

EOH HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1998/014669/06)

JSE share code: EOH ISIN: ZAE000071072

("EOH" or "the Company" or "the Group")



RESULTS ANNOUNCEMENT: AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023, AVAILABILITY OF THE ANNUAL INTEGRATED REPORT AND CHANGES TO THE BOARD OF DIRECTORS

Salient features

- EOH generated an operating profit from continuing operations of R135 million for the year ended 31 July 2023 ("FY2023") following an operating profit from continuing operations of R100 million for the year ended 31 July 2022 ("FY2022"), an increase of 35%.
- EOH recorded an improvement of 68% in loss per share ("LPS") from continuing operations to 20 cents for FY2023 from 62 cents (restated*) for FY2022.
- EOH further recorded an improvement of 58% in headline loss per share ("HLPS") from continuing operations to 19 cents for FY2023 from 45 cents (restated*) for FY2022.
- EOH had a net cash balance at 31 July 2023 of R204 million, with unutilised direct short-term facilities of R218 million.
- With the completion of the rights issue during February 2023 the Group further concluded financing agreements with The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking division) to refinance the remaining debt from 31 March 2023. This has further created more certainty around the capital structure and near-term liquidity.
- The Group repaid R678 million of debt during FY2023, R555 million from net capital raise proceeds and the balance of R123 million from disposal proceeds mainly from the sale of the Network Solutions business and Hymax SA Proprietary Limited and had net interest-bearing bank loans of R683 million at 31 July 2023 (excluding the utilised bank overdraft facility of R32 million).
- Key financial indicators:
 - Revenue – R6,2 billion from continuing operations.
 - Gross profit margin of 28% for FY2023 from continuing operations, which is in line with FY2022.
 - Operating profit margin improvement to 2.2% for FY2023 from 1.7% in FY2022 from continuing operations.
 - Total adjusted EBITDA of R312 million for FY2023 at a margin of 5%.
 - Normalised Adjusted EBITDA** of R351 million from continuing operations.

Continuing Operations

Total Operations

| | Audited for the year ended 31 July 2023 | Audited for the year ended 31 July 2022 | % Change | Audited for the year ended 31 July 2023 | Audited for the year ended 31 July 2022 | % Change |
|-------------------------|---|---|----------|---|---|----------|
| Revenue | R6 229 million | R6 031 million | 3.3% | R6 258 million | R6 931 million | (9.7%) |
| Operating Profit | R135 million | R100 million | 35.0% | R164 million | R282 million | (41.8%) |
| Loss per share | 20 cents | 62 cents* | 67.7% | 13 cents | 9 cents* | (44.4%) |
| Headline loss per share | 19 cents | 45 cents* | 57.8% | 21 cents | 11 cents* | (90.9%) |
| Adjusted EBITDA | R322 million | R364 million | (11.5%) | R312 million | R504 million | (38.1%) |

*LPS and HLPS previously reported have been restated to reflect the effects of the renounceable rights offer to qualifying shareholders concluded in February 2023. The adjustment relates to the bonus element of shares for the rights offer per IFRS which arises as a result of the difference between the rights issue price and the fair value price on date of issue (TERP – theoretical ex rights price).

**Normalised EBITDA (unaudited) takes into account adjustments related to legacy items such as impairment of the Tech Leasing casino legacy book and movement in provisions.

The presentation of the Group's annual results hosted by the Group Chief Executive Officer Stephen van Coller and Group Chief Financial Officer Megan Pydigadu may be viewed via a webinar at 11h00 on 18 October 2023, by following the link: <https://www.eoh.co.za/results>.

Shareholders are advised that EOH's annual integrated report together with the audited financial statements for the year ended 31 July 2023 is available on the Company's website at: <https://www.eoh.co.za/investor-relations/integrated-annual-reports/>.

Shareholders are further advised that EOH's ESG Report and report on Corporate Governance and the Application of King IV Principles are also available on the Company's website at: <https://www.eoh.co.za/investor-relations/integrated-annual-reports/>.

The annual general meeting ("AGM") will be held on Wednesday, 22 November 2023 at 09:00 am by way of electronic participation. The notice of AGM together with the audited financial statements for the year ended 31 July 2023 will be dispatched to shareholders by no later than 23 October 2023 and will be made available on the Company's website.

This results announcement is the responsibility of the directors of EOH. This results announcement is only a summary of the information contained in the annual financial statements. The annual financial statements have been released on SENS and is available on the JSE's website at <https://senspdf.jse.co.za/documents/2023/jse/isse/eoh/FY2023>.

The annual financial statements for the year ended 31 July 2023 have been audited by the Group's external auditors, PricewaterhouseCoopers Inc. ("PwC") who have expressed an unqualified audit opinion thereon. The audit report is included in the Group's consolidated financial statements for the year ended 31 July 2023 which is available on the Company's website at <https://www.eoh.co.za/investor-relations/integrated-annual-reports/>.

This results announcement has not been audited or reviewed by the Company's external auditors. Any investment decisions by investors and/or shareholders should be based on a consideration of the annual financial statements published on EOH's website as a whole.

Changes to the board of directors

The board of directors of EOH ("**Board**") announce the following changes.

Chief Executive Officer, Stephen Van Coller, has agreed to extend his five-year contract by another six months to 31 March 2024 at which time he will retire from the Board.

Stephen was appointed as CEO of EOH on 3 September 2018, shortly before the corruption scandals and contracting irregularities within certain businesses were exposed. Over the last five years Stephen has successfully led the EOH Group through a complete restructure and turnaround with a focus on saving jobs, deleveraging the balance sheet and the implementation of world class governance systems. During the last financial year, EOH has been able to focus on growth and now operates as a normal company with the majority of its legacy issues having been resolved.

The successful rights offer completed in February 2023 has given the Board the freedom to consider the next chapter for EOH and Stephen has asked for his contract not to be considered for renewal beyond the six-month extension. Stephen will however remain available to the Board after 31 March 2024, should he be required, to help with a smooth

leadership transition and the completion of any outstanding projects that require his involvement. The Board expresses its gratitude to Stephen for his invaluable contribution to the sustainability of the Company and wish him well for his next chapter.

Further, the Board is pleased to announce the appointment of Marialet Greeff as an executive director and interim chief financial officer (“**Interim CFO**”) of the Company with effect from 1 November 2023.

Marialet is a CA(SA) and will replace Ms Megan Pydigadu, who resigned as chief financial officer with effect from 31 October 2023. Marialet is currently the Group Executive for Treasury, Tax and Regulatory Finance. Marialet has played an integral role in the finance function and the restructuring and turnaround process of the EOH group since joining the Company in 2019.

The roles and key performances measures of the CEO and CFO positions have changed considerably as EOH has resolved the various legacy issues, restructured the business and moved into a growth phase. EOH has also significantly decentralised its head office functions and, in light of this and the change in strategic focus, the Board is undertaking a thorough skills assessment as part of the recruitment of a new CEO and CFO. Further announcements will be communicated in due course.

Shareholders are also advised that as part of the head office restructure, Fatima Newman has changed roles from chief risk officer to Group Executive: EasyHQ, with effect from 1 August 2023. Fatima will remain an executive director of the Board and will be responsible for the EasyHQ business, which provides head office solutions for EOH’s clients. EasyHQ solutions include governance, risk, compliance, recruitment, training and HR management, attestations, and digital signature solutions, among others.

To ensure business continuity the Board has secured commitment and tenure for four-year periods with each of the heads of the Group’s respective operational businesses namely Marius de la Rey, Brian Harding and Fatima Newman.

18 October 2023

Sponsor

The logo for Java Capital, featuring the word "JAVA" in a bold, blue, sans-serif font, followed by "CAPITAL" in a lighter, grey, sans-serif font. A thin blue horizontal line is positioned above the letters "A" and "V" in "JAVA".