62 976)
Share issue – rights to qualifying shareholders	500 000	-	-	500 000
Transaction costs related to the issue of shares	(42 764)	-	-	(42 764)
Share issue – specific issue to Lebashe	100 000	-	-	100 000
Transfer within equity*	-	(455 405)	455 405	-
Share-based payments	-	49 164	-	49 164
Balance at 31 July 2023	5 391 940	111 313	(2 266 377)	3 236 876
Total comprehensive loss for the year	-	-	(1868 359)	(1868 359)
Transfer within equity*	-	(63 776)	63 776	-
Balance at 31 July 2024	5 391 940	47 537	(4 070 960)	1 368 517
Notes	4	5		

* Transfers within equity are transfers from the share-based payments reserve for expired, unexercised options.

SEPARATE STATEMENT OF CASH FLOWS

For the year ended 31 July 2024

Figures in Rand thousand

	Notes	2024	2023
Cash utilised from operations	9	(9 456)	(9 663)
Taxation paid		–	–
Net outflow from operating activities		(9 456)	(9 663)
Cash flows from investing activities			
Acquisition of shares in subsidiary		–	(550 000)
Net outflow from investing activities		–	(550 000)
Cash flows from financing activities			
Proceeds from the issue of shares	4	–	600 000
Transaction costs incurred on the issue of shares	4	–	(42 764)
Inflows from loans from Group companies	2	204 679	52 578
Outflows from loans from Group companies	2	(195 211)	(50 152)
Net inflow from financing activities		9 468	559 662
Net increase/(decrease) in cash and cash equivalents		12	(1)
Cash and cash equivalents at the beginning of the year		–	1
Cash and cash equivalents at the end of the year	3	12	*

* Less than R1 000.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 July 2024

1 Investment in subsidiary

Investments in subsidiaries are carried at cost less any accumulated impairment. The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company
- the initial recognition of a financial guarantee liability
- any costs directly attributable to the purchase of the subsidiary

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

Investments in subsidiaries are tested for impairment whenever events or changes in circumstances indicate that the asset may be impaired, and an impairment is recognised if the carrying amount exceeds the investment's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The recoverable amount of investments in subsidiaries classified as held for sale is based on fair value less costs of disposal. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

A transaction involving entities or businesses under common control is one in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the transaction, and that control is not transitory.

Common control accounting is applied to such transactions and assets and liabilities acquired are recognised at their carrying values with the difference between the acquisition value and the aggregate purchase consideration recognised in equity.

The subsidiary and trusts below are incorporated in South Africa. Refer to Annexure 1 for the full listing of Group operating entities.

<i>Figures in Rand thousand</i>	Effective interest		Cost	2024		2023		
	2024 %	2023 %		Accumulated impairment	Carrying amount	Cost	Accumulated impairment	Carrying amount
EOH Intermediate Holdco Proprietary Limited	100	100	641538	–	641538	641538	–	641538
			641538	–	641538	641538	–	641538
Trusts								
The EOH Share Trust	100	100	–	–	–	–	–	–
The Mthombo Trust	100	100	–	–	–	–	–	–

Impairment testing

Investment in EOH Intermediate Holdco Proprietary Limited is tested for impairment if an indicator of impairment is present. Assessment of impairment indicators included the financial performance of the underlying subsidiary, dividend payment received or lack thereof and net asset value of the underlying subsidiary compared to the investment carrying amount. The recoverable amount of the investment in EOH Intermediate Holdco Proprietary Limited was determined based on fair value less cost of disposal with reference to the market capitalisation of the Group. Market capitalisation is considered level 1 in the fair value hierarchy.

Based on the current financial year impairment assessment, the recoverable amount exceeds the investment carrying amount thus the investment in subsidiary was not impaired. No impairment loss was recognised in the 2023 financial year.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

2 Loans to/(from) Group companies

Refer to note 1 of the consolidated financial statements for the applicable accounting policy.

<i>Figures in Rand thousand</i>	2024			2023		
	Gross carrying amount	Loss allowance	Net carrying amount	Gross carrying amount	Loss allowance	Net carrying amount
EOH International Proprietary Limited	142 680	(104 237)	38 443	142 680	(11 948)	130 732
V55 Investments Proprietary Limited	(34 732)	–	(34 732)	(34 734)	–	(34 734)
EOH Abantu Proprietary Limited	384 089	–	384 089	384 089	(51 165)	332 924
EOH Consulting Proprietary Limited	–	–	–	(91 011)	–	(91 011)
EOH Treasury Proprietary Limited	(75 222)	–	(75 222)	(78 938)	–	(78 938)
The EOH Share Trust	(32 493)	–	(32 493)	(32 493)	–	(32 493)
EOH Mthombo Proprietary Limited	2 554 538	(2 193 627)	360 911	2 658 735	(373 825)	2 284 910
NEXTEC Industrial Technologies Proprietary Limited	115 115	(14 188)	100 927	115 115	(12 440)	102 675
	3 053 975	(2 312 052)	741 923	3 063 443	(449 378)	2 614 065

<i>Figures in Rand thousand</i>	2024	2023
Loans to Group companies – non-current assets	884 370	2 851 241
Loans from Group companies – current liabilities	(142 447)	(237 176)
	741 923	2 614 065

In the 2023 financial year, the loan payable to EOH Treasury Proprietary Limited accrued interest of R7.4 million calculated based on the one-month JIBAR rate. In the current financial year, the loan terms were amended to an interest-free loan. The loan remains unsecured and repayable on demand.

The Company has agreed, in terms of signed subordination agreements, to subordinate R2.3 billion in favour of EOH Mthombo Proprietary Limited, R142.7 million in favour of EOH International Proprietary Limited and R384.1 million in favour of EOH Abantu Proprietary Limited. The subordinations shall remain in force until such time as the assets of the Company, fairly valued, exceed its liabilities.

The remaining loans are unsecured, interest-free and are payable on demand.

In the current financial year, the Company received an additional loan of R100 million from EOH Treasury Proprietary Limited. Subsequently, the Company received a loan repayment of R104.2 million from EOH Mthombo Proprietary Limited and repaid the R104 million to EOH Treasury Proprietary Limited. Additionally, the Company fully settled the loan balance of R91 million outstanding to EOH Consulting Proprietary Limited.

Loan reconciliation

<i>Figures in Rand thousand</i>	2024	2023
Opening balance	3 063 443	3 073 223
Amounts repaid	195 211	50 152
Proceeds of loans from Group companies	(204 679)	(52 578)
Interest accrued	–	(7 354)
Closing balance	3 053 975	3 063 443

Net impairment on loans to Group companies

<i>Figures in Rand thousand</i>	2024	2023
Reversal of impairment	(51 165)	(26 351)
Impairment losses	1 913 839	34 997
Net impairment on loans to Group companies	1 862 674	8 646

The Company recognised a loss allowance on its loan to EOH International Proprietary Limited, EOH Mthombo Proprietary Limited and NEXTEC Industrial Technologies Proprietary Limited due to the assessment of their ability to generate future cash flows and after assessing their ability to reclaim debt due to them to in turn pay down debt due to the Company. The ECL reversal on the loan to EOH Abantu Proprietary Limited is a result of the improved financial outlook and increased probability on their ability to repay the intercompany loan following completion and settlement of the PAYE dispute with SARS (refer to note 20 of the consolidated financial statements). Details on the expected credit losses on loans to Group companies is covered under note 11.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

3 Cash and cash equivalents

Refer to note 1 of the consolidated financial statements for the applicable accounting policy.

Figures in Rand thousand

	2024	2023
Cash and cash equivalents consist of:		
Bank balances	12	*

* Less than R1 000.

4 Stated capital

Refer to note 1 of the consolidated financial statements for the applicable accounting policy.

Figures in Rand thousand

	2024	2023
Opening balance	5 391 940	4 834 704
Share issue – rights to qualifying shareholders	–	500 000
Transaction costs related to the issue of shares	–	(42 764)
Share issue – specific issue of shares to Lebashe	–	100 000
	5 391 940	5 391 940
Authorised		
7 500 000 000 (2023: 7 500 000 000) ordinary shares of no par value		
40 000 000 (2023: 40 000 000) EOH A shares of no par value		
Issued		
Reconciliation of the number of shares in issue		
Opening balance	638 083	176 545
Share issue – rights to qualifying shareholders	–	384 615
Share issue – specific issue of shares to Lebashe	–	76 923
Shares in issue at the end of the period (fully paid)	638 083	638 083
EOH A shares of no par value:		
Reconciliation of the number of shares in issue		
Opening balance	40 000	40 000
Closing balance	40 000	40 000

Unissued

6 861 916 579 (2023: 6 861 916 579) unissued ordinary shares are under the control of the Directors in terms of the provisions of the Company's Memorandum of Incorporation. No shares held by the Directors have been pledged as security or are subject to a guarantee collateral or other encumbrance.

5 Other reserve

Refer to note 1 of the consolidated financial statements for the applicable accounting policy.

Figures in Rand thousand

	2024	2023
Share-based payments reserve	47 537	111 313

NOTES TO THE SEPARATE FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

6 Financial guarantee liability

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured at the higher of:

- the ECL in accordance with IFRS 9
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with IFRS 15

The ECL is a probability weighted estimate of credit losses (the cash shortfalls) over the expected life of the guarantee. Accordingly, the cash shortfalls are the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, debtor or any other party. Where guarantees in relation to loans to related parties are provided for no compensation, the fair values are accounted for as capital contributions and recognised as part of the cost of the investment.

The valuation of the financial guarantee liability includes assumptions on credit default rates, credit risks, and ECLs. The determination of ECL includes estimates relating to the probability of a default by the borrower and the resultant loss to the guarantor. Financial guarantee liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires. Refer to note 11 for further detail on ECL model and fair valuation for financial guarantees.

Figures in Rand thousand

	2024	2023
Reconciliation of financial guarantee liability		
Balance at the beginning of the year	15 804	12 038
Financial guarantee derecognised*	–	(12 038)
Financial guarantee recognised	–	15 804
Remeasurement of financial guarantee liability*	(3 125)	–
	12 679	15 804

* These amounts comprise the remeasurement of financial guarantee liability in the separate statement of profit or loss and other comprehensive income.

The Company has issued financial guarantees to a certain lender in terms of which the Company would be liable to the lender to the extent that the companies in the EOH Group, to which the funding has been provided, fail to make payments when due in accordance with the terms of the loan agreements.

7 Other payables

Refer to note 1 of the consolidated financial statements for the applicable accounting policy.

Figures in Rand thousand

	2024	2023
Financial instruments	1 155	2 915
Other payables	1 155	2 915
Non-financial instruments	993	11
Accrued expenses	993	11
	2 148	2 926

NOTES TO THE SEPARATE FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

8 Taxation

Refer to note 1 of the consolidated financial statements for the applicable accounting policy.

Figures in Rand thousand

	2024	2023
Current taxation		
Local income taxation – current year	(140)	-
Total	(140)	-

	2024 %	2023 %
Reconciliation of rate of taxation		
South African normal rate of taxation	(27)	(27)
Tax effect of amounts which are (taxable)/not deductible in calculating taxable income:		
Exempt income – remeasurement of financial guarantee liability	(0.05)	(5.16)
Non-deductible expenses – share-based payment expense	-	21.08
Impairment of loans to Group companies	26.92	3.71
Non-deductible expenses – net expenses incurred not in production of income	0.14	7.37
	0.01	-

9 Cash utilised from operations

Figures in Rand thousand

	2024	2023
Loss before taxation	(1 868 219)	(62 976)
Adjustments for:		
Other non-cash items	-	161
Share-based payments	-	49 164
Net impairment on loans to Group companies	1 862 674	8 646
Finance cost	-	7 354
Remeasurement of financial guarantee liability	(3 125)	(12 038)
Cash utilised before changes in working capital	(8 670)	(9 689)
Working capital changes	(786)	26
Increase in other receivables	(10)	(2)
(Decrease)/increase in other payables	(776)	28
Cash utilised from operations	(9 456)	(9 663)

10 Related-party transactions

The Company entered into various transactions with related parties.

Loans to/from related parties are disclosed in note 2 – loans to/(from) Group companies.

Financial guarantee liability is disclosed in note 6 – financial guarantee liability.

Directors' remuneration is disclosed in note 34 of the consolidated financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

11 Financial assets and financial liabilities

Financial risk management and fair value disclosures

Refer to note 37 of the consolidated financial statements for the applicable risk management information.

The Company's normal operations expose it to the following financial risks from its use of financial instruments:

- capital risk
- liquidity risk
- interest risk
- credit risk

The Company has no significant exposure to currency risk.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities at 31 July 2024:

<i>Figures in Rand thousand</i>	Mandatorily at FVTPL	Carrying amount Amortised cost	Total
Financial assets			
Cash and cash equivalents	–	12	12
Loans to Group companies	–	884 370	884 370
Financial liabilities			
Other payables	–	1 155	1 155
Loans from Group companies	–	142 447	142 447
Financial guarantee liability	12 679	–	12 679

The following table shows the carrying amounts and fair values of financial assets and financial liabilities at 31 July 2023:

<i>Figures in Rand thousand</i>	Mandatorily at FVTPL	Carrying amount Amortised cost	Total
Financial assets			
Loans to Group companies	–	2 851 241	2 851 241
Financial liabilities			
Other payables	–	2 915	2 915
Loans from Group companies	–	237 176	237 176
Financial guarantee liability	15 804	–	15 804

The Company does not have any financial instruments that are subject to offsetting.

All cash and cash equivalents and other payables carrying amounts approximate their fair values due to their short-term nature.

The carrying values of loans to/(from) Group companies approximate their fair values as these loans are payable on demand.

Fair value measurement

The financial guarantee liability is categorised as a level 3 fair value instrument.

The fair value of the financial guarantee liability on initial recognition is determined using valuation techniques that require management to make certain assumptions about the model inputs, which include the probability of default, exposure at default and loss given default rates. Refer to the expected credit loss model for financial guarantees below.

Capital risk management

The Company's objective is to safeguard its ability to continue as a going concern and to maintain an appropriate capital structure while growing the business. This is consistent with previous years.

In order to maintain or adjust the capital structure of the Company, the Board may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

11 Financial assets and financial liabilities continued

Capital risk management continued

The debt to equity ratios were as follows:

	2024	2023
Total debt (R'000)	157 422	255 906
Total equity (R'000)	1 368 517	3 236 876
Debt to equity	11.5%	7.9%

Liquidity risk

Refer to note 37 of the consolidated financial statements for an explanation on liquidity risk and how it is managed.

It has been determined that the Company is solvent as at 31 July 2024. While the Company's current liabilities exceed its current assets by R157 million, R142 million of the current liabilities relate to loans from Group companies which are repayable on demand. Should these loans from Group companies be called upon, the Company has access to loans to Group companies that are also repayable on demand, and which the Company can call on in order to settle payables that may become due, if required. The Company's intention, however, remains not to call on the loans to Group companies within the next 12 months, and as a result these loans to Group companies remain classified as non-current at the reporting date. Refer to note 1.2 of the consolidated financial statements for an assessment of going concern.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period from the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Figures in Rand thousand

	Less than one year
At 31 July 2024	
Loans from Group companies	142 447
Financial guarantee liability	838 184
Other payables	1 155
At 31 July 2023	
Loans from Group companies	237 176
Financial guarantee liability	720 098
Other payables	2 915

The total value of debt being guaranteed for EOH Treasury Proprietary Limited is shown above, being the maximum exposure to liquidity risk. The Company recognised a financial guarantee liability amount of R13 million (2023: R16 million) (refer to note 6).

Credit risk

Expected credit loss model for financial guarantees

The loss allowance accounts for credit losses are determined with reference to the following:

- Stage 1: 12-month ECLs for those financial guarantees where there has not been a significant increase in credit risk since recognition.
- Stage 2: Lifetime ECLs for those financial guarantees where there has been a significant increase in credit risk on a collective basis.
- Stage 3: Lifetime ECLs for all credit-impaired financial guarantees.

Calculations were performed in determining the day one fair value, amortised to reporting date, calculated in line with the principles of IFRS 13 *Fair Value Measurement* and reporting date ECL. The guaranteed loan facilities were assessed to be in stage 2.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amounts of financial assets represent the maximum credit exposure. The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

A significant increase in credit risk considers the impact of forward-looking economic information that is readily available. Management has applied the below-mentioned assumptions, judgements and estimates in developing the ECL model. Probability of default was determined as a key input using the Merton model method with the Company's listed share price movements over the period. Financial guarantees are assessed for ECLs on a specific basis, taking into account the respective financial positions and performance of other companies within the EOH Group. Refer to note 6 for the remeasurement of the financial guarantee liability.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

11 Financial assets and financial liabilities continued

Credit risk continued

Guarantee exposure

The Group has agreed modified payment terms on outstanding loan facilities with the relevant financial institutions. These updated cash flow profiles have been considered in the balance rundown for purposes of the ECL measurement on the financial guarantee liability.

Risk of default and credit loss was assessed by forecasting various cash flow scenarios and assigning reasonable probabilities to the various outcomes. This was used to calculate a probability-weighted expectation of credit loss which was taken into account in the calculation of the ECLs pertaining to the financial guarantee liability. A large number of scenarios were considered when determining probability of default and the related correlations thereto.

A loss given default (LGD) and recovery rate were used in the ECL models that is in line with standard market practice.

ECL model for loans to Group companies

The allowance accounts for credit losses and is determined with reference to the following:

- Stage 1: 12-month ECLs for those loans to Group companies where there has not been a significant increase in credit risk since recognition.
- Stage 2: Lifetime ECLs for those loans to Group companies where there has been a significant increase in credit risk on a collective basis.
- Stage 3: Lifetime ECLs for all credit-impaired loans to Group companies.

Loans to Group companies are very specific assets and were assessed on a forward-looking basis individually for ECLs, using the general approach under IFRS 9. Management evaluates the creditworthiness of counterparties on an ongoing basis, taking into account their financial position, past experience, subordination agreements, including dividend expected to be received and other relevant factors that may indicate whether there is a significant increase in credit risk. Loans to Group companies are considered to be in stage 2.

The ECL assessment takes into account several factors to determine the accessibility of cash for debt settlement. These factors include forecasted EBITDA, expected dividend and available liquid assets, which are considered in order of debt seniority. The counterparty's available resources for debt repayment was first applied towards their loan outstanding to EOH Treasury Proprietary Limited, then to non-subordinated debt and lastly to subordinated debt.

ECL is calculated as the amount outstanding, in line with IFRS 9, after considering the estimated cash flows to be received from the counterparty, by considering the following liquid assets and cash flows:

- cash
- the net present value of forecasted EBITDA projected over a substantial period subject to an estimated cash conversion rate
- net receivables subject to downward adjustments
- the present value of expected dividends to be received
- various solutions that may be in the form of equity injection or dividend in specie

Over and above this, there were specific adjustments made to the outcome of the ECL assessments to reflect any additional level conservatism to account for potential worst-case scenarios.

A significant increase in credit risk considers the impact of forward-looking economic information that is readily available, including any future turnaround plans, forecast cash flows and anticipated growth. Management has applied the above-mentioned assumptions, judgements and estimates in developing the ECL model. Loans to Group companies are assessed for ECLs on a specific basis taking into account the respective financial positions and performance of other companies within the EOH Group.

Inputs into the ECL model ranged from the budgeted profit and loss to a forecast cash flow. The budgeted profit and loss were sensitised and downward adjustments were applied to account for any sensitivities necessary. The income statement results were then applied to the statement of financial position, which impacted the ECL recognised for each of the loans.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS continued

For the year ended 31 July 2024

11 Financial assets and financial liabilities continued

Credit risk continued

ECL model for loans to Group companies continued

Figures in Rand thousand

	2024	2023
Loans to Group companies	884 370	2 851 241
Cash and cash equivalents	12	*
Impairment recognised in profit or loss were as follows:		
Net impairment on loans to Group companies	1 862 674	8 646

* Less than R1 000.

Cash and cash equivalents are regarded as having a low probability of default and therefore the related ECL is deemed to be insignificant.

At the reporting date, the Company did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

Movement in impairment provision for loans to Group companies:

Figures in Rand thousand

	2024	2023
Balance at the beginning of the year	449 378	440 732
Net impairment on loans to Group companies	1 862 674	8 646
Balance at the end of the year	2 312 052	449 378
Gross loans to Group companies	3 196 422	3 300 619
Loss allowance	(2 312 052)	(449 378)
Loans to Group companies net of loss allowance	884 370	2 851 241

ANNEXURE 1 – GROUP OPERATING ENTITIES

Name	Country	EOH Group effective consolidation (%)
2Identify Proprietary Limited	South Africa	100
About Time Software Proprietary Limited	South Africa	100
Apronics Proprietary Limited	South Africa	100
Arcserve Southern Africa Proprietary Limited	South Africa	100
Asset Arabia Software Systems LLC (Abu Dhabi)	United Arab Emirates	75.22
Asset Gulf FZ-LLC (Dubai)	United Arab Emirates	75.22
Asset Technology Group (Egypt)	Egypt	75.22
Asset Technology Group KSA (Saudi Arabia)	Saudi Arabia	75.22
Aveva Select West Africa Proprietary Limited	South Africa	100
Blick Properties SA Proprietary Limited	South Africa	100
CA Southern Africa Proprietary Limited	South Africa	100
Comitant Solutions Proprietary Limited	South Africa	100
Compu-power Proprietary Limited	South Africa	100
Cornastone Enterprise Systems Proprietary Limited	South Africa	100
Cortez Trading Proprietary Limited	South Africa	100
Cybercare Proprietary Limited	South Africa	100
Deixis Proprietary Limited	South Africa	100
Digital Industries Proprietary Limited	South Africa	100
Educos Vision S.A.R.L. (Luxembourg)	Luxembourg	100
Educos Vision Services S.A.R.L. (Luxembourg)	Luxembourg	100
Energy Insight Proprietary Limited	South Africa	100
EOH Abantu Proprietary Limited	South Africa	100
EOH Afrika Proprietary Limited	South Africa	79
EOH Consulting Proprietary Limited	South Africa	100
EOH Enterprise Development Trust	South Africa	100
EOH Headquarters Company Proprietary Limited	South Africa	100
EOH Holdings Limited	South Africa	100
EOH Information Technology (Namibia)	Namibia	100
EOH Intermediate Holdco Proprietary Limited	South Africa	100
EOH International Proprietary Limited	South Africa	100
EOH Linkstate Services Proprietary Limited	South Africa	100
EOH Managed Services PS Proprietary Limited	South Africa	100
EOH Middle East FZ-LLC (Dubai)	United Arab Emirates	100
EOH Mthombo Proprietary Limited	South Africa	100
EOH Mthombo Mozambique Limited	Mozambique	100
EasyHQ Proprietary Limited	South Africa	100
EOH Senior Holdco Proprietary Limited	South Africa	100
EOH Singapore Pvt Limited	Singapore	100
EOH Treasury Proprietary Limited	South Africa	100
Faculty Training Institute Proprietary Limited	South Africa	100
Faranani Sapremo Proprietary Limited	South Africa	100
Fluent Proprietary Limited	South Africa	100
Freethinking Business Consulting Proprietary Limited	South Africa	100
Highveld Wealth Management Proprietary Limited	South Africa	100
Hospitality Professionals South Africa Proprietary Limited	South Africa	100
Impact Human Resources Proprietary Limited	South Africa	100
Impression Signatures Proprietary Limited	South Africa	100
iOCO Cloud Services Proprietary Limited	South Africa	100
Inlexso Proprietary Limited	South Africa	100
Integrators of Systems Technology Proprietary Limited	South Africa	100

ANNEXURE 1 – GROUP OPERATING ENTITIES continued

Name	Country	EOH Group effective consolidation (%)
iOCO Digital Proprietary Limited	South Africa	100
iOCO Enterprise Applications Proprietary Limited	South Africa	100
iOCO Holdings Proprietary Limited	South Africa	100
iOCO Infrastructure Services Proprietary Limited	South Africa	100
iOCO Managed Services Proprietary Limited	South Africa	100
iOCO S.R.O	Czech Republic	100
iOCO Software Distribution Proprietary Limited	South Africa	100
iOCO Solutions Proprietary Limited	South Africa	100
iOCO Solutions GMBH	Switzerland	100
iOCO Solutions Limited	Great Britain	100
Mbat Proprietary Limited	South Africa	100
MPC Recruitment Proprietary Limited	South Africa	100
NEXTEC Industrial Technologies Proprietary Limited	South Africa	100
NEXTEC Industrial Technologies Kenya Limited	Kenya	100
NEXTEC Security and Building Technologies Proprietary Limited	South Africa	100
NEXTEC Shared Services Proprietary Limited	South Africa	100
PiA Solar SA Proprietary Limited	South Africa	100
Quinedge Proprietary Limited	South Africa	100
Regro Technology Proprietary Limited	South Africa	100
Rinedata SA Proprietary Limited	South Africa	100
Rosstone Consulting Proprietary Limited	South Africa	100
Sabela Learning Academy Proprietary Limited	South Africa	100
SCAN RF Projects Proprietary Limited	South Africa	100
Scientia Optimate Group Schemes Proprietary Limited	South Africa	100
Rocketlab Ventures SA Proprietary Limited	South Africa	100
Siyanoqoba Seminars Proprietary Limited	South Africa	100
Siyaya Skills Institute Proprietary Limited	South Africa	100
Symplexity Proprietary Limited	South Africa	100
The EOH Share Trust	South Africa	100
The Mthombo Trust	South Africa	100
MES Africa Proprietary Limited	South Africa	100
Triclinium Clinical Development Proprietary Limited	South Africa	100
Umbane Systems Proprietary Limited	South Africa	100
V & V Holdings Proprietary Limited	South Africa	100
V and V Consulting Engineers Proprietary Limited	South Africa	100
V55 Investments Proprietary Limited	South Africa	100
XTND Proprietary Limited	South Africa	100
Zusiza Proprietary Limited	South Africa	100

There have been no material changes to the Group's effective consolidation percentages from the prior year.

ANNEXURE 2 – SHAREHOLDERS' ANALYSIS

	2024				2023			
	Number of shareholders	%	Number of shares	%	Number of shareholders	%	Number of shares	%
Analysis of shareholdings								
Holdings								
1 – 10 000	10 916	86.57	10 703 665	1.68	11 797	85.64	12 315 889	1.93
10 001 – 50 000	1 041	8.26	25 400 307	3.98	1 211	8.79	29 548 713	4.63
50 001 – 100 000	264	2.09	19 272 572	3.02	323	2.35	23 529 153	3.69
100 001 – 1 000 000	316	2.51	88 875 647	13.93	366	2.65	103 989 111	16.30
1 000 001 and more	72	0.57	493 831 230	77.39	79	0.57	468 700 555	73.45
	12 609	100	638 083 421	100	13 776	100	638 083 421	100
Shareholder categories								
Banks	8	0.06	91 862 788	14.40	9	0.07	35 405 081	5.55
Close corporations	37	0.29	4 421 846	0.69	51	0.37	5 742 239	0.90
Empowerment	2	0.02	121 444 033	19.03	2	0.02	127 998 548	20.06
Endowment funds	2	0.02	200 375	0.03	6	0.04	952 793	0.15
Individuals	11 948	94.76	123 649 942	19.38	12 964	94.11	139 872 766	21.92
Insurance companies	60	0.48	3 172 156	0.50	67	0.49	6 698 981	1.05
Investment companies	19	0.15	463 609	0.07	27	0.20	1 767 465	0.27
Medical schemes	1	0.01	4 195 809	0.66	3	0.02	4 396 009	0.69
Mutual funds	30	0.24	77 805 689	12.19	42	0.30	64 180 473	10.06
Other corporations	25	0.20	14 042 807	2.20	29	0.21	55 796 050	8.74
Own holdings (treasury shares)	2	0.02	5 445 661	0.85	2	0.02	5 445 661	0.85
Private companies	175	1.39	28 523 548	4.47	213	1.54	38 857 917	6.09
Public companies	3	0.02	485 429	0.08	3	0.02	485 429	0.08
Retirement funds	30	0.24	114 347 504	17.92	34	0.24	102 957 950	16.14
Trusts (including EOH share trusts)	267	2.10	48 022 225	7.53	324	2.35	47 526 059	7.45
	12 609	100	638 083 421	100	13 776	100	638 083 421	100

Major shareholders

According to the records of the Company, the only shareholders registered at 31 July holding 3% or more of the Company's shares were:

	31 July 2024		31 July 2023	
	Number of shares	%	Number of shares	%
EOH treasury shares – V55 Investments Proprietary Limited	5 445 661	0.85	5 445 661	0.85
Government Employee Pension Fund	48 121 775	7.54	43 122 369	6.76
Stanlib Invest (Managed Collateral)	29 984 725	4.70	–	–
Foord Asset Management	–	–	2 421 605	0.38
HSBC Private Bank Suisse Omnibusclient	81 699 385	12.80	29 599 407	4.64
Lebashe Investment Group	121 444 033	19.03	127 998 548	20.06
Peresec Prime Brokers Proprietary Limited	–	–	32 204 319	5.05
Metal Industries Benefit Funds Administrators	32 472 893	5.09	30 367 537	4.76
	319 168 472	50.01	271 159 446	42.50

ANNEXURE 2 – SHAREHOLDERS’ ANALYSIS continued

	31 July 2024		31 July 2023	
	Number of shares	%	Number of shares	%
Shareholder spread				
Public shareholders	507 562 685	79.54	500 816 840	78.49
Non-public shareholders	130 520 736	20.46	137 266 581	21.51
Directors, associates and management of the Company	1 280 096	0.20	1 471 426	0.23
Strategic holdings	121 444 033	19.03	127 998 548	20.06
Subsidiaries	9 438	0.01	9 438	–
EOH share trusts	2 341 508	0.37	2 341 508	0.37
EOH treasury shares – V55 Investments Proprietary Limited	5 445 661	0.85	5 445 661	0.85
	638 083 421	100	638 083 421	100
Shares in issue				
Total number in issue	638 083 421		638 083 421	
Share trusts	(2 341 508)		(2 341 508)	
EOH treasury shares – V55 Investments Proprietary Limited	(5 445 661)		(5 445 661)	
Effective number of shares in issue	630 296 252		630 296 252	

ANNEXURE 3 – SHAREHOLDERS' DIARY

Financial year end	31 July 2024
Annual general meeting	Wednesday, 27 November 2024
Reports	
Announcement of annual results for the year ended 31 July 2024	Wednesday, 23 October 2024
Availability of the Annual Integrated Report for the year ended 31 July 2024	Wednesday, 23 October 2024

ANNEXURE 4 – CORPORATE INFORMATION

EOH HOLDINGS LIMITED

Incorporated in the Republic of South Africa
 Registration number: 1998/014669/06
 JSE share code: EOH
 ISN: ZAE000071072
 (EOH or the Company or the Group)

DIRECTORATE

Non-executive

Jabu Moleketi* (Chairman) (appointed as Chairman with effect from 30 May 2024)
 Andrew Mthembu (Chairman) (appointed as Executive Chairman with effect from 1 April 2024) (resigned effective 30 May 2024)
 Andrew Marshall (appointed as Lead Independent Non-executive Director with effect from 30 May 2024)
 Bharti Harie (resigned effective 30 May 2024)
 Dennis Venter (appointed with effect from 30 May 2024)
 Jesmane Boggenpoel (resigned effective 10 May 2024)
 Mike Bosman (resigned effective 22 November 2023)
 Nosipho Molope (resigned effective 18 July 2024)
 Rhys Summerton (appointed with effect from 30 May 2024)
 Siphon Ngidi
 Veronica Motloutsi (appointed with effect from 30 May 2024)

* *Non-independent Non-executive Director.*

Executive

Marius de la Rey (Interim Group Chief Executive Officer) (appointed with effect from 30 May 2024)
 Ashona Kooblall (Group Chief Financial Officer) (appointed with effect from 22 July 2024)
 Marialet Greeff (Group Chief Financial Officer) (appointed with effect from 1 November 2023; resigned effective 22 July 2024)
 Stephen van Coller (Group Chief Executive Officer) (resigned effective 31 March 2024)
 Megan Pydigadu (Group Chief Financial Officer) (resigned effective 31 October 2023)
 Fatima Newman (Group Chief Risk Officer – until 31 July 2023) (Group Executive: EasyHQ – effective 1 August 2023) (resigned as a Director effective 30 May 2024)

COMPANY SECRETARY

Mpeo Nkuna

REGISTERED ADDRESS

1st Floor, Block E, Pinmill Farm, 164 Katherine Street, Sandton, Gauteng, 2148
 PO Box 59, Bruma, 2026

TELEPHONE

+27 (0)11 607 8100

WEBSITE

www.eoh.co.za

INVESTOR EMAIL

ir@eoh.com

AUDITOR

Moore Johannesburg Inc.
 50 Oxford Road, Parktown, 2193

ANNEXURE 4 – CORPORATE INFORMATION continued

SPONSOR

Java Capital Trustees and Sponsors Proprietary Limited
(Registration number: 2006/005780/07)
6th Floor, 1 Park Lane
Wierda Valley
Sandton, 2196
(PO Box 522606, Saxonwold, 2132)

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
(Registration number: 2004/003647/07)
Rosebank Towers
15 Biermann Avenue, Rosebank, Johannesburg, 2196
(Private Bag X9000, Saxonwold, 2132)

The logo consists of the letters 'EOH' in a bold, white, sans-serif font. The letter 'O' is stylized with a small white triangle above it. The logo is centered within a black square that is slightly tilted clockwise.

EOH

www.eoh.co.za

