



**enx**  
GROUP

**24**

**GROUP FINANCIAL  
STATEMENTS**

for the year ended 31 August

# ANNUAL FINANCIAL STATEMENTS

Directors' responsibility statement	1
Chief executive officer and Chief financial officer responsibility statement	2
Company secretary compliance statement	2
Independent auditor's report	3
Audit and risk committee report	6
Directors' report	11
Group statement of financial position	15
Group statement of profit or loss and other comprehensive income	16
Group statement of changes in equity	17
Group statement of cash flows	18
Group segmental analysis	19
Notes to the group financial statements	20
Company statement of financial position	70
Company statement of profit or loss and other comprehensive income	71
Company statement of changes in equity	72
Company statement of cash flows	73
Notes to the company financial statements	74
<b>ANNEXURE</b>	
Annexure A – Interests in principal subsidiaries	85
<b>OTHER INFORMATION</b>	
Shareholders' profiles	86
Glossary of terms	90
Administration	lbc

# DIRECTORS' RESPONSIBILITY STATEMENT

for the year ended 31 August 2024

The board of directors of enX Group Limited ("the issuer" or "the company") and its consolidated subsidiaries ("the group") are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the audited group and company financial statements and related financial information included in this report. It is their responsibility to ensure that the group and company financial statements fairly present the state of affairs of the group and the company as at the end of the financial year, 31 August 2024, and the results of its operations and cash flows for the year then ended, in conformity with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (collectively "JSE Listings Requirements"). The independent external auditor is engaged to express an independent opinion on the group and company financial statements.

The group and company financial statements are prepared in accordance with IFRS Accounting Standards, the JSE Listings Requirements and the South African Companies Act and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk.

While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Weaknesses identified by management and directors in the systems of internal control in the prior year have been improved through enhanced systems of internal controls. The group follows a co-sourced internal audit function to ensure any identified weaknesses are appropriately addressed and that the current system of internal control is effective, and that standards and policies are adhered to.

The directors have reviewed the group's cash flow forecast for the twelve-month period ending November 2025 and in light of this review, the current financial position and the additional considerations documented in the directors' report with regards to going concern as well as note 36 in the group financial statements, they are satisfied that the group has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The group and company financial statements have been audited by the group's external auditor, KPMG Inc., in conformity with International Standards on Auditing and their unmodified report is presented on pages 3 to 5.

## PREPARER OF THE GROUP AND COMPANY FINANCIAL STATEMENTS

The group and company financial statements have been prepared under the supervision of the previous CFO, Robert Lumb CA(SA) in terms of sections 29 and 30 of the Companies Act.

The financial statements are available on the group's website [www.enxgroup.co.za](http://www.enxgroup.co.za).

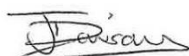
## APPROVAL OF GROUP AND COMPANY FINANCIAL STATEMENTS

The group and company financial statements set out on pages 15 to 68 and 70 to 86 respectively, which have been prepared on the going concern basis, were approved by the board of directors on 4 November 2024 and were signed on its behalf by:



R Lumb  
Chief Executive Officer

4 November 2024



J Dawson  
Chief Financial Officer

4 November 2024

# CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER RESPONSIBILITY STATEMENT

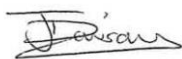
In terms of paragraph 3.84(k) of the JSE Listings Requirements, each of the directors, whose names are stated below, hereby confirm that:

- the group and company financial statements set out on pages 15 to 86, fairly present in all material respects the financial position, financial performance and cash flows of the group in terms of IFRS Accounting Standards;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the financial statements false or misleading;
- 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 financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementing and execution of controls;
- where we are not satisfied, we have disclosed to the Audit and Risk Committee ("ARC") and the auditors any deficiencies in the design and operational effectiveness of the internal financial controls and have taken steps to remedy these deficiencies; and
- we are not aware of any fraud that involves directors.



R Lumb  
*Chief Executive Officer*

4 November 2024



J Dawson  
*Chief Financial Officer*

4 November 2024

# COMPANY SECRETARY COMPLIANCE STATEMENT

for the year ended 31 August 2024

In my capacity as company secretary, I hereby confirm that in terms of section 88(2)(e) of the Companies Act, the company has lodged all returns required of a public company in terms of this Act for the year ended 31 August 2024 with the Registrar of Companies and that all these returns are, to the best of my knowledge and belief true, correct and up to date.



R Cloete on behalf of Acorim Proprietary Limited  
*Company secretary*

Sandton  
4 November 2024



# INDEPENDENT AUDITOR'S REPORT

## TO THE SHAREHOLDERS OF ENX GROUP LIMITED REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS OPINION

We have audited the Group and Company financial statements of enX Limited (the Group and Company) set out on pages 15 to 86 which comprise the:

- Group statement of financial position as at 31 August 2024, the group statement of profit or loss and other comprehensive income, group statement of changes in equity, group statement of cash flows, group segmental analysis for the year then ended and notes to the group financial statements, including a summary of material accounting policies; and
- Company statement of financial position as at 31 August 2024, the company statement of profit or loss and other comprehensive income, company statement of changes in equity, company statement of cash flows for the year then ended and notes to the company financial statements, including a summary of material accounting policies and Annexure A interest in principal subsidiaries.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of enX Limited as at 31 August 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 (IFRS Accounting Standards), the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (collectively "JSE Listings Requirements") and the South African Companies Act.

### 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.

### KEY AUDIT MATTERS

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the consolidated and separate financial statements of the current period. The matter was 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 the matter.

The key audit matter set out below relates to our audit of the group and company financial statements.

<b>Disposal of the Eqstra group</b>	
Refer to note 11 disposal group held for sale, note 20 discontinued operations and note 28 disposal of disposal group held for sale to the group financial statements.	
Refer to note 3 investment in subsidiaries and note 18 proceeds on disposal of subsidiary to the company financial statements.	
<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>For the year ended 31 August 2023, the Eqstra operation was classified as a disposal group held for sale and as a discontinued operation in terms of IFRS 5, Non-current Assets Held for Sale and Discontinued Operations (IFRS 5).</p> <p>For the year ended 31 August 2024, the disposal of the Eqstra group became unconditional in April 2024.</p> <p>The repurchase price of R594.2 million for the transaction was calculated with reference to net asset value of the Eqstra group as at 30 April 2024. In addition to the repurchase price, loans between the enX group and the Eqstra group, to the value of R547.2 million, were also settled.</p> <p>The Group ceased to consolidate the Eqstra group from 1 June 2024.</p> <p>The loss on disposal of the Eqstra group amounted to R6.1 million after impairment of the Eqstra disposal group held for sale of R309.7 million.</p> <p>As a significant part of the group was disposed of, the transaction is considered significant and unusual with reference to the financial statements for the year ended 31 August 2024.</p> <p>As a result of the above considerations, the disposal of the Eqstra group was considered a key audit matter in respect of the group financial statements.</p> <p>For the company financial statements, the accuracy of the loss on disposal of the investment in Eqstra Investment Holdings Proprietary Limited of R494.2 million was also considered a key audit matter.</p>	<p>We performed the following procedures with respect to the disposal of the Eqstra group:</p> <ul style="list-style-type: none"> <li>• Agreed the proceeds received on disposal (repurchase price as well as loan proceeds) to signed transaction documents, the audited net asset value balance sheet as of 30 April 2024 and other support.</li> <li>• Evaluated the appropriateness of management's assessment of the date of loss of control being 1 June 2024 in terms of IFRS 10, Consolidated Financial Statements.</li> <li>• Assessed and recalculated management's calculation of the loss on disposal (for both enX Group and enX Limited company) with particular focus on the terms of the transaction agreements, IFRS 5 measurement requirements and the treatment of related transaction costs by agreeing it to the underlying invoices and other relevant supporting documentation.</li> <li>• With the assistance of our taxation specialists, we assessed the appropriateness of management's tax treatment of the disposal for enX Limited company.</li> <li>• Assessed the appropriateness of the presentation and disclosure of the disposal of the Eqstra group in the group and company financial statements in accordance with IFRS Accounting Standards.</li> </ul>



# INDEPENDENT AUDITOR'S REPORT (continued)

## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "enX Limited consolidated and separate Financial Statements for the year ended 31 August 2024", which includes the Directors' report, the Audit and risk committee report and the Company secretary compliance statement as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the Integrated Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## 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 as issued by the International Accounting Standards Board (IFRS Accounting Standards), the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (collectively "JSE Listings Requirements") and the South African Companies Act, 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 and 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 ISAs 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 ISAs, 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 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 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 group and/or 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.

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 law 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

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of enX Limited for two years.

KPMG Inc.  
Registered Auditor

*KPMG Inc.*

**Per J Oertli**  
Chartered Accountant (SA)  
Registered Auditor  
Director  
4 November 2024

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# AUDIT AND RISK COMMITTEE REPORT

## for the year ended 31 August 2024

### Dear shareholders

The Audit and Risk Committee (“ARC” or “the committee”) has the pleasure of submitting an overview of the activities performed during the financial year ended 31 August 2024. ARC has reporting responsibilities to both shareholders and the board and is accountable to both.

The report and committee activities have been prepared in accordance with the requirements of the Companies Act, the King IV Report on Corporate Governance for South Africa, 2016 (“King IV™”) and the JSE Listings Requirements based on board approved results.

The committee is constituted as a statutory committee of the group in terms of the Companies Act. Its operations are guided by a formal, board approved, terms of reference that are in line with the Companies Act and King IV™. An annual work plan is drawn up to incorporate these obligations and progress is monitored to ensure all obligations are fulfilled. This process is supported by the Financial and risk review committees in all operating segments. These committees meet in terms of formal agendas which deal with issues arising at the operational segment level and are chaired by the group CFO. These committees provide formal feedback to ARC. The ARC acts for enX Group Limited (“the company”) and its consolidated subsidiaries (“the group”).

In summary the ARC assists the board in its responsibilities covering the:

- internal and external audit processes;
- risk management;
- liquidity management;
- adequacy and functioning of the group’s internal controls;
- information technology governance; and
- integrity of financial reporting and related external reports.

### MEMBERSHIP AND ATTENDANCE OF MEETINGS

During the course of the year, membership of the committee comprised solely of independent non-executive directors. The board of enX continues to believe that these members collectively possess the skills and knowledge to oversee and assess the strategies and processes developed and implemented by management to ensure that financial data is materially accurate and internal controls were effective. They are:

Member <sup>1,2</sup>	Date appointed	Attendance <sup>3</sup>
K Mokhobo (Chair)	3 January 2023	4/4
K Matthews	7 February 2023	4/4
N Simamane	15 February 2023	4/4

<sup>1</sup> Full biographical details of members are available in the integrated report

<sup>2</sup> Members fees are included in note 35 – Directors’ and prescribed officers’ remuneration

<sup>3</sup> Attendance based on meetings held on 23 Oct’23, 13 Feb’24, 7 May’24 and 5 Aug’24

Shareholders voted in favour of these members at the previous AGM.

In addition to the committee members, the CEO and CFO, internal and external auditors, Chief Investment Officer, Chief Information Officer and relevant senior managers have attended all ARC meetings by invitation. The company secretary acts as secretary at these meetings.

Role and responsibilities	Execution
Compliance with Companies Act, King IV™ and JSE Listing Requirements	<ul style="list-style-type: none"> <li>• performed duties which are attributed to it by the Companies Act, the JSE Listings Requirements and King IV™;</li> <li>• reviewed terms of reference;</li> <li>• confirmed board assessment of member’s independence;</li> <li>• improved the committee’s effectiveness based on recommendations from 2022 independent assessment;</li> <li>• conducted a committee self-assessment;</li> <li>• reported to the board on matters concerning accounting policies, financial controls, records and reporting;</li> <li>• reviewed all JSE pro-active monitoring letters;</li> <li>• considered JSE review comments and improved disclosures accordingly;</li> <li>• responded to JSE pro-active monitoring committee queries regarding the 2023 financial statements; and</li> <li>• dealt with any concerns and complaints received relating to accounting practices and reporting, internal audit and internal controls.</li> </ul> <p>The ARC confirmed that the findings contained in the various JSE Proactive Monitoring reports from 2011-2024, thematic reviews, common findings reports, JSE letters and reviews and documents were considered when preparing the audited group and company financial statements, as well as the summarised group financial statements for the year ended 31 August 2024.</p>
Engage with independent external auditors	<ul style="list-style-type: none"> <li>• nominated KPMG Inc. and Mr. J Oertli as the external audit firm and designated auditor respectively, to the shareholders for appointment as the auditors for the 2025 financial year and ensured that the appointment complied with all applicable legal and regulatory requirements for the appointment of an auditor;</li> <li>• nominated the external auditor for each material subsidiary for appointment;</li> <li>• ensured there were no scope limitations and reviewed the audit effectiveness and evaluated the external auditors’ internal quality control procedures;</li> </ul>

Role and responsibilities	Execution
	<ul style="list-style-type: none"> <li>• pre-approved all non-audit services in line with the formal policy on non-audit services. Fees for non-audit services amounted to R1.170 million (2023: Rnil), being 7.6% of the audit fee;</li> <li>• obtained an annual confirmation from the external auditor that their independence was not impaired and the committee satisfied itself that the auditor was independent;</li> <li>• approved the external audit engagement letter, the plan and the budgeted audit fees payable to the external auditor (refer to note 19 for the 2024 audit fee);</li> <li>• maintained policies and controls setting out the categories of non-audit-related services that KPMG Inc. may and may not provide, split into permitted, permissible and prohibited services;</li> <li>• assessed whether any reportable irregularities were identified and reported;</li> <li>• satisfied itself as to the qualifications and competence of KPMG Inc. and the audit engagement partner;</li> <li>• obtained assurances from the external auditor that adequate accounting records were being maintained by the company and its material subsidiaries;</li> <li>• considered whether any reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act (No. 26 of 2005);</li> <li>• considered any reported control weaknesses, management's response for their improvement and assessed their impact on the general control environment;</li> <li>• considered the tenure of the external auditor and found it to be appropriate;</li> <li>• practiced the highest standards of financial disclosure.</li> </ul> <p>The committee has satisfied itself that appropriate financial reporting procedures are in place and operating.</p> <p>The committee met with the designated audit partner without management present, where necessary, and was briefed throughout the year on general matters relating to auditing and accounting that may impact enX as well of matters concerning the group and the audit process. All matters of concern which were raised, have been appropriately dealt with. The committee confirmed that the external auditor has executed its audit responsibilities in accordance with International Standards on Auditing and had functioned in accordance with its mandate for the 2024 financial year. No matters of concern regarding the performance of the external auditor were noted by the committee. KPMG Inc. expressed an unqualified opinion on the financial statements for the year ended 31 August 2024.</p> <p>The committee satisfied itself that the appointment of the external auditor has been made in accordance with the provisions of paragraph 3.84(g) of the JSE Listings Requirements and that all requisite information in this regard has been received to enable it to arrive at this consensus.</p>
Engage with internal audit and assess internal controls	<ul style="list-style-type: none"> <li>• reviewed the internal audit structure;</li> <li>• approved the internal audit plan and scope regarding their adequacy to address significant risks facing the business and subsequent changes to the plan;</li> <li>• reviewed and approved the internal audit charter and evaluated the independence of the internal audit function and its compliance with the charter;</li> <li>• considered the reports of the internal auditor on the group's systems of internal control including financial controls, strategic risk management and maintenance of effective internal control systems;</li> <li>• received assurance that proper and adequate accounting records were maintained and that the systems safeguarded the assets against unauthorised use or the disposal thereof;</li> <li>• reviewed significant issues raised by the internal audit processes and the adequacy of corrective action in response to significant internal audit findings; and</li> <li>• met separately with internal audit during the year.</li> </ul> <p>The internal audit function reports functionally into chair of the ARC and administratively to the CEO. The ARC is satisfied that internal audit has the appropriate qualifications, expertise and experience to fulfil its duties.</p> <p>The function has unrestricted access to the ARC, including closed sessions where necessary, without the CFO and management present to raise and discuss matters relevant to the fulfilment of their responsibilities.</p> <p>Confirmed that, based on the results of the formal documented review of the design, implementation and effectiveness of the group's system of internal financial controls, as presented by internal audit, explanations given by management and discussions with external auditors on the results of the audits, no material breakdowns in the functioning of the internal financial controls were noted during the year under review.</p>

# AUDIT AND RISK COMMITTEE REPORT (continued)

for the year ended 31 August 2024

Role and responsibilities	Execution
Oversight of risk management and governance and combined assurance	<ul style="list-style-type: none"> <li>satisfied itself that the risk methodology is appropriate for the group and consistently applied throughout the group;</li> <li>reviewed the risk maturity and risk appetite, noting an improved risk awareness with more focus placed on fraud risks and key financial risks;</li> <li>reviewed risk registers and provided a forum for discussing business risk and control issues and to develop recommendations for consideration by the board;</li> <li>satisfied itself that the combined assurance model is appropriate, complete and effective in addressing risks identified in the group; and</li> <li>reviewed the combined assurance model and measured progress against plan.</li> </ul> <p>The ARC has satisfied itself that the level of unmitigated risks, both individually and in totality, are within the risk appetite of the group, and that there is sufficient assurance provided to manage risks and the control environment through both internal and external assurance providers.</p> <p>Details of the combined assurance model and risks are described in more detail in the Integrated report.</p>
Integrated reporting and financial statements	<p>The committee recommended for approval:</p> <ul style="list-style-type: none"> <li>the group and company financial statements for the year ended 31 August 2024;</li> <li>the interim results for the six months ended 28 February 2024; and</li> <li>trading statements and other SENS announcements where applicable.</li> </ul>
Assurance of financial director and finance functions expertise	<ul style="list-style-type: none"> <li>as required by the JSE Listings Requirements, the committee has satisfied itself that the CFO, Mr. Robert Lumb had the appropriate expertise and experience to fulfil his role and responsibilities;</li> <li>the committee reviewed the experience and expertise of Ms J Dawson prior to recommendation to the board to appoint her as new CFO; and</li> <li>satisfied itself that the composition, experience and skill set of the finance function met the group's requirements.</li> </ul> <p>ARC considered management of the finance function's commitment to character and competence in this evaluation. The function provided the committee with unrestricted access to financial information and properly applied accounting principles in the preparation of the audited group and company financial statements.</p>
Information technology (IT) governance	<p>The board mandated the committee to provide oversight over IT governance. As such, the committee was involved in overseeing the implementation and review of all relevant IT governance mandates, policies, processes and control frameworks while ensuring compliance with the standards adopted by the group.</p> <p>In order to assist the committee in the discharge of its duties in respect of IT governance, an IT steering committee is mandated with the executive oversight of IT governance. The steering committee ensures that the IT strategy supports the business goals and objectives as well as the sustainability objectives of the group. The steering committee is responsible for the implementation of and measurement against the IT governance framework and other related initiatives, in conjunction with the other existing oversight bodies.</p> <ul style="list-style-type: none"> <li>monitored the governance of IT and the effectiveness of the group's information systems;</li> <li>provided oversight and monitored progress made on material IT projects;</li> <li>provided additional oversight where any instability has been reported on key financial platforms;</li> <li>reviewed cybersecurity minimum guidelines and assessed the impact of the emerging risk landscape;</li> <li>reviewed and ensured alignment of IT strategies with the operating businesses; and</li> <li>obtained an understanding of the innovation or digitisation projects within the group.</li> </ul> <p>Based on this review the ARC found these policies to be sound.</p>
Fraud detection and prevention oversight	<ul style="list-style-type: none"> <li>received and reviewed quarterly updates on any tip-offs received through the whistle-blowing process.</li> </ul> <p>Reports received and investigated did not reveal any malpractice relating to accounting practices, internal controls, internal audit function or the content of the group's financial statements.</p>

## ADEQUACY AND FUNCTIONING OF THE INTERNAL CONTROLS

The internal audit function is set up to report independently from management and has a direct reporting line to the chair of the ARC with an administrative reporting line to the CEO.

The following functions were performed and reported on:

- evaluated the effectiveness of internal controls over financial reporting and internal controls in general;
- reviewed the governance of IT within the group;
- assessed the governance of risk in line with the Combined Assurance Framework; and
- reported findings to management and the committee and monitored the remediation of all significant deficiencies reported.

To meet the group's responsibility to provide reliable financial information, the group maintains key financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against material losses, unauthorised acquisition, use or disposal and that those transactions are properly authorised and recorded.

The ARC received feedback from management on the work performed in the current year to support the CEO and CFO sign off on internal controls, as required by paragraph 3.84(k) of the JSE Listings Requirements. This paragraph requires a statement by the CEO and CFO to confirm that internal financial controls have been put in place to ensure that material information of the group is provided to effectively prepare the group's financial statements.

The group has adopted a "Top Down and Bottom Up" approach to internal financial reporting of risks and controls whereby material reporting risks and controls at the group's reporting and those in place at underlying businesses, have been identified and documented. Internal financial reporting risks were identified and documented across key reporting processes as well as at an entity level.

The ARC is satisfied that the internal financial controls are adequate and effective to assist in compiling the audited group and company financial statements. Where deficiencies in design and operational effectiveness of the internal financial controls have been noted, they have been disclosed to the committee and external auditors, together with the necessary remedial actions instituted. The committee is satisfied that none of these deficiencies had a material effect for the purposes of the preparation and presentation of the audited group and company financial statements for the year ended 31 August 2024. ARC reviewed any reported fraud involving directors, if applicable, together with necessary remedial actions instituted.

The group's management remain committed to ongoing improvements ensuring that the control environment remains sound for reliable audited group and company financial statements and safeguarding of the group's assets.

## FINANCIAL REPORTING

The committee ensures that financial reporting to stakeholders fairly presents the state of affairs of the group which includes the audited group and company financial statements.

The ARC, amongst other matters:

- took steps to ensure that the audited group and company financial statements were prepared in accordance with IFRS Accounting Standards and in compliance with the relevant provisions of the Companies Act and the JSE Listings Requirements;
- confirmed the going concern as the basis of preparation of the audited group and company financial statements;
- ensured that the audited group and company financial statements fairly present the financial position of the group and of the company as at the end of the financial year and the results of the operations and cash flows for the financial year;
- considered the basis on which the group and the company, was determined to be a going concern;
- considered the appropriateness of the accounting policies adopted and changes thereto;
- reviewed the external auditor's audit report and key audit matters included;
- reviewed the representation letter relating to the audited group and company financial statements, which was signed by senior management;
- considered any problems identified and reviewed any legal and tax matters that could have a significant impact on the audited group and company financial statements;
- considered accounting treatments, significant unusual transactions and accounting judgements;
- had unrestricted access to the financial information of the group and assessed whether the group has established appropriate financial reporting procedures at the group and subsidiary levels; and
- was able to satisfy itself that the group has the appropriate financial reporting procedures in terms of the JSE Listings Requirements paragraph 3.84(g).

## KEY AUDIT MATTERS AND SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The ARC has considered the key audit matters as outlined in the external auditors' report. The matters have been covered in the significant areas of judgement below.

In arriving at the figures disclosed in the audited group and company financial statements, there are many areas where judgement is required. These are outlined in note 1.10–Management judgements and estimates to the audited group and company financial statements. The committee has considered the valuation of the assets and liabilities on the group statement of financial position and other items that require significant judgement.

Key audit matter related to the disposal of the Eqstra group.

In making its assessment in the above areas, the ARC questioned senior management and examined the external auditors' report in arriving at their conclusions. The ARC reviewed the disclosures, considered the procedures undertaken by the senior management and were satisfied that sufficiently robust processes were followed with regards to the judgements relating to the above items.

## QUALITY OF EARNINGS

The reconciliation of attributable profits to headline earnings is outlined in note 23 – Earnings per share.

# AUDIT AND RISK COMMITTEE REPORT (continued)

for the year ended 31 August 2024

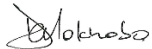
## RECOMMENDATION AND APPROVAL OF THE GROUP AND COMPANY FINANCIAL STATEMENTS

The ARC has reviewed the group and company financial statements for the year ended 31 August 2024, which comply, in all material aspects, with the requirements of the Companies Act, King IV™ and IFRS Accounting Standards. The committee evaluated the appropriateness of significant estimates and judgements as outlined in accounting policies.

Based on documents presented and recommendation to the committee, the committee supported the going concern basis of accounting and concluded that it is appropriate. The committee has therefore recommended the group and company financial statements of enX for the year ended 31 August 2024, as set out on pages 15 to 86 of the financial statements report, for approval to the board. The board has subsequently approved these financial statements, which will be available for discussion at the forthcoming AGM.

## CONCLUSION

After considering the above, the ARC is of the opinion that it has appropriately addressed its responsibilities in terms of its charter, assessed internal controls and reported to stakeholders.



K Mokhobo

*For and on behalf of the ARC*

4 November 2024

Sandton

# DIRECTORS' REPORT

for the year ended 31 August 2024

The directors present their report, which forms part of the group and company financial statements of enX for the year ended 31 August 2024.

## NATURE OF BUSINESS

enX Group Limited is a South African based holding company with a selected international presence in other African countries. Through its subsidiaries it operates as a diverse business in the general industrial sector. The company listed on the JSE in 2007.

The group comprises the following segments:

enX Lubricants (AG Lubricants and Zestcor)

- African Group Lubricants ("**AG Lubricants**") produces and markets oil lubricants and greases in South Africa and sub-Saharan Africa and is the sole distributor of ExxonMobil lubricants (excluding marine and aviation) and Quaker Houghton International's advanced fluids solutions and services (excluding metal working).
- Zestcor, as an associate, is held 37% by the group.

enX Power

- New Way Power ("**Power**") designs, manufacturers, installs, rents and maintains diesel generators and distributes a range of industrial engines. They also offer cleaner power through solar hybrid and grid alternatives.

enX Chemicals

- West African International ("**WAG**") imports, warehouses and distributes polyolefins, styrenics, rubber and speciality chemicals into the Southern African market.

enX Fleet - Discontinued operation

- Eqstra Fleet Management ("**Eqstra**") which previously made up the Fleet segment, provided a full spectrum of commercial and passenger vehicle leasing services including fleet management, outsourcing solutions, maintenance, warranty management, remarketing and vehicle tracking solutions. Included in Eqstra, is Kynite, a Software-as-a-Service solution which digitises the full spectrum of vehicle services, with external customers now making use of this offering. Both Eqstra and Kynite were classified as a disposal group held for sale in terms of IFRS 5 with effect from 31 August 2023 and no longer consolidated from 1 June 2024 with the disposal effective 13 June 2024.

## FINANCIAL PERFORMANCE

The group and company financial results for the year ended 31 August 2024 are set out in detail on pages 15 to 86.

Despite challenging economic conditions, the results for the year ended 31 August 2024 reflect good performances in both the Lubricants and Chemicals segments but, with no load-shedding in the last six months, trading in the Power segment slowed.

Cash was returned to shareholders in the form of special distributions of R1.00 and R5.00 per enX ordinary share paid on the 27 November 2023 and 8 July 2024 respectively. The net asset value per share as at 31 August 2024 was R9.06 per share (2023: R13.91 per share).

Revenue from continuing operations decreased 3% to R4.078 billion (2023: R4.195 billion). While volumes of toll blending in Lubricants and volumes of polyethylene in Chemicals increased, average selling prices decreased due to pass through of lower base oil and chemical pricing. Power revenues across all revenue streams were down due to no load-shedding in the second six months of the financial year, which previously presented significant opportunities.

Operating profit from continuing operations before net finance costs, our share of profit from our associate and impairments, was R194 million (2023: R248 million) was supported by better margins in the Lubricants and Chemical segments but negatively impacted by lower demand in the Power segment. Once-off legal fees of R18 million and restructuring charges of R17 million were incurred as the Service Centre downsized following the disposal of Eqstra. The prior year included the once-off receipt of R37 million in respect of a key man insurance policy in WAG and a charge of R16 million arising from the derecognition of the Right of Use asset and related lease obligation in AG Lubricants as a result of the Group acquiring its blending and storage facilities at the end of December 2022.

Profit before tax from continuing operations was R241 million (2023: R260 million).

Headline earnings per share from continuing operations was 84 cents (2023: 94 cents), down 11%.

## OPERATIONAL REVIEW 2024

### Lubricants

**AG Lubricants** revenue was similar to the prior year at R1.673 billion (2023: R1.686 billion). Volumes from toll blending were higher but average selling prices were down due to the pass through of lower base oil pricing. Profit before tax was R102 million (2023: R77 million) supported by significantly better margins. An amount of R10 million in respect of a provision for the non-achievement of contractual commitments required by a mining customer, which have now been achieved, was released during the financial year. The prior year's profitability was negatively impacted by a charge of around R16 million arising from the derecognition of the Right of Use Asset and related lease obligation as a result of the blending plant being acquired by the Group in December 2022.

Our share of the profit from our associate, Zestcor, was R32 million (2023: R19 million), which continues to trade well. The prior year's profitability was negatively impacted by a material bad debt provision.

### Power

**New Way Power** revenue was R564 million (2023: R683 million), a decrease of 17%. While there were increases in year-on-year sales to large data centre customers, excluding these sales, revenue across all revenue streams, particularly in the equipment rental, renewables, diesel and services and installations streams, fell significantly with no load-shedding in the last six months of the financial year. Profit before tax was R53 million (2023: R101 million).

### Chemicals

**WAG** revenue was similar to the prior year at R1.848 billion (2023: R1.870 billion). Volumes of polyethylene were significantly higher in the current year compared to the prior year but this was offset by lower year-on-year volumes of natural and synthetic rubber. Profit before tax was R84 million, a similar amount to the prior year, supported by better margins. The prior year's profitability was positively impacted by a R37 million once off receipt in respect of a key man insurance policy payout.

# DIRECTORS' REPORT (continued)

## for the year ended 31 August 2024

### Discontinued operation – current year

#### Eqstra

Shareholders are referred to the SENS announcement dated 12 December 2023 announcing the disposal of Eqstra to Nedbank Group Limited ("the Transaction"), wherein definitive transaction agreements ("Transaction Agreements") were concluded between the parties. The Transaction constituted a disposal of all or a greater part of enX's assets or undertaking as contemplated in section 112 (read with section 115) of the Companies Act No 71 of 2008 ("Companies Act"), an affected transaction as contemplated in section 117 of the Companies Act being regulated by the Transaction Regulation Panel ("TRP") and a category 1 disposal in terms of section 9 of the JSE Listing Requirements. Shareholders are referred to the SENS announcement dated 9 February 2024 advising of the distribution of a circular to its shareholders relating to the Transaction. At the general meeting of the enX shareholders on 3 April 2024, 98.7% of shares voted for the approval and implementation of the Transaction. The suspensive conditions to the Transaction were fulfilled and the Transaction became unconditional on 19 April 2024. Shareholders are referred to the SENS announcement dated 13 June 2024, wherein it was advised that the transaction was implemented in full on that date. The gross proceeds payable to enX, as a result of the transaction, was an amount equal to R1 140.5 million, comprising of (i) a repurchase price of R593.3 million based on the unaudited accounts of Eqstra with an effective date of 30 April 2024 ("Effective Date Accounts") which was subject to adjustment in accordance with the terms of the repurchase agreement (ii) proceeds received from the repayment of shareholder loans, in an amount equal to R547.2 million. On 13 June 2024, enX received the gross proceeds, less R50 million, which amount would become payable to enX inclusive of interest accrued thereon, less certain adjustments to be made in accordance with the terms of the repurchase agreement, once the Effective Date Accounts had been audited. Further, R100 million of the gross proceeds was transferred to an escrow account for a period of three years from the subscription date as restricted cash collateral for any claims that may arise in relation to any uninsured warranties and indemnities. On 30 August 2024, an amount of R50.9 million, being the hold back of the gross proceeds plus interest was received following completion of the audit of Effective Date Accounts.

Eqstra's revenue was R1.442 billion (2023: R1.755 billion). In terms of IFRS 5, Eqstra has been reported as a disposal group held for sale and discontinued operation from 31 August 2023, the date that the conditions were met to be classified as such. The Transaction was assessed for loss of control as envisaged in terms of IFRS 10, where management concluded that enX lost control of Eqstra with effect from 1 June 2024. In terms of IFRS 5, Eqstra was required to cease depreciation and amortisation from 1 September 2023 and assess the carrying value of the held for sale assets relative to the transaction value. Consequently, depreciation and amortisation from 1 September 2023 to disposal amounted to R424 million (after tax R310 million) was not recorded in the current period. On a like-for-like basis, profit before tax was R99 million (2023: R164 million). The disposal group held for sale was impaired by R310 million relative to the transaction value which equates to mainly the after tax depreciation and amortisation not charged in the period. A loss on disposal of R6 million was incurred on the closing of the Transaction.

### LITIGATION

In March 2023, Powerforce Holdings Proprietary Limited ("Powerforce"), initiated arbitration proceedings against enX, enX Trading, New Way Power and PO2, claiming the transfer of the enX Group shares in New Way and PO2 to Powerforce for R45 million, together with all sales claims and cost of legal proceedings. enX claimed that the suspensive conditions included in the share purchase agreement of 3 August 2022 were not fulfilled or waived on or before the long stop date and that the transaction was never completed. Judgement was handed down on 10 June 2024 and it is pleasing to note that Powerforce's claim was dismissed with costs.

New Way Power lease their premises. There has been ongoing litigation by enX against the landlord of the New Way Power premises. On 14 February 2022, enX instituted an application seeking to declare the lease to be invalid and null and void ab initio since 2009 due to the non-fulfilment of the conditions precedent as set out in the lease. An order is being sought that the landlord pays to enX the aggregate rentals and other charges paid to the landlord plus interest on the amount from the date that they arose. The landlord is free to pursue relief in the reduction of the claim for the market related rentals.

### STATED CAPITAL

The number of ordinary shares in issue and authorised at 31 August 2024:

	Authorised stated capital	Issued stated capital 2024	Issued stated capital 2023
Ordinary shares at no par value	1 000 000 000	182 312 650	182 312 650
<b>Treasury shares:</b>			
K2016224128 South Africa Proprietary Limited (forfeiture share plan as incentive for key employees, no shares had been allocated to employees at present)		945 887	375 873
enX Corporation Limited (following the unbundling in 2016)		–	570 014

Details of the authorised and issued share capital of the company appear in note 12 of the group financial statements.

The directors do not have a general authority to issue the company's unissued shares.

## DIRECTORS

The composition of the board of directors, who are all South African, during the period under review is as follows:

	Appointment/ resignation date	Nature of directorship	Sub-committees
A Hannington	Resigned 25 September 2024	Executive – CEO	
R Lumb <sup>#</sup>	1 March 2020	Executive – CFO	
J Dawson <sup>%</sup>	25 September 2024	Executive – CFO	
P Baloyi	1 January 2014	Non-executive Chairman	NOM, REM, SEC
K Mokhobo	3 January 2023	Lead independent non-executive	ARC
Z Matthews <sup>@</sup>	3 July 2020	Independent non-executive	ARC, SEC, REM, NOM
N Simamane	8 February 2023	Independent non-executive	ARC, SEC, REM, NOM
W Chapman	Resigned 22 April 2024	Non-executive	NOM, REM

<sup>@</sup> Z Matthews was appointed chair of Remuneration committee on 29 April 2024.

<sup>#</sup> R Lumb was appointed CEO on 25 September 2024 after having been the CFO since 1 March 2020.

<sup>%</sup> J Dawson was appointed as CFO on 25 September 2024.

The group's prescribed officers are defined as the divisional CEO's whose remuneration is disclosed in note 35.

## DISTRIBUTIONS

The special distribution out of contributed tax capital of R1.00 per enX ordinary share was paid to enX ordinary shareholders on 27 November 2023 and stated capital was reduced accordingly by R182 million.

Further, a special distribution of R5.00 per enX ordinary share was paid on 8 July 2024. enX elected for the special distribution to be a dividend, for South African tax purposes, in terms of section 1 of the Income Tax Act No 58 of 1962 ("Income Tax Act") being a distribution not funded from contributed tax capital as defined in the Income Tax Act. The special distribution of R910 million has been reflected as a reduction of stated capital being a return of capital arising from the disposal proceeds arising from the Transaction.

## SERVICE CONTRACTS OF EXECUTIVE DIRECTORS

Executive directors retire from their positions and from the board (as executive directors) at the age of 65. Though normal retirement age is 65 years for executive directors, the company's retirement policy makes provision to extend the working relationship beyond the normal retirement age. The executive directors are subject to a three to six calendar months' written notice under their existing employment contracts.

## SIGNIFICANT RESOLUTIONS

At the company's AGM held on 3 April 2024 shareholders approved:

- an increase in non-executive directors' fees;
- financial assistance in terms of section 44 of the Companies Act;
- financial assistance in terms of section 45 of the Companies Act; and
- approved the general authority to repurchase the Company's securities subject to the JSE Listing Requirements and Companies Act as set out in the resolution.

Subsidiary companies passed special resolutions in terms of sections 44 and 45 of the Act. No other special resolutions were passed during the year that may be of significance to shareholders in their appreciation of the state of affairs of the group.

At the general meeting held on 3 April 2024 shareholders approved the resolutions required for the authorisation and implementation of the proposed divestment of Eqstra Investment Holdings (Pty) Ltd.

## SHAREHOLDER SPREAD AND DIRECTORS' INTEREST

Details of shareholder categories are set out in Shareholders' profiles of the financial statements.

The shareholdings of the directors in the ordinary shares of the company at 31 August 2024 appear in the shareholders' profile of the financial statements.

## CORPORATE GOVERNANCE

The enX board affirms its commitment to the principles and cornerstones of sound governance. These are done within the predetermined parameters of risk management and control in accordance with accepted group corporate practice.

The group's corporate practice subscribes to the Code of Good Corporate Practices and Conduct contained in King IV™. The board is satisfied with the group's application of the principles of King IV™ and the JSE Listings Requirements throughout the year under review. The corporate governance report will be included in the 2024 integrated report.

The board and management continuously review and enhance the systems of control and governance to ensure that the business is managed ethically and in line with internationally accepted standards of best practice.

### *Audit and risk committee*

In terms of section 94(7) of the Companies Act, the committee discharged all of its delegated functions in terms of its mandate, the Companies Act and the JSE Listings Requirements.

At the next AGM shareholders will be requested to approve the appointment of the members of the ARC, as recommended by the board.

Further details on the committee's role and function can be found in the ARC report.

# DIRECTORS' REPORT (continued)

## for the year ended 31 August 2024

### *Social and ethics committee*

In terms of section 72(4) of the Companies Act, the committee discharged all of its delegated functions in terms of its mandate, the Companies Act and the JSE Listings Requirements. At the next AGM, the chair of the committee will be available to report on the Social and ethics committee's activities.

### **BORROWING POWERS**

In terms of the provisions of section 19 of the Companies Act, read with the MOI, the company has unlimited borrowing powers. Borrowings by the group are subject to various bank covenants.

The group's total gross interest-bearing liabilities (including leased liabilities) was R278 million (31 August 2023: R282 million).

### *enX Trading*

During the current year, AG Lubricants borrowing base facility was increased from R150 million to R200 million, while New Way's indirect facilities were increased from R50 million to R86 million. WAG has trading facilities of R260 million.

We believe these dedicated facilities will provide adequate liquidity for these businesses to continue to trade and grow. The covenants of these dedicated credit facilities for the measurement periods covered by the report have been met.

### **EXTERNAL AUDITOR**

It was KPMG Inc.'s second year as external auditor of enX and its subsidiaries. The auditor's business and postal address appear on page inside back cover.

### **SUBSIDIARY COMPANIES**

Details of principal subsidiary companies appear in Annexure A of the financial statements.

During the year the group disposed of the enX Fleet division.

### **PROPERTY**

The register of land and buildings is available for inspection at the company's registered office during its business hours.

### **GOING CONCERN**

The group and company financial statements have been prepared using appropriate accounting policies, supported by reasonable judgements and estimates. The group statement of financial position as at 31 August 2024 reports a positive total equity balance of R1.689 billion (2023: R2.583 billion). The group shows cash inflows before financing of R811 million (outflow 2023: R85 million).

The directors believe that the group and company have adequate resources to continue as a going concern for the foreseeable future. This assessment was based on available facilities and detailed future cash flow forecasts for the next 12 months. Based on this assessment it is considered appropriate to adopt the going-concern basis in preparing the group and company financial statements. The directors have satisfied themselves that the group and company are in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements whilst operating within existing bank facilities terms.

The board considered the solvency and liquidity of the group and the company and is satisfied that the group and company are solvent and liquid at the date of this report.

### *Funding and liquidity*

Longer lead times arising from supply chain constraints and the change in sourcing of some product within WAG has increased net working capital requirements but liquidity in all our businesses remains robust with well managed working capital.

Based on our assessment of the prospects and cash flows for each business as at the date of signing we believe that the credit facilities we have in place provide sufficient liquidity for the businesses to continue trading for the foreseeable future.

### **OUTLOOK**

We continue to follow our strategy of increasing shareholder value by growing the underlying businesses and, if the opportunities available are right, to make strategic disposals of those businesses.

### **SUBSEQUENT EVENTS**

There have been no material events subsequent to period end that have been taken into account in the financial statements.

### **COMPANY SECRETARY AND REGISTERED OFFICE**

The company secretary is Acorim Proprietary Limited, represented by Ms. Roxanne Cloete.

The board as a whole and the individual directors have unrestricted access to the advice and services of the company secretary, who provides guidance to the board and to the directors with regard to how their responsibilities are to be discharged.

Acorim Proprietary Limited is an independent company secretarial and corporate governance advisory service provider and is represented by Ms. Cloete. The board is satisfied with the expertise, experience, competence and qualifications of the company secretary and confirms that the relationship between the board and the company secretary remains at arm's length.

The governance report containing further details of their function, will be included in the integrated report, to be published post the release of the financial statements.

Shareholders, employees and investors are encouraged to communicate recommendations to the board, the company secretary or the CEO.

# GROUP STATEMENT OF FINANCIAL POSITION

as at

	Notes	31 August 2024 R'000	31 August 2023 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant, equipment and right-of-use assets	2	178 011	177 493
Intangible assets	3	38 059	48 811
Investment in associate	4	139 464	114 607
Unlisted investments and other receivables	5	102 033	2 475
Deferred taxation	6	37 336	32 864
<b>Current assets</b>		<b>2 352 191</b>	<b>2 146 411</b>
Trade and other receivables	7	717 083	836 379
Inventories	8	859 710	866 725
Derivative financial instruments	9	–	4 763
Unlisted investments and other receivables	5	–	135 240
Taxation receivable		3 709	324
Bank and cash balances	10	771 689	302 980
Disposal group held for sale	11	–	3 049 317
<b>Total assets</b>		<b>2 847 094</b>	<b>5 571 978</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Stated capital	12	1 402 123	2 495 999
Other reserves	13	11 404	(714 022)
Accumulated profit		229 414	740 986
Equity attributable to equity holders of the parent		1 642 941	2 522 963
Non-controlling interests		46 023	59 953
<b>Non-current liabilities</b>		<b>97 370</b>	<b>108 489</b>
Interest-bearing liabilities	14	24 746	37 061
Lease liabilities	29	7 618	11 696
Cash settled and option liabilities	15	62 735	59 732
Deferred taxation	6	2 271	–
<b>Current liabilities</b>		<b>1 060 760</b>	<b>1 231 936</b>
Interest-bearing liabilities	14	238 651	228 216
Lease liabilities	29	7 261	4 620
Trade and other payables	16	735 831	914 340
Provisions	17	41 413	47 527
Derivative financial instruments	9	13 524	–
Cash settled liabilities	15	10 595	11 900
Taxation payable		13 485	25 333
Liabilities associated with disposal group held for sale	11	–	1 648 637
<b>Total equity and liabilities</b>		<b>2 847 094</b>	<b>5 571 978</b>

# GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the years ended

	Notes	31 August 2024 R'000	31 August 2023 R'000
<b>Continuing operations</b>			
<b>Revenue</b>	18	4 077 884	4 194 783
Cost of sales	19	(3 494 666)	(3 636 394)
Gross profit		583 218	558 389
(Impairment loss)/reversal and write-offs on trade receivables		(2 572)	6 162
Operating expenses	19	(386 945)	(316 825)
<b>Operating profit before items listed below</b>		193 701	247 726
Impairment of intangible assets and property, plant and equipment	2, 3	(30)	(1 821)
Operating profit before net finance costs and earnings from associate		193 671	245 905
Net finance costs	21	14 627	(4 087)
Interest received		54 035	31 187
Interest expense		(39 408)	(35 274)
Share of profits from associate	4	32 257	18 509
<b>Profit before taxation</b>		240 555	260 327
Taxation	22	(68 728)	(69 482)
<b>Profit after taxation</b>		171 827	190 845
<i>Attributable to:</i>			
Equity holders of the parent		151 806	163 672
Non-controlling interests		20 021	27 173
<b>Net profit after taxation</b>		171 827	190 845
<b>Discontinued operations</b>			
Profit for the year from discontinued operations	20	57 734	132 190
<b>Net profit after taxation</b>		229 561	323 035
<i>Attributable to:</i>			
Equity holders of the parent		209 540	295 862
Continuing operations		151 806	163 672
Discontinued operations		57 734	132 190
Non-controlling interests		20 021	27 173
<b>Net profit after taxation</b>		229 561	323 035
<i>Other comprehensive income net of taxation:</i>			
Profit after taxation		229 561	323 035
Items that may be reclassified subsequently to profit or loss:			
– Foreign currency translation reserve	13	(4 701)	11 178
<b>Total comprehensive income</b>		224 860	334 213
<i>Attributable to:</i>			
Equity holders of the parent		204 839	307 040
Non-controlling interests		20 021	27 173
<b>Total comprehensive income</b>		224 860	334 213
<b>Earnings per share from continuing operations</b>			
Basic earnings per share (cents)	23	83,7	90,2
Diluted earnings per share (cents)	23	83,7	90,2
<b>Earnings per share from discontinued operations</b>			
Basic earnings per share (cents)	23	31,8	72,9
Diluted earnings per share (cents)	23	31,8	72,9

# GROUP STATEMENT OF CHANGES IN EQUITY

for the years ended

	Stated capital R'000	Other reserves R'000	Accumulated profit R'000	Equity attributable to equity holders of the parent R'000	Non- controlling interests R'000	Total equity R'000
<b>Balances as at 1 September 2022</b>	2 495 999	(725 200)	445 124	2 215 923	49 038	2 264 961
Profit for the year	–	–	295 862	295 862	27 173	323 035
Other comprehensive income for the year	–	11 178	–	11 178	–	11 178
Repurchase of non-controlling interest	–	–	–	–	(3 671)	(3 671)
Dividends paid	–	–	–	–	(12 587)	(12 587)
<b>Balances as at 31 August 2023</b>	2 495 999	(714 022)	740 986	2 522 963	59 953	2 582 916
Profit for the year	–	–	209 540	209 540	20 021	229 561
Other comprehensive income for the year	–	(4 701)	–	(4 701)	–	(4 701)
Reserves released on disposal of subsidiary	–	(6 436)	–	(6 436)	–	(6 436)
Repurchase of non-controlling interest	–	–	15 451	15 451	(29 951)	(14 500)
Capital distributions	(1 093 876)	–	–	(1 093 876)	–	(1 093 876)
Reclassification of valuation reserve	–	736 563	(736 563)	–	–	–
Dividends declared	–	–	–	–	(4 000)	(4 000)
<b>Balances as at 31 August 2024</b>	1 402 123	11 404	229 414	1 642 941	46 023	1 688 964

# GROUP STATEMENT OF CASH FLOWS

for the years ended

	Notes	31 August 2024 R'000	31 August 2023 R'000
<b>Cash flows from operating activities</b>		(190 577)	24 564
Cash generated from operations	24	53 081	284 150
Interest received	25	53 481	28 561
Interest paid	25	(167 213)	(161 149)
Taxation paid	26	(129 926)	(126 998)
<b>Cash flows from investing activities</b>		1 001 328	(109 263)
Additions to property, plant and equipment	2*	(34 286)	(111 761)
Additions to intangible assets	3*	(5 186)	(8 222)
Proceeds on disposal of property, plant and equipment	27	38	737
Release of escrow proceeds (EIE SA)	5	135 240	–
Dividend paid to non-controlling interests		–	(12 587)
Dividend received from associate	4	7 400	22 570
Net proceeds on disposal of subsidiaries	28	898 122	–
<b>Cash flows from financing activities</b>		(449 097)	(561 100)
Proceeds from interest-bearing liabilities	14*	2 051 558	3 490 202
Repayment of interest-bearing liabilities	14*	(1 385 186)	(3 766 631)
Acquisition of non-controlling interest		(14 500)	(2 200)
Repayment of lease liabilities	29*	(7 093)	(8 810)
Capital distributions		(1 093 876)	(273 661)
<b>Net increase/(decrease) in cash and cash equivalents</b>		361 654	(645 799)
Effects of exchange rate changes on cash and cash equivalents		(1 051)	2 798
Cash and cash equivalents at beginning of year		411 086	1 054 087
<b>Cash and cash equivalents at end of year</b>		771 689	411 086
<i>Cash and cash equivalents consist of:</i>			
Bank and cash balances	10	771 689	302 980
Disposal group held for sale	11	–	108 106
		771 689	411 086

\* Cash flows relating to continuing operations are disclosed in the note, total cash flow includes cash flows from disposal group.

# GROUP SEGMENTAL ANALYSIS

for the years ended

	Power		Lubricants		Chemicals		Group, financing and consolidation		Total <sup>(3)</sup>	
	31 August 2024	31 August 2023	31 August 2024	31 August 2023	31 August 2024	31 August 2023	31 August 2024	31 August 2023	31 August 2024	31 August 2023
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Revenue<sup>(1)</sup></b>	563 807	682 742	1 673 446	1 685 798	1 847 734	1 870 080	(7 103)	(43 837)	4 077 884	4 194 783
– South Africa	563 807	682 742	1 383 530	1 374 701	1 847 734	1 856 361	(420)	–	3 794 651	3 913 804
– Rest of world	–	–	289 916	293 968	–	–	–	–	289 916	293 968
– Intercompany	–	–	–	17 129	–	13 719	(6 683)	(43 837)	(6 683)	(12 989)
Cost of sales	(435 902)	(490 934)	(1 399 935)	(1 430 628)	(1 660 949)	(1 745 680)	2 120	30 848	(3 494 666)	(3 636 394)
Staff costs	(61 244)	(56 540)	(63 483)	(54 303)	(49 931)	(48 567)	(54 252)	(45 546)	(228 910)	(204 956)
Other operating (expenses)/income	(18 995)	(37 746)	(92 573)	(94 667)	(38 628)	22 625	(10 441)	2 260	(160 637)	(107 528)
<b>Earnings/(loss) before interest and taxation<sup>(2)</sup></b>	47 666	97 522	117 455	106 200	98 226	98 458	(69 676)	(56 275)	193 671	245 905
– South Africa	47 666	97 522	100 956	76 958	98 226	98 458	(69 676)	(56 275)	177 172	216 663
– Rest of world	–	–	16 499	29 242	–	–	–	–	16 499	29 242
Net finance costs	4 856	3 600	(15 513)	(28 978)	(13 933)	(13 892)	39 217	35 183	14 627	(4 087)
Interest income	5 574	4 059	6 000	778	1 709	7 416	40 752	18 934	54 035	31 187
Interest expense	(718)	(459)	(21 513)	(29 756)	(15 642)	(21 308)	(1 535)	16 249	(39 408)	(35 274)
Share of profits from associates	–	–	32 257	18 509	–	–	–	–	32 257	18 509
<b>Profit/(loss) before taxation</b>	52 522	101 122	134 199	95 731	84 293	84 566	(30 459)	(21 092)	240 555	260 327
Taxation	(197)	(15 943)	(35 279)	(25 712)	(22 937)	(13 065)	(10 315)	(14 762)	(68 728)	(69 482)
<b>Profit/(loss) after taxation</b>	52 325	85 179	98 920	70 019	61 356	71 501	(40 774)	(35 854)	171 827	190 845
<b>Total assets</b>	358 407	350 777	1 007 006	994 458	774 592	853 714	707 089	3 373 029	2 847 094	5 571 978
– Intangible assets	229	225	37 830	48 586	–	–	–	–	38 059	48 811
– Investment in associate	–	–	139 464	114 607	–	–	–	–	139 464	114 607
– Inventories	198 672	202 036	275 476	332 843	385 504	331 846	58	–	859 710	866 725
– Trade, other receivables and derivative financial assets	48 616	61 938	277 900	252 143	376 593	508 833	13 974	153 468	717 083	976 382
– Other assets	110 890	86 578	276 336	246 279	12 495	13 035	693 057	170 244	1 092 778	516 136
Disposal group held for sale	–	–	–	–	–	–	–	3 049 317	–	3 049 317
<b>Total liabilities</b>	115 983	124 150	453 589	529 206	491 104	598 283	97 454	1 737 423	1 158 130	2 989 062
– Interest-bearing liabilities and overdraft	–	–	146 132	100 838	117 265	164 438	–	1	263 397	265 277
– Trade, other payables, provisions and derivatives	108 359	117 478	296 822	406 990	366 386	425 777	29 796	23 522	801 363	973 767
– Other liabilities	7 624	6 672	10 635	21 378	7 453	8 068	67 658	65 263	93 370	101 381
Liabilities associated with disposal group held for sale	–	–	–	–	–	–	–	1 648 637	–	1 648 637
<b>Capital expenditure net of proceeds</b>	12 665	9 376	11 861	104 656	3 159	98	135	–	27 820	114 130
<b>Number of employees</b>	206	204	138	128	48	46	7	8	399	386
<b>GEOGRAPHICAL SEGMENTATION</b>										
<b>Total assets</b>	358 407	350 777	1 007 006	994 458	774 592	853 714	707 089	3 373 029	2 847 094	5 571 978
– South Africa	358 407	350 777	856 196	806 668	774 592	853 714	707 089	3 373 029	2 696 284	5 384 188
– Rest of world	–	–	150 810	187 790	–	–	–	–	150 810	187 790
<b>Total liabilities</b>	115 983	124 150	453 589	529 206	491 104	598 283	97 454	1 737 423	1 158 130	2 989 062
– South Africa	115 983	124 150	388 420	423 478	491 104	598 283	97 454	1 737 423	1 092 961	2 883 334
– Rest of world	–	–	65 169	105 728	–	–	–	–	65 169	105 728

Notes:

(1) In the financial year ending 31 August 2024, enX derived a substantial portion of its revenue from a single customer which accounted for 15% (2023: 11,7%) of the total revenue. The group is actively pursuing diversification in its customer base and seeking new business opportunities to mitigate the risk associated with dependency on a single customer.

(2) Earnings before interest and taxation include impairments of goodwill, intangible assets and property of R0.3 million (2023: R1.8 million).

(3) Comparatives have been restated as a result of adopting the IFRIC agenda decision relating to disclosing material items of income and expenses on a segmental basis (IU 06-24) finalised during the current year. The group applied judgement and considered a number of factors, including the core principles of IFRS 8 Operating Segments, to determine the material items of income and expenses to disclose for each reportable segment.

# NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 August 2024

## 1. MATERIAL ACCOUNTING POLICIES

The group financial statements for the year ended 31 August 2024 have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (collectively "JSE Listings Requirements") and the South African Companies Act. The financial statements were approved for issue by the board of directors on 4 November 2024 and will be tabled at the next annual general meeting of shareholders. These accounting policies are consistent with the previous year.

Accounting policies for which no choice is permitted in terms of IFRS Accounting Standards have been included only if management concluded that the disclosure would assist users in understanding the audited group and company financial statements as a whole and considering the significance of the item discussed. Accounting policies that are not applicable from time to time have been removed but will be included if the type of transaction occurs in future or becomes material to the understanding of the audited group and company and separate financial statements. Accounting policies that refer to "consolidated" or "group" apply equally to the group financial statements and the separate financial statements of the company, where relevant.

The group presents amounts in these group and company financial statements in accordance with IFRS Accounting Standards. Only amounts that have a relevant and material impact on the group and company financial statements have been separately disclosed. The assessment of significant or material amounts is determined by taking into account the qualitative and quantitative factors attached to each transaction or balance that is assessed.

### 1.1. BASIS OF PREPARATION

The group and company financial statements are prepared on the historical cost basis except for the measurement of certain financial instruments at fair value (refer to note 1.5).

### 1.2. STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE OR RELEVANT

At the date of authorisation of the financial statements of the group and company for the year ended 31 August 2024, the following Standards and Interpretations were in issue but not yet effective:

Standards and interpretations	Annual periods beginning on or after
<b>Issued and effective</b>	
IFRS 17 (Insurance contracts)	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 (Disclosures of Accounting Policies)	1 January 2023
Amendments to IAS 12 (Deferred tax related to assets and liabilities arising from a single transaction)	1 January 2023
Amendments to IAS 8 (Definition of accounting estimates)	1 January 2023
Amendments to IAS 12 (International Tax Reform – Pillar Two Model Rules)	23 May 2023
<b>Issued but not yet effective</b>	
Amendments to IFRS 16 (Lease liability in a sale and leaseback)	1 January 2024
Amendments to IAS 1 (Non-current liabilities with covenants and classification of liabilities as current and non-current)	1 January 2024
Amendments to IAS 7 and IFRS 7 (Supplier finance arrangements)	1 January 2024
IFRS S1 (General requirements for disclosure of sustainability related financial information)	1 January 2024
IFRS S2 (Climate related disclosures)	1 January 2024
Amendments to IAS21 (Lack of exchangeability)	1 January 2025
Amendments to IFRS 9 and IFS 7: (Classification and measurement of financial Instruments – Disclosures)	1 January 2026
IFRS 18 (Presentation and Disclosure in Financial Statements)	1 January 2027
IFRS 19 (Subsidiaries without Public Accountability: Disclosures)	1 January 2027

A number of new standards and interpretations are issued and effective from 1 September 2024. Management's preliminary assessment determined that the new standards and interpretations issued and effective will not have a material effect on the group's results.

### 1.3. INTEREST IN SUBSIDIARIES

#### Subsidiary companies and other controlled entities

The group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The company records its investment in subsidiaries at cost less any impairment charges. These interests include any inter-group loans receivable which represent by nature a further investment in subsidiaries.

### 1.4. PROPERTY, PLANT, EQUIPMENT, RIGHT OF USE ASSETS AND LEASING ASSETS

Property, plant and equipment, right of use assets and leasing assets are stated at historical cost, less accumulated depreciation and impairment losses.

Property, plant and equipment and leasing assets are initially recognised at cost. Transaction costs are included in the initial measurement.

Subsequent costs are capitalised to the extent that it is probable that the future economic benefits which are associated with them will flow to the entity and the cost can be measured reliably.

Items of property, plant and equipment, right of use assets and leasing assets are depreciated to their residual values, on a component basis (where applicable), on a straight-line basis over their estimated useful lives, commencing from the date they are available for use. The depreciation is calculated and charged to the statement of comprehensive income over the following periods:

Item	Average useful life
Plant and equipment	3 – 10 years
Office equipment	3 – 5 years
Computer equipment	3 years
Motor vehicles	3 – 10 years
Leasehold improvements	Lesser of useful life or period of lease
Buildings	Up to 20 years
Right of use assets	Lesser of useful life or period of lease

The average lease term in the group for right of use assets ranges from two to five years.

The residual value, is re-assessed at each year-end together with the useful life of the asset.

Carrying amounts of property, plant and equipment and leasing assets are reduced to their recoverable amounts where these are lower than the carrying amounts. The expected future cash flows attributable to such assets are considered in determining the recoverable amounts. If the recoverable amount is lower than the carrying amount, it is impaired in the statement of profit or loss and comprehensive income.

### 1.5. FINANCIAL INSTRUMENTS

#### Classification and subsequent measurement

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument based on the business model and the contractual cashflows associated with the instrument.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through OCI and fair value through profit or loss ("FVTPL"). Amortised cost and FVTPL are relevant to the group.

The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

The group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile;
- matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

#### *Trade and other receivables*

Trade receivables, loans and other receivables are measured at amortised cost using the effective interest rate method and reduced by expected credit losses ("ECL"). The group has applied the simplified model determining the lifetime expected credit losses of trade receivables as there is no significant financing component. ECL have been considered in detail as part of the impairment of financial assets. Other receivables include deposits, sundry debtors, claims and recoverables.

Financial instruments are carried at amortised cost and where the effect of the time value of money is not considered to be material, discounting is not applied as the carrying value approximates the fair value.

#### *Impairment of financial assets*

An assessment is made at each reporting date whether there is any objective evidence that trade, loans and other receivables are impaired. The group applies the simplified approach to calculate the ECL of trade receivables and contract assets. The rates used in the provision matrix are based on days past due and debt written off.

For all other financial assets classified at amortised cost as well as issued loan commitments, the general approach has been applied to calculate the ECL. The ECL is calculated by considering the consequences and probabilities of possible defaults only for the next twelve months.

#### *Trade payables and interest-bearing liabilities*

Trade payables and interest-bearing liabilities are initially recognised at fair value and are subsequently measured at their amortised cost using the effective interest rate method.

#### *Cash and cash equivalents*

Cash and cash equivalents are measured at amortised cost which approximates fair value. Cash and cash equivalents comprise cash balances and call deposits with available to the group upon demand.

#### *Derivative financial assets and financial liabilities*

Derivative financial assets and financial liabilities are recognised at fair value through profit or loss. These instruments are analysed between current and non-current assets and liabilities, depending on when they are expected to mature. If an instrument is expected to mature within one year from the reporting date, it is considered to be current, if the terms of an instrument is expected to mature in more than one year from the reporting date, it will be recognised as non-current.

Fair value movements are recognised immediately in the statement of comprehensive income.

#### *Fair value*

Fair values for unquoted equity instruments are estimated using applicable fair value models. If a quoted bid price is not available for dated instruments, the fair value is determined using pricing models or discounted cash flow techniques. Refer to the "unlisted investments and receivables note" and the "derivative financial instruments note" for additional details.

#### *Derecognition*

A financial asset is derecognised when its contractual rights to the cash flow from the financial asset expire, or if it transfers the asset together with its contractual rights to receive the cash flows of the financial assets.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

## 1.6. LEASES

### *The group as lessor*

#### *Finance leases*

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of these leases.

#### *Operating leases*

Income is recognised in the statement of comprehensive income over the period of the lease term on a straight-line basis.

Assets leased under operating leases are included under the appropriate category of asset in the statement of financial position and are depreciated over their expected useful lives on a basis consistent with similar items of property, plant and equipment.

When a contract includes both lease and non-lease components, the group applies IFRS 15 to allocate the consideration under the contract to each component.

### *The group as lessee*

The group assesses whether a contract is or contains a lease, at inception of the contract. When the group leases an asset, a "right of use asset" is recognised for the leased item and a lease liability is recognised for any lease payments due at the lease commencement date. The right of use asset is initially measured at cost, being the present value of the lease payments payable, plus any initial direct costs incurred in entering the lease and dismantling costs, less any lease incentives received and are subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets are disclosed as part of property, plant and equipment. Right of use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. The useful life of the asset is determined in a manner consistent to that for owned property, plant and equipment.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date and are discounted using the incremental borrowing rates of the applicable group entity. Lease payments included in the lease liability include:

- fixed payments and in-substance fixed payments during the term of the lease, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- amounts expected to be payable by the lessee under residual value guarantees. Lease liabilities are disclosed as part of borrowings.

After initial recognition, the lease liability is recorded at amortised cost using the effective interest method and is remeasured when:

- there is a change in the residual value guarantee;
- there is a change in future lease payments arising from a change in an index or rate (e.g. an inflation related increase);
- there is a change in the lease term;
- there are modifications that are not treated as separate leases.

Any change in the lease liability as a result of these changes also results in a corresponding change in the right of use asset.

The weighted average incremental borrowing rate applied to the group's lease liabilities recognised in the statement of financial position was within the following range of 12.55% to 16.25% (2023: 12.75% to 16.5%).

In terms of IFRS 16, the group has elected not to recognise right of use assets and liabilities for short-term leases less than twelve months or when the value of the leases are low being less than R80 000.

## 1.7. IMPAIRMENT OF ASSETS

The carrying amount of assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If there is an indication that an asset may be impaired, its recoverable amount is estimated.

The recoverable amount is estimated annually for all goodwill and intangible assets with an indefinite useful life. The recoverable amount of an asset is calculated as the higher of its value-in-use or its fair value less cost to sell.

In assessing the value-in-use, the expected future cash flows from the cash generating unit ("CGU") or assets are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For impairment calculation purposes, goodwill is allocated to the CGUs expected to benefit from the business combination.

An impairment loss is recognised in the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

Where the recoverable amount of an individual asset cannot be determined, the recoverable amount of the CGU to which the asset belongs is determined. An impairment loss on a CGU will be allocated first to goodwill and then to the other assets in the CGU unit on a proportionate basis.

Any previously recognised impairment loss is reversed if the recoverable amount of the asset increases as a result of a change in the estimate used to determine the recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. An impairment loss in respect of goodwill is not reversed.

## 1.8. OPERATING SEGMENTS

Operating segments have been identified using the management approach as required by IFRS 8 (Operating Segments) in terms of which segment classification is determined according to the basis on which management presents operating results to the Chief Operating Decision Makers ("CODMs") which is considered to be the executive directors. The CODMs are responsible for allocating resources and assessing the performance of the operating segments. The operations have been allocated to each operating business segment based on senior management's assessment of their core operating activities, nature of the revenue streams and geographical area in which the group operates. Segment revenue reflects both sales to external parties and intragroup transactions across segments, which are eliminated under group, financing and consolidation. Segment operating assets and liabilities are only those items that can be specifically identified within a particular segment. The products and services of each of the operating segments are described in more detail in the Directors' report.

The principal segments have been identified on a primary basis by business segment and on a secondary basis by significant geographical area in which the group operates. The group comprises the following segments:

- enX Lubricants ("**Lubricants**"):
  - African Group Lubricants ("AG Lubricants") produces and markets oil lubricants and greases in South Africa and sub-Saharan Africa and is the sole distributor of ExxonMobil lubricants (excluding marine and aviation) and Quaker Houghton International's advanced fluids solutions and services (excluding metalworking).
- enX Chemicals ("**Chemicals**"):
  - West African International ("WAG") imports, warehouses and distributes polyolefins, styrenics, rubber and speciality chemicals into the Southern African market.
- enX Power ("**Power**").
  - New Way Power designs, manufacturers, installs, rents and maintains diesel generators and distributes a range of industrial engines. They also offer cleaner power through solar hybrid and grid alternatives.
- Discontinued operation - enX Fleet ("**Eqstra**"):
  - Eqstra Fleet management ("Eqstra"), which previously made up the Fleet segment, provides a full spectrum of commercial and passenger vehicle leasing services including fleet management, outsourcing solutions, maintenance, warranty management, remarketing and vehicle tracking solutions. Included in Eqstra, is Kynite, a Software-as-a-Service ("SaaS") solution which digitises the full spectrum of vehicle services, with external customers now making use of this offering. Both Eqstra and Kynite were classified as a disposal group held for sale in terms of IFRS 5 with effect from 31 August 2023 and was no longer consolidated from 1 June 2024, the disposal was concluded 13 June 2024.

Consistent accounting policies are adopted across the segments.

## 1.9. FOREIGN CURRENCIES

### *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, being the functional currency. The group financial statements are presented in South African Rand, which is the group and company's presentation and the company's functional currency.

### *Foreign currency transactions*

Transactions denominated in foreign currencies are translated at the rates of exchange ruling on the transaction dates.

Monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date. Gains or losses arising on translations are credited to, or charged against, the statement of comprehensive income.

Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; non-monetary assets and liabilities are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was measured. When a gain or loss on a non-monetary item is recognised in OCI, any exchange difference component of that gain or loss is recognised in OCI. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange difference component of that gain or loss is recognised in profit or loss.

#### *Foreign subsidiaries*

Once-off items in the statement of comprehensive income and statement of cash flows of foreign subsidiaries expressed in currencies other than the South African Rand are translated to South African Rand at the rates of exchange prevailing on the day of the transaction. All other items are translated at weighted average rates of exchange for the relevant reporting period.

Assets and liabilities of these undertakings are translated at closing rates of exchange at each reporting date. All translation exchange differences arising on the retranslation of opening net assets together with differences between income statements translated at average and closing rates are recognised as a separate component of equity i.e., the foreign currency translation reserve. For these purposes net assets include loans between group companies that form part of the net investment, for which settlement is neither planned nor likely to occur in the foreseeable future and is either denominated in the functional currency of the group or the foreign entity. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the rate of exchange at the reporting date.

### **1.10. MANAGEMENT JUDGEMENTS AND ESTIMATES**

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income or expenses. Actual results may differ from these judgements, estimates and assumptions. There are not considered to be any significant judgements which need to be made in applying the group's accounting policies or IFRS Accounting Standards.

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. Management believes that the estimates are the most likely outcomes of future events. Management bases the estimates on historical experience and other assumptions that are reasonable under the given circumstances. Actual results may differ from the estimates under different assumptions and conditions. The accounting estimates that give rise to a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year are noted below:

#### *Significant estimates*

Certain accounting areas have been identified as involving significant estimates:

#### *Impairment of assets*

- Goodwill is considered for impairment at least annually;
- Property, plant and equipment and leasing assets are considered for impairment if there is any reason to believe that an impairment may be necessary. Factors taken into consideration include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of the unit. Future cash flows expected to be generated by the assets are projected taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current asset value and, if lower, the assets are impaired to the present value;
- Inventories are considered for the estimation in the calculation of the NRV of inventory;
- Trade and other receivables forward looking information utilised in the expected credit loss model is considered; and
- Deferred tax considers the recoverability of deferred tax assets in respect of future taxable profits.

#### *Revenue recognition on vehicle maintenance plans (Fleet discontinued operation)*

Revenue from vehicle maintenance plans is based on an actuarial calculation performed by an external party and revenue is recognised on the basis of a gross profit model over the life of the maintenance contract. Based on the actuarial valuation a combination of valuation methods are applied in order to derive the best estimate of the future costs. Consideration is given in determining future maintenance costs to the class of the vehicle, the make of the vehicle, the age of the vehicle, the actual costs incurred, the expected future costs and the term of the contract. Onerous contracts are provided for where costs are estimated to be above expected revenues. There is potential volatility in the revenue recognised in future years as cost curves are updated. This model is considered to be the most appropriate basis on which to determine maintenance revenues to be recognised.

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

	Plant and equipment R'000	Motor vehicles R'000	Computer and office equipment R'000	Property and leasehold improvements R'000	Total R'000
<b>2. PROPERTY, PLANT, EQUIPMENT AND RIGHT-OF-USE ASSETS</b>					
<b>As at 31 August 2024</b>					
Cost	248 829	16 888	4 683	38 462	308 862
Accumulated depreciation and impairments	(94 694)	(12 415)	(3 747)	(19 995)	(130 851)
<b>Net carrying value at 31 August 2024 of owned and right-of- use assets</b>	<b>154 135</b>	<b>4 473</b>	<b>936</b>	<b>18 467</b>	<b>178 011</b>
<b>Owned assets</b>					
Cost	243 058	16 321	4 683	14 105	278 167
Accumulated depreciation and impairments	(92 220)	(11 848)	(3 747)	(4 915)	(112 730)
<b>Net carrying value</b>	<b>150 838</b>	<b>4 473</b>	<b>936</b>	<b>9 190</b>	<b>165 437</b>
<b>Movement summary</b>					
Carrying value at the beginning of the year	149 766	3 786	796	9 070	163 418
Additions	19 151	1 400	399	2 454	23 404
Disposals	(11)	(20)	–	(1 060)	(1 091)
Depreciation – allocated to cost of sales	(9 863)	–	–	–	(9 863)
Depreciation – included in operating expenses	(8 169)	(693)	(259)	(1 274)	(10 395)
Foreign currency adjustments	(36)	–	–	–	(36)
<b>Carrying value at 31 August 2024</b>	<b>150 838</b>	<b>4 473</b>	<b>936</b>	<b>9 190</b>	<b>165 437</b>
<b>Right-of-use assets</b>					
Cost	5 771	567	–	24 357	30 695
Accumulated depreciation and impairments	(2 474)	(567)	–	(15 080)	(18 121)
<b>Net carrying value</b>	<b>3 297</b>	<b>–</b>	<b>–</b>	<b>9 277</b>	<b>12 574</b>
<b>Movement summary</b>					
Carrying value at the beginning of the year	4 665	251	–	9 159	14 075
New leases recognised	–	–	–	6 399	6 399
Depreciation – included in operating expenses	(1 368)	(251)	–	(6 281)	(7 900)
<b>Carrying value at 31 August 2024</b>	<b>3 297</b>	<b>–</b>	<b>–</b>	<b>9 277</b>	<b>12 574</b>

## 2. PROPERTY, PLANT, EQUIPMENT AND RIGHT-OF-USE ASSETS continued

	Plant and equipment R'000	Motor vehicles R'000	Computer and office equipment R'000	Property and leasehold improvements R'000	Total R'000
<b>As at 31 August 2023</b>					
Cost	238 425	18 413	5 952	34 473	297 263
Accumulated depreciation and impairments	(83 994)	(14 376)	(5 156)	(16 244)	(119 770)
<b>Net carrying value at 31 August 2023 of owned and right-of-use assets</b>	<b>154 431</b>	<b>4 037</b>	<b>796</b>	<b>18 229</b>	<b>177 493</b>
<b>Owned assets</b>					
Cost	232 654	15 268	5 952	12 925	266 799
Accumulated depreciation and impairments	(82 888)	(11 482)	(5 156)	(3 855)	(103 381)
<b>Net carrying value</b>	<b>149 766</b>	<b>3 786</b>	<b>796</b>	<b>9 070</b>	<b>163 418</b>
<i>Movement summary</i>					
Carrying value at the beginning of the year	69 685	16 997	1 615	35 585	123 882
Additions	101 937	1 367	320	8 137	111 761
Disposals	(566)	(171)	–	(7 814)	(8 551)
Depreciation – allocated to cost of sales	(7 708)	–	–	–	(7 708)
Depreciation – included in operating expenses	(9 256)	(1 015)	(428)	(1 592)	(12 291)
Transfer from leasing assets	–	2 211	–	–	2 211
Impairments	(1 821)	–	–	–	(1 821)
Foreign currency adjustments	85	12	–	–	97
Reclassification to disposal group held for sale (note 11)	(2 590)	(15 615)	(711)	(25 246)	(44 162)
<b>Carrying value at 31 August 2023</b>	<b>149 766</b>	<b>3 786</b>	<b>796</b>	<b>9 070</b>	<b>163 418</b>
<b>Right-of-use assets</b>					
Cost	5 771	3 145	–	21 548	30 464
Accumulated depreciation and impairments	(1 106)	(2 894)	–	(12 389)	(16 389)
<b>Net carrying value</b>	<b>4 665</b>	<b>251</b>	<b>–</b>	<b>9 159</b>	<b>14 075</b>
<i>Movement summary</i>					
Carrying value at the beginning of the year	64 071	1 208	–	9 350	74 629
New leases recognised	5 771	–	–	13 704	19 475
Depreciation – included in operating expenses	(18 101)	(527)	–	(8 970)	(27 598)
Termination of leases	(47 076)	(430)	–	–	(47 506)
Reclassification to disposal group held for sale (note 11)	–	–	–	(4 925)	(4 925)
<b>Carrying value at 31 August 2023</b>	<b>4 665</b>	<b>251</b>	<b>–</b>	<b>9 159</b>	<b>14 075</b>

A register of property, plant and equipment is available for inspection at the registered office of the company.

Plant and equipment in Lubricants with a carrying value of R81.7 million (2023:R83.0 million), has been encumbered to secure long-term interest-bearing debt (refer to note 14).

The management assumptions around useful lives and residual values are disclosed in the accounting policy notes (refer to note 1.4 Property, plant, equipment, right-of-use assets and leasing assets).

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

## 3. INTANGIBLE ASSETS

Intangible assets that are acquired by the group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specification to which it relates. All other expenditure is recognised in profit or loss.

Intangible assets with finite useful lives are amortised on a straight-line basis through profit and loss over their estimated useful lives. Amortisation is disclosed as part of operating expenses.

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

None of the intangible assets recognised are internally generated.

At the end of each reporting period, or when deemed necessary, the carrying amount is compared to the recoverable amount and as such is tested for any indication of impairment. Where there is an impairment, this will be recorded in profit or loss.

	Right to buy asset R'000	Computer software R'000	Total R'000
<b>As at 31 August 2024</b>			
Cost	56 983	9 766	66 749
Accumulated amortisation and impairments	(21 346)	(7 344)	(28 690)
<b>Net carrying value</b>	<b>35 637</b>	<b>2 422</b>	<b>38 059</b>
Estimated useful life	5 years	3 - 10 years	
<b>Movement summary</b>			
Carrying value at the beginning of the year	46 138	2 673	48 811
Additions	–	196	196
Amortisation for the year	(10 501)	(417)	(10 918)
Impairment	–	(30)	(30)
<b>Carrying value at the end of the year</b>	<b>35 637</b>	<b>2 422</b>	<b>38 059</b>

## 3. INTANGIBLE ASSETS continued

	Right to buy asset R'000	Computer software R'000	Total R'000
<b>As at 31 August 2023</b>			
Cost	56 983	85 207	142 190
Accumulated amortisation and impairments	(10 845)	(82 534)	(93 379)
<b>Net carrying value</b>	<b>46 138</b>	<b>2 673</b>	<b>48 811</b>
Estimated useful life	5 years	3 - 10 years	
<b>Movement summary</b>			
Carrying value at the beginning of the year	52 907	24 545	77 452
Additions	–	8 222	8 222
Amortisation for the year	(6 769)	(10 488)	(17 257)
Reclassification to disposal group held for sale (note 11)	–	(19 606)	(19 606)
<b>Carrying value at the end of the year</b>	<b>46 138</b>	<b>2 673</b>	<b>48 811</b>

**Other information**

During the 2022 financial year enX introduced Abakhulu Energy Propriety Limited (“Abakhulu”) as a 34% strategic shareholder in the Centlube CGU. In exchange for the 34% shareholding, enX is to receive reduced base oil pricing and supply locked in for a six-year period. As a result of the supply contract concluded between the parties, enX has an enforceable legal right and has control of the resource. Therefore, enX has the power to obtain future economic benefits and has the power to restrict access of others to those benefits. In terms of IAS 38 this right to buy asset has been designated as an intangible asset. The supply contract related to the right to buy asset was entered into effective 1 February 2022. The right to buy intangible asset is amortised on a straight-line basis over five years, being the remaining contract period from 1 February 2023. This will ensure that the full economic benefits are recognised within the contract period.

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

## 4. INVESTMENT IN ASSOCIATE

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies.

Associates are accounted for using the equity method. Under the equity method, an investment in an associate is initially recognised in the group statement of financial position at cost and adjusted thereafter to recognise the group's share of profit or loss and other comprehensive income of the associate. The company records its investment in associates at cost less any impairment charges.

	2024	2023
	R'000	R'000
Shares at cost	52 994	52 994
Associate investment – on acquisition: Net asset value	9 036	9 036
Associate investment – on acquisition: Goodwill	43 958	43 958
<b>Equity accounted profit</b>		
Share of profit from associate:		
– Prior years	61 613	65 674
– Current year	24 857	(4 061)
> Profits from associate	32 257	18 509
> Dividend received	(7 400)	(22 570)
<b>Carrying value</b>	139 464	114 607

On 31 May 2018, enX acquired a 37% interest in Zestcor. On acquisition an amount of R44.0 million was raised as goodwill as a result of the expected synergies. The pre-tax rate used to discount the forecast cash flows is 23.2% (2023: 25.6%). The recoverable amount of 37% of the Zestcor CGU was determined to be R179.7 million (2023: R192.2 million) on a value in use basis.

### **Key assumptions applied in the value in use calculations**

The following assumptions were applied in the value in use calculation above:

- Asset values were based on the carrying amounts for the financial year;
- Future expected profits over five years were estimated using historical information and approved budgets;
- Revenue growth and gross margins were based on historical performance and estimated future prospects; and
- Operating costs were assumed to grow in line with current inflation rates.

### **Change in key assumptions and conclusion**

For the goodwill amount, a sensitivity analysis was performed on the discount rates and terminal growth rates. The results indicated that sufficient headroom (value in use over the carrying value) for Zestcor existed to absorb a reasonable change in either the discount rate or the terminal growth rate or a combination thereof. The directors believe that any reasonable possible change in the key assumptions on which the recoverable amount of Zestcor was determined would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

## 4. INVESTMENT IN ASSOCIATE continued

Sensitivity to discount rate and growth rate	Enterprise value*	Pre-tax discount rate		Terminal growth rate	
	Aug 2024 R'000	Actual rate %	Break-even rate %	Actual rate %	Break-even rate %
Zestcor	179 677	23,2	28,1	5,0	(0,8)

\* Enterprise value is determined to be the net operating assets of 37% of the CGU and the interest-bearing debt at 37%.

	Country of Incorporation	Ownership percentage		Investment carrying value	
		2024 %	2023 %	2024 R'000	2023 R'000
Zestcor	RSA	37	37	139 464	114 607

## SUMMARISED FINANCIAL INFORMATION OF ZESTCOR

Summarised statement of financial position	Current assets R'000	Non-current assets R'000	Total assets R'000	Current liabilities R'000	Non-current liabilities R'000	Capital and reserves R'000	Total equity and liabilities R'000
31 August 2024	529 038	359	529 397	277 704	–	251 693	529 397
31 August 2023	634 776	458	635 234	450 723	–	184 511	635 234

Summarised statement of profit or loss and other comprehensive income for the year	Revenue R'000	Profit after tax R'000	Total comprehensive profit R'000
2024	1 732 097	87 181	67 181
2023	1 466 001	50 024	(10 976)

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

	2024 R'000	2023 R'000
<b>5. UNLISTED INVESTMENTS AND OTHER RECEIVABLES</b>		
Unlisted investments at fair value	2 033	2 475
Other receivables	100 000	135 240
<b>Total carrying value</b>	<b>102 033</b>	<b>137 715</b>
<b>Movement summary</b>		
Balance at the beginning of the year	137 715	141 464
Additions	1 100	3 455
Fair value adjustments through profit or loss	(187)	(675)
Impairments	–	(5 549)
Other movements	(1 355)	(140)
Release of escrow proceeds (EIE SA)	(135 240)	–
Proceeds receivable on Eqstra disposal (note 28)	100 000	–
Transfer to disposal group held for sale (note 11)	–	(840)
<b>Balance at the end of the year</b>	<b>102 033</b>	<b>137 715</b>
Disclosed as:		
– Non-current assets	102 033	2 475
– Current assets	–	135 240
	<b>102 033</b>	<b>137 715</b>

In the prior year proceeds of R135.2 million relating to the disposal of EIE SA were held in escrow as collateral for any proven warranty and indemnity (“W&I”) claims that may have arisen out of the Subscription Agreement concluded between CFAO Holdings South Africa and various enX entities. There were no W&I claims and the funds were released to enX on 31 March 2024. Interest earned on the escrow balance was for the benefit of enX. Interest earned is accounted for as part of finance income.

Included in other receivables are proceeds of R100 million which is held in escrow as collateral for any proven W&I claims not covered by W&I insurance that may arise out of the Subscription Agreement concluded between Nedbank and various enX entities, regarding the disposal of Eqstra. Any amounts that are not applied to settle W&I claims will be released to enX on 14 June 2027. Interest earned on the escrow balance is for the benefit of enX. Interest earned is accounted for as part of finance income.

The proceeds receivable are held at fair value through profit and loss. As at 31 August 2024, no evidence of any W&I claims existed and no claims have been received to date.

## Fair value hierarchy disclosures

### Valuation methodology

#### Level 1 – Valuations with reference to quoted prices in an active market:

Financial instruments valued with reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm’s-length basis. There are no level 1 financial instruments in the current year.

#### Level 2 – Valuations based on observable and unobservable inputs include:

Financial instruments valued using inputs other than quoted prices as described above for level 1 but which are observable for the asset or liability, either directly or indirectly, such as a quoted price for similar assets or liabilities in an active market; a quoted price for identical or similar assets or liabilities in inactive markets; a valuation model using observable inputs; and a valuation model using inputs derived from/corroborated by observable market data.

The market value of all forward exchange contracts at year-end was calculated by comparing the forward exchange contract rates to the equivalent year-end market foreign exchange rates.

## 5. UNLISTED INVESTMENTS AND OTHER RECEIVABLES continued

### Level 3 – Valuations based on unobservable inputs include:

The unlisted investments are level 3 financial instruments. Level 3 instruments are valued using various business-related inputs which are not based on observable market data.

Unlisted investments are valued based on operational performance of the entities which is considered to be appropriate taking into account that the investments are insignificant to the group. Refer to note 15 for detail on the fair value measurement of the cash settled and option liabilities.

The table below shows the group's financial assets and liabilities that are recognised and subsequently measured at fair value, analysed by valuation technique.

	Level 2 R'000	Level 3 R'000	Fair value R'000
<b>31 August 2024</b>			
<b>Financial assets</b>			
Unlisted investments and loans Designated as fair value through profit and loss	–	2 033	2 033
– Proceeds receivable	–	100 000	100 000
	–	102 033	102 033
<b>Financial liabilities</b>			
Designated as fair value through profit and loss			
– Cash settled liability relating to the SAR schemes (note 15)	16 347	–	16 347
– Derivative financial liabilities (note 9)	13 524	–	13 524
– Option liability - Abakhulu (note 15)	56 983	–	56 983
	86 854	–	86 854
<b>31 August 2023</b>			
<b>Financial assets</b>			
Unlisted investments and loans Designated as fair value through profit and loss	–	2 475	2 475
– Derivative financial assets (note 9)	4 763	–	4 763
– Proceeds receivable	–	135 240	135 240
	4 763	137 715	142 478
<b>Financial liabilities</b>			
Designated as fair value through profit and loss			
– Cash settled liability relating to the SAR schemes (note 15)	14 649	–	14 649
– Option liability - Abakhulu (note 15)	56 983	–	56 983
	71 632	–	71 632

Type	Valuation Technique	Significant unobservable inputs	Inputs and fair value measurement
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and the present value calculations based on high credit quality yield curves in the respective currencies.	There is an element of unobservable inputs as the rates offered by the lenders are impacted by the lenders perceived risk of each entity.	Not applicable.
Proceeds receivable	Proceeds receivable of R100 million adjusted for any proven W&I claims at reporting date.	There is an element of unobservable inputs as the W&I claims are subject to the agreement concluded between Nedbank and various enX entities. No claim have been identified as at 31 August 2024.	Not applicable.

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

## 6. DEFERRED TAXATION

Deferred taxation is calculated at the taxation rates enacted or substantively enacted at reporting date and are expected to apply when the related deferred taxation asset is realised or deferred liability is settled and is charged or credited in the statement of profit or loss and comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred taxation is also dealt with in equity.

Deferred taxation is raised on all temporary differences, other than the initial recognition of goodwill, and of assets or liabilities in transactions other than business combinations which at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred taxation assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entities in the group are able to and intend to settle their current tax assets and liabilities on a net basis.

	2024 R'000	2023 R'000
The balance consists of:		
Property, plant and equipment and right-of-use assets	(736)	(1 258)
Intangible assets	(37)	(30)
Inventories	5 733	862
Trade and other receivables	955	1 955
Trade, other payables and provisions	27 220	24 112
Other	1 628	6 206
Tax losses	302	1 017
<b>Total carrying amount</b>	<b>35 065</b>	<b>32 864</b>
<b>Movement summary</b>		
Balance at the beginning of the year	32 864	(173 459)
Foreign currency adjustments	(752)	253
Temporary differences for the year	2 953	35 223
Reclassification to disposal group held for sale (note 11)	–	171 355
Change in tax rate	–	(508)
<b>Balance at the end of the year</b>	<b>35 065</b>	<b>32 864</b>
<i>Disclosed as:</i>		
Deferred taxation – non-current assets	37 336	32 864
Deferred taxation – non-current liabilities	(2 271)	–
	<b>35 065</b>	<b>32 864</b>
<b>Tax losses</b>		
Total taxation losses available for set off against future profits	105 188	77 741
Taxation losses not recognised due to unpredictability of future taxable income	101 173	73 974
Taxation losses recognised available for set off against future profits	4 015	3 767
Deferred tax assets recognised in respect of such taxation losses	1 084	1 017

Deferred taxation assets are raised only to the extent that it is probable that future taxable income will be available against which the deferred taxation asset can be used. A deferred taxation asset of R1.1 million (2023: R1.0 million) was raised based on tax losses available for set-off against future taxable income. Management has projected future taxable income for those businesses which have available tax losses based on budgets approved by the board of directors. The budgets forecast limited growth in a conservative model and the period over which tax losses can be recovered has been limited to five years. The group remains confident of its ability to generate future taxable income and thus judgement is applied with regard to the timing of the utilisation of the deferred taxation assets.

During the current year deferred tax assets of R13.8 million (2023: R15.5 million) related to current years assessed losses were not recognised.

	2024 R'000	2023 R'000
<b>7. TRADE AND OTHER RECEIVABLES</b>		
<b>Financial assets</b>		
Gross trade receivables	662 071	790 111
Impairment allowance raised against trade receivables	(10 703)	(12 449)
Net trade receivables	651 368	777 662
Sundry debtors, claims and other receivables	18 603	20 842
Deposits	1 125	980
<b>Non-financial assets</b>		
Prepayments	35 607	21 402
Value added taxation	10 380	15 493
<b>Total carrying amount</b>	<b>717 083</b>	<b>836 379</b>
<b>Classified as</b>		
Current assets	717 083	836 379
Reclassified to assets held for sale (refer to note 11).	–	212 709

The group has provided a cession and pledge of the gross trade receivables of R 651,7 million (2023: R672.2 million) as collateral for the banking facilities provided to the group. Refer to note 14.

The carrying amount of trade and other receivables approximates fair value due to the short-term maturity.

Information about the group's exposure to credit and market risks, and impairment of trade receivables is included in note 33.

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

## 8. INVENTORIES

Inventory comprises raw materials, finished goods, generators, vehicles and work-in-progress.

Inventories are stated at the lower of cost and net realisable value. Cost is determined as follows:

Generators and vehicles	Specific cost
Raw materials, consumables, work-in-progress and finished goods	Weighted average cost

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Work-in-progress includes production costs and overheads directly attributable to the production of goods.

Allowances are made for inventory that is slow-moving and/or obsolete. The provision for inventory obsolescence is based on a physical count and inspection of stock items which is performed at least annually and takes into account the age, condition and usage rates of the inventory. Any inventory that is physically identified as damaged is written off when identified.

The amount of any write-down of inventories to net realisable value and all losses of inventories are charged to the statement of profit or loss and comprehensive income in the period the write-down or loss is incurred. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as an increase in the amount of inventories through the statement of profit or loss and comprehensive income in the period in which the reversal occurs. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

	2024 R'000	2023 R'000
Generators	187 697	160 692
Finished goods	516 043	504 862
Work in progress	23 546	53 403
Goods in transit	171 599	190 461
<b>Gross inventories</b>	<b>898 885</b>	<b>909 418</b>
Impairment allowance raised against inventories	(39 175)	(42 693)
<b>Total carrying amount</b>	<b>859 710</b>	<b>866 725</b>
Amounts included in disposal group held for sale (note 11)	–	42 087
<b>Movement in impairment allowance raised against inventories</b>		
Balance at the beginning of the year	42 693	31 601
Impairment provisions (released)/raised during the year	(1 750)	37 058
Impairment provisions utilised for inventory written off during the year	(1 768)	(15 473)
Reclassification to disposal group held for sale	–	(10 493)
<b>Balance at the end of the year</b>	<b>39 175</b>	<b>42 693</b>
Inventories carried at lower of cost and net realisable value included above	7 422	8 570
Inventories up to a maximum amount of R661.0 million (2023: R664.7 million) have been encumbered to secure borrowing facilities (refer to note 14).		
Amounts recognised as an expense in the year	3 407 105	3 573 529

	2024 R'000	2023 R'000
<b>9. DERIVATIVE FINANCIAL INSTRUMENTS</b>		
<b>ASSETS</b>		
Forward exchange contracts, at fair value through profit or loss	–	4 763
	–	4 763
<b>LIABILITIES</b>		
Forward exchange contracts, at fair value through profit or loss	13 524	–
	13 524	–

These financial instruments are level 2 financial instruments – valuations based on observable and unobservable inputs. The net market value of all forward exchange contracts at year-end was calculated by comparing the forward exchange contract rates to the equivalent year-end market foreign exchange rates. Refer to note 5 for fair value disclosure.

	2024 R'000	2023 R'000
<b>10. BANK AND CASH BALANCES</b>		
Cash on hand	254	186
Bank accounts	771 435	302 794
	771 689	302 980
Amounts included in held for sale (note 11)	–	108 106
Bank and cash balances – current assets	771 689	302 980
Total group cash and cash equivalents	771 689	411 086

The group's cash and cash equivalents relate to short-term deposits placed with banks with strong credit ratings to mitigate credit loss risk.

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

## 11. DISPOSAL GROUP HELD FOR SALE

Disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable and the disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Immediately before classification as held for sale, the measurement of all assets and liabilities in a disposal group is brought up-to-date in accordance with the accounting standard applicable to each line item. Then, on initial classification as held for sale, disposal groups are recognised at the lower of their previous carrying amount and the fair value less costs to sell.

Loans to or from group companies that have been classified as held for sale are eliminated on consolidation. Property, plant and equipment, leasing assets and intangible assets are not depreciated or amortised once classified as held for sale.

	2024 R'000	2023 R'000
<b>Assets</b>		
Property, plant and equipment and right of use assets	–	49 087
Leasing assets	–	2 615 003
Intangible assets	–	19 606
Other investments and loans	–	840
Deferred taxation	–	874
Trade and other receivables	–	212 709
Inventories	–	42 087
Taxation receivable	–	1 005
Bank and cash balances	–	108 106
<b>Total assets</b>	–	3 049 317
<b>Liabilities</b>		
Interest-bearing liabilities	–	1 144 302
Lease liabilities	–	5 238
Deferred taxation	–	172 229
Trade and other payables	–	271 911
Provisions	–	51 104
Taxation payable	–	3 853
<b>Total liabilities</b>	–	1 648 637
<b>Net disposal group held for sale</b>	–	1 400 680

Refer to note 28 for full details of the assets and liabilities disposed of during the current year.

	2024 R'000	2023 R'000
<b>12. STATED CAPITAL</b>		
<b>Authorised shares</b>		
1 000 000 000 (2023: 1 000 000 000) ordinary shares of no par value		
<b>Issued shares</b>		
182 312 650 (2023: 182 312 650) ordinary shares of no par value	2 512 474	2 512 474
Balance at beginning of year	2 495 999	2 495 999
Capital distribution	(1 093 876)	–
<b>Balance at end of year</b>	<b>1 402 123</b>	<b>2 495 999</b>
Shares in issue	1 418 598	2 512 474
Treasury shares	(16 475)	(16 475)

The special distribution out of contributed tax capital of R1.00 per enX ordinary share amounting to R182.3 million was paid to enX ordinary shareholders on 27 November 2023 and stated capital was reduced accordingly. Distributions from contributed tax capital are not dividends and do not attract withholding taxes in South Africa.

During the year, the group declared a second special capital distribution of R5.00 per enX share on 8 July 2024 following the divestment of Eqstra. enX elected for the special distribution to be a dividend, for South African tax purposes, in terms of section 1 of the Income Tax Act No 58 of 1962 ("Income Tax Act") being a distribution not funded from contributed tax capital as defined in the Income Tax Act. The special distribution of R911.6 million has been reflected as a reduction of stated capital being a return of capital arising from the disposal proceeds arising from the Transaction.

The group has elected to disclose all payments of capital distributions and dividends as part of cash flows from investing activities.

#### Treasury shares

enX Corporation Limited, was wholly-owned subsidiary in the group and owned 570 014 (2023:R9.89 million) ordinary shares which were held as treasury shares in the prior year. These shares were sold to K2016224128 (South Africa) Proprietary Limited ahead of the disposal of enX Corporation Limited as part of the Eqstra transaction.

K2016224128 (South Africa) Proprietary Limited, a direct wholly-owned subsidiary, acting as the escrow agent, currently owns 945 887 shares, (2024:R16,48 million, 2023: R6.59 million) in terms of the enX Forfeitable Share Plan Scheme, unchanged from the prior year. These shares were not allocated to employees.

	2024 R'000	2023 R'000
<b>13. OTHER RESERVES</b>		
Foreign currency translation reserve	11 404	22 541
Valuation reserve	–	(736 563)
	<b>11 404</b>	<b>(714 022)</b>
<b>Movement summary</b>		
Balance at the beginning of the year	(714 022)	(725 200)
Foreign currency translation reserve movement – through other comprehensive income	(4 701)	11 178
Foreign currency translation reserve - recognised on disposal of disposal group held for sale	(6 436)	–
Reclassification of valuation reserve to accumulated profits	736 563	–
<b>Balance at the end of the year</b>	<b>11 404</b>	<b>(714 022)</b>

The valuation reserve relates to fair value adjustments that were recognised as at 31 August 2017 to ensure that the eXtract shares were valued at the closing JSE share price at 31 August 2017 and the loans receivable and preference shares in the MCC division of eXtract were fair valued on the basis of the estimated cash flows expected to be received from the restructure agreement with eXtract. The fair value adjustments were recognised through profit or loss and subsequently reclassified from retained earnings to other reserves. Subsequent to the disposal of Eqstra, this valuation reserves is no longer required and have been reclassified from other reserve back to accumulated profits.

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

	2024 R'000	2023 R'000
<b>14. INTEREST-BEARING LIABILITIES</b>		
Long-term in nature	24 746	43 061
– Secured loans	24 746	37 061
– Unsecured loans	–	6 000
Short-term in nature	238 651	222 216
– Secured short-term loans and call borrowings	232 651	222 216
– Unsecured loans	6 000	–
<b>Total borrowings</b>	<b>263 397</b>	<b>265 277</b>
Disclosed as:		
Non-current liabilities	24 746	37 061
Current liabilities	238 651	228 216
<b>Total borrowings</b>	<b>263 397</b>	<b>265 277</b>
<b>Reconciliation of movement in interest-bearing liabilities</b>		
Opening balance at beginning of year	265 277	1 686 008
Repayments of facilities during the year	(58 935)	(3 766 631)
Proceeds from facilities during the year	57 055	3 490 202
Reclassification to disposal group held for sale (note 11)	–	(1 144 302)
<b>Closing balance at the end of the year</b>	<b>263 397</b>	<b>265 277</b>

Interest rate analysis	2024		2023	
	Effective rates %	Analysis of debt R'000	Effective rates %	Analysis of debt R'000
Variable linked				
– Secured loans	11.9%	24 746	11.69%	37 061
– Unsecured loans	12.75%	6 000	12.75%	6 000
– Unsecured short-term loans and call borrowings	11.75% - 11.82%	232 651	11.69% - 12.68%	222 216
		<b>263 397</b>		<b>265 277</b>

## 14. INTEREST-BEARING LIABILITIES continued

	2028 and onwards Rm	2027 Rm	2026 Rm	2025 Rm	2024 Rm	Total Rm
Summary of interest-bearing borrowings by year of redemption or repayment						
31 August 2024						
South Africa	–	16 334	1 258	7 154	238 651	263 397
<b>Total</b>	–	16 334	1 258	7 154	238 651	263 397

	2027 and onwards Rm	2026 Rm	2025 Rm	2024 Rm	2023 Rm	Total Rm
31 August 2023						
South Africa	3 206	5 470	10 076	18 309	228 216	265 277
<b>Total</b>	3 206	5 470	10 076	18 309	228 216	265 277

The undiscounted disclosure of the future contractual cash flows has been disclosed in note 33.

	2024 Net book value of Debt secured Rm		2023 Net book value of Debt secured R'000	
	Debt secured Rm	assets encumbered Rm	Debt secured R'000	assets encumbered R'000
Details of encumbered assets as follows:				
Plant and equipment, trade receivables and inventories	257 397	1 394 385	259 277	1 419 938
<b>Total</b>	257 397	1 394 385	259 277	1 419 938

	2024 R'000	2023 R'000
Borrowing facilities		
In terms of the MOI the borrowing powers of the company are unlimited.		
Total facilities established	514 000	464 000
Less: Total borrowings	(263 397)	(265 277)
<b>Unutilised borrowing facilities</b>	<b>250 603</b>	<b>198 723</b>

The group complied with all financial covenants during the current and prior year.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. The group's main IBOR exposure at 31 August 2024 was indexed to JIBAR. The SARB indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. The SARB has indicated their initial preference for the adoption of the South African Rand Overnight Index Average (ZARONIA) as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments. The new ZARONIA rate was published for observation during 2022 and was endorsed as a successor rate in 2023. The formal announcement of the cessation of JIBAR as a reference rate is expected in 2025, allowing the ZARONIA market to develop in derivative and cash products during 2023 and 2024. The cessation date of JIBAR as a reference rate is expected to be after 2025.

Details of securities provided to the funders are presented in notes 2, 7 and 8.

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

## 15. CASH SETTLED AND OPTION LIABILITIES

### 15.1 Cash settled share-based payment plan

The share appreciation rights plan is accounted for as a cash-settled share-based payment plan. The plan is recognised at the fair value of the obligations due, in the statement of financial position, over the vesting period up to and including settlement date with a corresponding charge to the statement of profit or loss and comprehensive income. The liability is re-measured at each reporting date, using the Black-Scholes model to reflect the revised value of the notional enX shares at reporting date, adjusted for changes in assumptions including management's estimate of the number of notional enX shares that will ultimately vest. Changes in the fair value are recognised through the statement of profit or loss and comprehensive income.

#### Management participation in share-related incentive plan

In order to align the interests of management with those of shareholders, share-related incentives were awarded to certain key members of the management team. These incentives entitle the recipients to a cash settlement upon vesting, the quantum of which is to be referenced off any appreciation in the company's share price in excess of the strike price over the vesting period in respect of a notional holding of 3 339 102 (2023: 4 832 597) enX shares. These share-related incentives were granted at various strike prices and vesting dates. Each allocated share scheme vests after three years from issuance, allowing participants an additional two years to exercise from vesting date.

#### Share appreciation rights ("SAR") schemes

	# of SARs	Date of issue	Vesting period	IFRS 2 classification
enX Group Limited	1 403 742	Sep-23	3 years	Cash settled
enX Group Limited	1 190 525	Sep-22	3 years	Cash settled
enX Group Limited	1 133 890	Sep-21	3 years	Cash settled

Valuation assumptions at reporting date	2024 scheme	2023 scheme	2022 scheme
Expected volatility (%)	59,40	59,40	59,40
Adjusted issue price of share appreciation rights*	R0,98	R0,13	-R3,68

	SAR 2024 # of shares	SAR 2023 # of shares
<b>IFRS 2 share-related incentive options</b>		
Outstanding at beginning of period	4 832 597	3 035 930
Granted during period	1 403 742	1 796 667
Vested during period	(2 897 238)	–
<b>Outstanding at end of period</b>	<b>3 339 102</b>	<b>4 832 597</b>

\* Net of capital distributions made

Share-related incentives are valued using a Black-Scholes model. The 30-day volume weighted average price ("VWAP") of the enX share as at 31 August 2024 and a risk-free rate of 9,19% (2023: 10,25%) were used to value the cash settled liability at year-end.

The cash settled liability relating to the SAR schemes is a level 2 fair value item in terms of fair value hierarchy. There were no transfers between level 1 and level 2 of the fair value hierarchy.

The expected volatility was determined using volatility of enX since July 2024. In November 2023 and July 2024 enX declared a special distribution of 100.00 cents and 500.00 cents per enX share respectively. The distribution was implemented by way of a reduction of share capital resulting in an issue price adjustment of 600.00 cents to prior issuances.

The expected forfeiture rate was determined by estimating the probability of participating individuals still being in the employment of enX and the probability of meeting the non-market vesting conditions relating to profitability targets over the vesting period at vesting date.

The calculation of the share-based payment expense requires management to exercise a degree of judgement.

## 15. CASH SETTLED AND OPTION LIABILITIES continued

### 15.2 Option liability - Abakhulu

	Date of issue	Period to expire from date of issue	Classification
enX Group Limited	30 June 2022	No expiry date	Cash settled
		2024 R'000	2023 R'000
Arising from the Abakhulu transaction			
– Option liability - Abakhulu		56 983	56 983

In 2022 enX introduced Abakhulu as a 34% strategic shareholder in Centlube Proprietary Limited ("Centlube"). In exchange for the 34% shareholding enX will receive reduced base oil pricing together with a supply lock-in for a six-year period. In terms of this transaction the group has recognised a right to buy asset (refer to note 4) as well as a option liability.

The purchase price for the 34% shareholding and right, but not the obligation, to acquire R57 million of the receivable due by Centlube to enX Trading, is R57 million. The consideration concluded a six-year supply agreement with Zestcor, which incorporates pre-agreed US Dollar pricing support for each ton of base oil purchased by Centlube and AG Lubricants over this period. As the agreement is in place for the next 3.5 years it is highly unlikely the option will be exercised during this time and therefore it is considered to be a non-current liability. None of the trigger events have taken place or are expected to take place in the next 12 months.

The right, but not the obligation, to acquire R57 million of the receivable due by Centlube to enX Trading may be exercised on the occurrence of the following events; disposal by enX Trading of all or part of its interest in Centlube; disposal of the underlying business and/or assets of Centlube; a disposal by Abakhulu of all or part of its interest in Centlube; an application for business rescue or liquidation; or a repayment of all or part of the receivable.

The value of the receivable to which the option liability relates will at all times remain R57 million, unless it is impaired. The likelihood that the right that Abakhulu will be exercised is considered to be highly probable. There is no leverage built into Abakhulu's right to acquire the receivable as the purchase consideration has already been paid, only legal ownership has not yet passed. Accordingly, no discounting was required for the purposes of valuing the Option liability. Therefore, the full value of enX's contractual obligation to deliver the receivable to Abakhulu, should their rights be exercised, has been recognised.

The directors consider the carrying amount of the cash settled and option liabilities to approximate its fair value.

	Valuation 2024 R'000	Valuation 2023 R'000
<b>Cash settled and option liabilities valuation</b>		
Outstanding at beginning of period	71 632	61 033
Vested and paid during period	(20 197)	–
Awarded during period	21 895	10 599
<b>Balance at the end of the year</b>	<b>73 330</b>	<b>71 632</b>
Split between:		
– Cash settled liability	16 347	14 649
– Option liability - Abakhulu	56 983	56 983
	73 330	71 632
Disclosed as:		
– Non-current liabilities	62 735	59 732
– Current liabilities	10 595	11 900
	73 330	71 632

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

	2024 R'000	2023 R'000
<b>16. TRADE AND OTHER PAYABLES</b>		
<b>Financial liabilities</b>		
Trade payables	633 449	804 511
Contract liabilities	14 875	30 089
Sundry and other payables	22 439	24 231
<b>Non-financial liabilities</b>		
Accruals	23 615	14 342
Value added taxation	67	1 539
Employee-related accruals	41 386	39 628
	735 831	914 340

Amounts included in liabilities associated with disposal group held for sale (note 11).

The average credit period is between 30 and 60 days. No interest is charged on trade payables for the first 1 to 60 days from the date of invoice. Terms with significant suppliers average 90 to 120 days.

The group has financial risk policies in place to ensure that all payables are paid within the credit time frame (refer to note 33).

	2024 R'000	2023 R'000
<b>Contract liability</b>		
Balance at the beginning of the year	30 089	126 211
(Utilisation)/release of contract liability net of income received in advance for the year	(15 214)	24 614
Foreign currency adjustment	–	239
Reclassification to disposal group held for sale	–	(120 975)
<b>Balance at the end of the year</b>	14 875	30 089

There have been no significant changes to the contract liability balance other than those noted above.

## 17. PROVISIONS

Provisions consists primarily of royalty provisions payable to suppliers and rebate provisions payable to customers, which have limited estimation uncertainty, and are likely to be settled within a 12-month period following year-end.

	Onerous provision R'000	Other provisions R'000	Provision for royalties payable to suppliers R'000	Provision for rebates payable to customers R'000	Total R'000
<b>Provisions as at 31 August 2024</b>					
Balance at the beginning of the year	–	5 751	35 760	6 016	47 527
Provision raised during the year	–	6 984	17 528	4 331	28 843
Provision utilised during the year	–	(1 580)	(25 586)	(6 323)	(33 489)
Foreign currency adjustment	–	(14)	(1 454)	–	(1 468)
<b>Balance at the end of the year</b>	<b>–</b>	<b>11 141</b>	<b>26 248</b>	<b>4 024</b>	<b>41 413</b>

	Onerous provision R'000	Other provisions R'000	Provision for royalties payable to suppliers R'000	Provision for rebates payable to customers R'000	Total R'000
<b>Provisions as at 31 August 2023*</b>					
Balance at the beginning of the year	49 436	8 155	–	5 366	62 957
Provision raised during the year	3 083	2 352	35 760	650	41 845
Provision utilised during the year	(1 407)	(4 756)	–	–	(6 163)
Foreign currency adjustment	(8)	–	–	–	(8)
Reclassification to disposal group held for sale	(51 104)	–	–	–	(51 104)
<b>Balance at the end of the year</b>	<b>–</b>	<b>5 751</b>	<b>35 760</b>	<b>6 016</b>	<b>47 527</b>

\* The group determined that provisions comprised an onerous provision for maintenance costs (in respect of Fleet which was recognised as a disposal group in 2023) and provisions for other costs, in addition to the two provisions referred to in 2023's published financial statements. The group has provided the reconciliation for each of the provisions which was previously incorrectly provided on a combined basis.

A provision is recognised when the group has a present legal or constructive obligation as a result of past events for which it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions, by their nature, are obligations of uncertain timing and amount. The group uses historical experience and current economic conditions when assessing the estimated amounts and timing of the provisions to be raised. Specific uncertainties regarding the provisions recognised include the eventual costs to be incurred with respect of rebate obligations and final value and timing of when rebate settlements are agreed to by the counterparties.

Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and, where appropriate, the risk specific to the liability.

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

## 18. REVENUE

Revenue comprises the net invoiced amount of goods supplied excluding value-added tax.

### **Lubricants and Chemicals**

#### ***Sale of goods and consumables***

Revenue from the sale of goods and consumables includes the sale of lubricants, rubber, polyolefins, styrenics and other chemical products. Customers obtain control of the goods and consumables when delivered to and accepted at their premises. Revenue is recognised at that point in time. The transaction price is based on the cost of the inventory sold increased by a margin. Invoices are generated on delivery to the customer and usually payable within 30 to 60 days.

### **Power**

#### ***Sale of goods***

Revenue from the sale of goods includes the sale of generators and engines. Customers obtain control of the goods when delivered to and accepted at their premises. Revenue is recognised at that point in time. The transaction price is based on the cost of the goods sold increased by a margin. Invoices are generated on delivery to the customer and usually payable within 30 days.

#### ***Generator service and maintenance***

Revenue from the sale of goods includes the sale of generators and engines. Customers obtain control of the goods when delivered to and accepted at their premises. Revenue is recognised at that point in time. The transaction price is based on the cost of the goods sold increased by a margin. Invoices are generated on delivery to the customer and usually payable within 30 days.

#### ***Leasing rentals***

The Group, acting as lessor, determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether, at lease inception, the present value of the lease payments amounts to at least substantially all of the fair value of the underlying assets.

The Group has classified all lease within this stream as operating leases. The Group recognises lease payments received under operating leases as revenue on a straight-line basis over the lease term.

Leasing rentals of generators are invoiced monthly and payable up front at the beginning of a month.

### **Discontinued operation (Fleet)**

#### ***Sale of used goods***

Revenue from the sale of used goods primarily related to the sale of used vehicles. Customers obtained control of the vehicles when delivered to and accepted at their premises. Revenue was recognised at that point in time. The transaction price was based on the cost of the goods sold increased by a margin. Invoices were generated on delivery to the customer and usually payable within 30 to 60 days.

#### ***Leasing rentals***

The Group classified all lease within this stream as operating leases (refer to classification criteria included under Power above). The Group recognised lease payments received under operating leases as revenue on a straight-line basis over the lease term.

Invoices were generated on a monthly basis and usually payable on presentation.

#### ***Maintenance revenue***

Revenue from vehicle maintenance plans was recognised over the period of the maintenance plan to the extent of the value of parts and services provided.

The performance obligations included the provision of maintenance services to the customer over the agreed contract period and the administration of the contract during the contract period.

The maintenance services were performed over time resulting in revenue being recognised over time. Progress was determined based on the input method using the terms of the agreement and the estimated costs associated with the maintenance service. Based on the lease terms having been up to 60 months, an actuarial valuation process was employed to determine the extent of the maintenance revenue to be recognised each year. The admin fees were billed upfront for initiation of the contract and therefore recognised at point in time.

Invoices were generated on a monthly basis and usually payable within 30 days. Payments received in advance of the performing the maintenance service were included as part of contract liabilities.

## 18. REVENUE continued

### Value added products

Revenue for value added product services were based on master agreements in place with customers and revenue was recognised as the services were provided.

The performance obligations included the provision of the value-added product services to the customer over the contract period.

The billing of value-added products was determined by the cost being rebilled with a margin. The admin fee was a separately billed component and easily determined based on the clerical activities performed within the month.

Invoices were generated on a monthly basis and usually payable within 30 days.

	2024 R'000	2023 R'000
<b>Revenue recognised at a point in time</b>		
<i>Sale of capital goods</i>	416 187	491 569
– South Africa	416 187	491 569
– Rest of world	–	–
<i>Sale of goods and consumables</i>	3 537 864	3 554 823
– South Africa	3 247 948	3 260 855
– Rest of world	289 916	293 968
<i>Sale of used goods</i>	410 074	474 929
– South Africa	395 341	442 900
– Rest of world	14 733	32 029
<b>Total revenue recognised at a point in time</b>	4 364 125	4 521 321
<b>Revenue recognised over time</b>		
<i>Leasing rentals</i>	744 785	856 263
– South Africa	669 786	776 103
– Rest of world	74 999	80 160
<i>Maintenance and service revenue</i>	293 166	380 681
– South Africa	270 038	345 835
– Rest of world	23 128	34 846
<i>Value added products</i>	111 505	176 642
– South Africa	106 276	168 778
– Rest of world	5 229	7 864
<i>Other revenue</i>	5 957	15 223
– South Africa	5 957	7 179
– Rest of world	–	8 044
<b>Total revenue recognised over time</b>	1 155 413	1 428 809
<b>Total revenue</b>	5 519 538	5 950 130
<b>Revenue by segment</b>		
<i>Power</i>	563 807	682 742
<i>Fleet - discontinued</i>	1 441 654	1 755 347
<i>Lubricants</i>	1 673 446	1 685 798
<i>Chemicals</i>	1 847 734	1 870 080
<i>Group, financing and consolidation</i>	(7 103)	(43 837)
<b>Total revenue</b>	5 519 538	5 950 130
<b>Continuing operations</b>	4 077 884	4 194 783
– South Africa	3 787 968	3 900 815
– Rest of world	289 916	293 968
<b>Discontinued operations</b>	1 441 654	1 755 347
– South Africa	1 323 565	1 600 450
– Rest of world	118 089	154 897

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

	2024 R'000	2023 R'000
<b>19. OPERATING PROFIT</b>		
Operating profit before net finance costs and earnings from associate is stated after taking the following into account:		
Cost of sales	3 867 048	4 517 465
– Depreciation	9 863	455 362
– Cost of inventory	3 732 999	3 965 550
– Staff costs	22 797	21 862
– Other	101 389	74 691
Staff costs: operating expenses	398 517	406 218
Depreciation and amortisation: operating expenses	29 213	64 854
Other operating expenses	386 713	430 247
	4 681 491	5 418 784
Total impairments	302 942	–
Net expenses after impairments	4 984 433	5 418 784
<b>Continuing operations</b>	3 884 213	3 951 301
<b>Discontinued operations</b>	1 100 220	1 467 483
Operating profit is stated after taking the following items into account:		
<b>Foreign exchange differences</b>		
Unrealised forex differences	(18 003)	5 323
Realised forex differences	10 805	(23 014)
Fair value measurement of forward exchange contract	17 016	12 258
	9 818	(5 433)
<b>Continuing operations</b>	9 038	(5 842)
<b>Discontinued operations</b>	780	409
<b>Operating lease and rental charges (short term and low value leases)</b>		
Premises	10 185	9 594
Computer and office equipment	804	378
	10 989	9 972
<b>Continuing operations</b>	9 638	7 931
<b>Discontinued operations</b>	1 351	2 041
<b>Profit on sale of non-current assets</b>		
Loss on disposal of property, plant and equipment	1 053	7 814
<b>Continuing operations</b>	(227)	7 950
<b>Discontinued operations</b>	1 280	(136)

## 19. OPERATING PROFIT continued

	2024 R'000	2023 R'000
<b>Other</b>		
Net impairment loss raised/(reversal) on trade receivables	4 111	(33 072)
– Impairment loss raised/(reversal) on trade receivables	3 852	(34 142)
– Write-offs	259	1 070
<b>Continuing operations</b>	2 572	(6 162)
<b>Discontinued operations</b>	1 539	(26 910)
Restructuring and transaction costs	17 827	10 022
Retrenchment costs	–	2 174
Consulting fees	8 367	8 862
Audit fees – audit services	15 481	12 828
Audit fees – other services	1 170	–
<b>Employee costs</b>		
Executive directors and prescribed officers (note 35)	53 609	43 470
Non-executive directors (note 35)	3 622	3 676
Other staff	341 286	359 072
	398 517	406 218
<b>Continuing operations</b>	228 910	204 956
<b>Discontinued operations</b>	169 607	201 262
Defined contribution retirement plan costs (included in staff costs) – provident fund	16 869	18 693
Defined contribution retirement plan costs (included in staff costs) – pension fund	6 647	8 870
	23 516	27 563
<b>Continuing operations</b>	8 616	7 764
<b>Discontinued operations</b>	14 900	19 799

**Defined contribution plan**

All contributions on behalf of employees are charged to the statement of profit or loss and other comprehensive income as they are made.

The group has no liability toward any pension or provident fund apart from normal recurring monthly contributions deducted from the employees to be paid to the relevant funds.

	2024 R'000	2023 R'000
<b>Depreciation and amortisation included in other operating expenses</b>		
Intangible asset amortisation	10 918	17 257
Property, plant and equipment depreciation	18 295	47 597
<b>Depreciation and amortisation</b>	29 213	64 854
<b>Continuing operations</b>	29 213	49 324
<b>Discontinued operations</b>	–	15 530

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

	Eqstra 2024 R'000	Eqstra 2023 R'000
<b>20. DISCONTINUED OPERATIONS</b>		
<b>Consolidated discontinued statement of profit or loss and comprehensive income</b>		
<b>Revenue</b>	1 441 654	1 755 347
Cost of sales	(372 382)	(881 071)
<b>Gross profit</b>	1 069 272	874 276
(Impairment loss)/reversal and write-offs on trade receivables	(1 539)	26 910
Operating expenses	(427 959)	(613 322)
<b>Operating profit before the items mentioned below</b>	639 774	287 864
Reversal of impairment of leasing assets	6 792	2 767
Impairment of held for sale assets	(309 704)	–
Profit on purchase of investment	–	1 471
<b>Operating profit before net finance costs</b>	336 862	292 102
Net finance costs	(123 815)	(115 283)
Interest received	3 990	10 592
Interest expense	(127 805)	(125 875)
<b>Net profit before tax</b>	213 047	176 819
Attributable taxation expense	(129 468)	(44 629)
Loss on disposal of discontinued operation	(6 079)	–
Attributable taxation expense on disposal	(19 766)	–
<b>Net profit after taxation from discontinued operations</b>	57 734	132 190
<b>Cash flows from discontinued operations</b>		
Net cash flows from operating activities	(328 429)	(123 107)
Net cash flow from investing activities	(9 287)	(6 019)
Net cash flow from financing activities	331 286	(254 708)
<b>Net cash outflow</b>	(6 430)	(383 834)

An operation is classified as discontinued at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. In order for an operation to be distinguishable to be classified as held for sale the operations should represent a separate major line of business or geographic area of operations.

When an operation is classified as a discontinued operation a single amount comprising the total of the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the disposal group constituting the discontinued operation shall be disclosed on the statement of profit or loss and other comprehensive income.

Shareholders are referred to the SENS announcement dated 13 June 2024, wherein it was advised that the transaction was implemented in full on that date. Eqstra was reported as a disposal group held for sale and as a discontinued operation from 31 August 2023, refer to note 11.

During the prior year, the Eqstra CGU was classified as a disposal group under IFRS 5 on 31 August 2023, there was no indication of impairment in the prior year. The recoverable amount of the Eqstra CGU was considered to be the fair value less cost to sell as the CGU was held for sale. The subscription price agreed to be paid by Nedbank would be the audited NAV of Eqstra on the subscription date plus R16 million, less certain agreed transaction related costs.

As the Eqstra CGU was held for sale all depreciation ceased in term of IFRS 5 from 31 August 2023 resulting in the CGU having an inflated NAV. As the fair value less cost to sell of the Eqstra CGU is based on a NAV subscription price the CGU was assessed for impairment monthly. This resulted in an impairment of R309.7 million being recognised in respect of the Eqstra CGU's in the current year.

2024	2023
R'000	R'000

## 21. NET FINANCE (INCOME)/COSTS

Borrowing costs are recognised as an expense charged to the statement of profit or loss and other comprehensive income in the period in which they are incurred, except to the extent in which interest paid meets the criteria for capitalisation against a qualifying asset, in which case it is capitalised as part of the cost of the asset.

### Interest received

Interest received on funds and deposits with banks	55 555	34 918
Other	2 470	6 861
	<b>58 025</b>	<b>41 779</b>

### Interest expense

Interest to banks	163 670	147 530
Interest on lease liability	2 206	5 508
Other	1 337	8 111
	<b>167 213</b>	<b>161 149</b>

Net finance costs	<b>109 188</b>	<b>119 370</b>
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Continuing operations	(14 627)	4 087
Discontinued operations	123 815	115 283

2024	2023
R'000	R'000

## 22. TAXATION

### Current taxation

The charge for current taxation is based on the results for the year adjusted for items which are tax exempt or are not tax deductible. Taxation is calculated using rates that have been enacted or substantively enacted at the statement of financial position date. To the extent that the current taxation is unpaid, a liability is recognised and if a refund is due at the year-end, an asset is raised.

### South African normal taxation

Current year	89 286	110 090
Prior year	1 617	22 636

### South African deferred taxation

Current year	105 327	(20 420)
Prior year	(5 735)	(10 786)

### South African capital gains taxation

Current year	19 766	–
	<b>210 261</b>	<b>101 520</b>

### Foreign normal taxation

Current year	3 288	25 071
Prior year	2 947	(8 463)

### Foreign deferred taxation

Current year	6 080	(4 976)
Prior year	(4 614)	959
	<b>7 701</b>	<b>12 591</b>

<b>Total current and deferred taxation</b>	<b>217 962</b>	<b>114 111</b>
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# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

## 22. TAXATION continued

	2024	2023
	R'000	R'000
<b>Continuing operations</b>	68 728	69 482
<b>Discontinued operations</b>	149 234	44 629
Discontinued operations normal taxation	25 457	58 761
Discontinued operations deferred taxation	104 011	(14 132)
Discontinued operations capital gains taxation	19 766	–
<b>Reconciliation of rate of taxation</b>		
Accounting profit before taxation	453 602	437 146
Taxation at South African normal taxation rate (27%, 2023: 27%)	122 473	118 029
<b>Tax effect of adjustments to taxable income</b>		
Capital gains tax	19 766	
Permanent differences:		
– Utilisation of assessed losses	(24 729)	(27 221)
– Impairment of disposal group held for sale not deductible	83 620	–
– Legal and professional fees of a capital nature	11 931	3 123
– Loss on disposal of asset held for sale	1 641	–
– Profit on purchase of investment	–	(397)
– Other non-deductible expenses	4 811	13 319
<i>Penalties and fines</i>	104	3 701
<i>Withholding tax paid on dividends received</i>	–	3 017
<i>Disallowed expenses in respect of lease transaction</i>	–	4 382
<i>Loss on write-off of leasehold improvements</i>	–	1 903
<i>Disallowed expenses in respect of non-financial assets</i>	2 979	–
<i>Other</i>	1 728	316
– Other non-taxable income	(154)	(9 981)
<i>Keyman insurance policy payout</i>	–	(9 959)
<i>Other</i>	(154)	(22)
Other reconciling items:		
– Foreign tax rate differences	636	1 203
– Prior year taxation	(5 785)	4 346
– Deferred tax assets not recognised	13 814	15 473
– Foreign currency adjustment	(1 352)	1 214
– Share of profit from associates	(8 710)	(4 997)
<b>Taxation per statement of profit or loss and comprehensive income</b>	<b>217 962</b>	<b>114 111</b>

### Deferred tax assets not recognised

Deferred tax assets were not recognised in 2024 and 2023 in relation to two subsidiaries, namely Kynite Solutions (Pty) Ltd ('Kynite Solutions') and enX Leasing Investments (Pty) Ltd ('enX Leasing').

Kynite Solutions commenced trading in 2023 as a new entity. Its principal activity was to supply technology solutions and formed part of Fleet. However, Kynite was unable to grow the customer base as expected and incurred a loss for 2024 and 2023. As there was no evidence of future profitability or growth, the deferred tax asset in respect of the tax loss was not recognised in 2024 and 2023. In addition, Kynite formed part of the disposal group/discontinued operation in respect of Fleet.

enX Leasing is a service centre company to the Group. After the disposal of Eqstra, Impact and EIE in the current and prior reporting periods, enX Leasing is no longer profit making and there is no evidence of future profitability or growth. Therefore, the deferred tax asset relating to the incurred tax losses were not recognised in 2024 and 2023.

		2024 R'000	2023 R'000
<b>23. EARNINGS PER SHARE</b>			
<b>TOTAL</b>			
Basic earnings share	Cents	115,5	163,1
Diluted earnings per share	Cents	115,5	163,1
Headline earnings per share	Cents	297,2	164,3
<b>CONTINUING OPERATIONS</b>			
Basic earnings per share	Cents	83,7	90,2
Diluted earnings per share	Cents	83,7	90,2
Headline earnings per share	Cents	83,6	94,2
<b>DISCONTINUED OPERATIONS</b>			
Basic earnings per share	Cents	31,8	72,9
Diluted earnings per share	Cents	31,8	72,9
Headline earnings per share	Cents	213,6	70,1
<b>The calculation of earnings per ordinary share for the group is based on the following:</b>			
– Earnings attributable to the equity holders of the parent		209 540	295 862
– Headline earnings		539 087	297 911
– Weighted average number of shares in issue	Number	181 366 763	181 366 763
– Weighted average diluted number of shares in issue	Number	181 366 763	181 366 763
– Number of shares in issue at year-end	Number	182 312 650	182 312 650
<b>Reconciliation of headline earnings:</b>			
Profit for the year attributable to equity holders of the parent		209 540	295 862
<i>Adjusted for:</i>			
Loss on disposal of property, plant and equipment		1 053	7 814
Impairment of intangible assets and property, plant and equipment		(6 762)	(946)
Impairment of held for sale assets		309 704	–
Loss on disposal of disposal group held for sale		6 079	–
Profit on purchase of investment		–	(1 471)
Taxation effect thereon		19 473	(3 348)
<b>Headline earnings attributable to ordinary shareholders</b>		<b>539 087</b>	<b>297 911</b>
<b>Reconciliation of headline earnings - continuing operations:</b>			
Profit for the year attributable to equity holders of the parent		151 806	163 672
<i>Adjusted for:</i>			
(Profit)/loss on disposal of property, plant and equipment		(227)	7 950
Impairment of intangible assets and property, plant and equipment		30	1 821
Taxation effect thereon		53	(2 638)
<b>Headline earnings attributable to ordinary shareholders</b>		<b>151 662</b>	<b>170 805</b>

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

## 23. EARNINGS PER SHARE continued

	2024 R'000	2023 R'000
<b>Reconciliation of headline earnings - discontinued operations:</b>		
Profit for the year attributable to equity holders of the parent	57 734	132 190
<i>Adjusted for:</i>		
Profit/(loss) on disposal of property, plant and equipment	1 280	(136)
Reversal of impairment of intangible assets and PPE	(6 792)	(2 767)
Impairment of held for sale assets	309 704	–
Loss on disposal of disposal group held for sale	6 079	–
Profit on purchase of investment	–	(1 471)
Taxation effect thereon	19 420	(710)
<b>Headline earnings attributable to ordinary shareholders</b>	<b>387 425</b>	<b>127 106</b>

### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of enX by the weighted average number of ordinary shares in issue during the year, net of treasury shares.

### Headline earnings per share

The presentation of headline earnings per share is mandated under the JSE listing requirements and is calculated in accordance with circular 2023/01 as issued by SAICA.

No instruments that could dilute basic earnings per share are held at the end of the financial year as the FSP scheme has been settled and no new scheme shares have been issued.

	2024 R'000	2023 R'000
<b>24. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation - continuing operations	240 555	260 327
Profit before taxation - discontinued operations, including loss on disposal (note 20)	206 968	176 819
<b>Total profit before taxation</b>	<b>447 523</b>	<b>437 146</b>
<i>Adjusted for:</i>		
– Interest received	(58 025)	(41 779)
– Interest expense	167 213	161 149
– Reversal of impairment of intangible assets and property	(6 792)	(945)
– Impairment of disposal group held for sale	309 704	–
– Adjustment for unrealised forex and fair value gain	(4 669)	20 490
– Depreciation and amortisation	39 076	512 478
– Loss on disposal of property, plant and equipment	1 053	7 814
– Share of profits of associate	(32 257)	(18 509)
– Cash settled share-based payment expense	21 895	10 599
– Write off of debt	9 447	19 952
– Provision movements	11 495	45 004
– Profit on purchase of investment	–	(1 471)
– Loss on disposal of disposal group held for sale including tax	6 079	–
<b>Cash generated from operations before working capital movements</b>	<b>911 742</b>	<b>1 151 928</b>

## 24. CASH GENERATED FROM OPERATIONS continued

	2024 R'000	2023 R'000
Changes in working capital	(838 464)	(867 778)
Decrease in inventories	365 676	359 223
Decrease/(increase) in trade and other receivables	145 041	(9 623)
Decrease in trade and other payables	(142 593)	(89 061)
Acquisition of leasing assets	(1 206 588)	(1 128 317)
Settlement of SAR liabilities	(20 197)	–
	<b>53 081</b>	<b>284 150</b>

## 25. INTEREST PAID AND RECEIVED

	2024 R'000	2023 R'000
<b>Interest paid</b>		
Total interest expense (refer to note 21)	(167 213)	(161 149)
Interest accrual		–
<b>Total interest paid (in cash)</b>	<b>(167 213)</b>	<b>(161 149)</b>
<b>Interest received</b>		
Total interest received (refer to note 21)	58 025	41 779
Interest accrual	(4 544)	(13 218)
<b>Total interest received (in cash)</b>	<b>53 481</b>	<b>28 561</b>
<b>Total net interest paid (in cash)</b>	<b>(113 732)</b>	<b>(132 588)</b>

## 26. TAXATION PAID

	2024 R'000	2023 R'000
Net taxation payable at beginning of year	(27 857)	(4 633)
Current tax charged to profit or loss	(97 138)	(149 334)
Foreign currency adjustment	1 735	(888)
Disposal of disposal group held for sale	(16 442)	–
Net taxation payable at end of year	9 776	27 857
	<b>(129 926)</b>	<b>(126 998)</b>

## 27. PROCEEDS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	2024 R'000	2023 R'000
Book value of assets disposed	1 091	8 551
Profit on disposal of property, plant and equipment	(1 053)	(7 814)
Proceeds on disposal of property, plant and equipment	<b>38</b>	<b>737</b>

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

## 28. DISPOSAL OF DISPOSAL GROUP HELD FOR SALE

Shareholders are referred to the SENS announcement dated 12 December 2023 announcing the disposal of Eqstra to Nedbank Group Limited ("the Transaction"), wherein definitive transaction agreements were concluded between the parties. At the general meeting of the enX shareholders on 3 April 2024, 98.7% of shares voted for the approval and implementation of the Transaction. The suspensive conditions to the Transaction were fulfilled and the Transaction became unconditional on 19 April 2024. Shareholders are referred to the SENS announcement dated 13 June 2024, wherein it was advised that the transaction was implemented in full on that date. The gross proceeds payable to enX, as a result of the transaction, was an amount equal to R1 141.4 million before transaction costs and capital gains tax, comprising of (i) a repurchase price of R594.2 million based on the audited accounts of Eqstra with an effective date of 30 April 2024 ("Effective Date Accounts") (ii) proceeds received from the repayment of shareholder loans, in an amount equal to R547.2 million. On 13 June 2024, enX received the gross proceeds, less R50 million, which amount would become payable to enX inclusive of interest accrued thereon, less certain adjustments to be made in accordance with the terms of the repurchase agreement, once the Effective Date Accounts had been audited. Further, R100 million of the repurchase price proceeds is held for a period of three years from the subscription date as restricted cash collateral for any claims that may arise in relation to any uninsured warranties and indemnities. On 30 August 2024, an amount of R50.9 million, being the hold back of the repurchase price proceeds plus interest was received on the completion of the audit of the Effective Date Accounts. Eqstra was reported as a disposal group held for sale from 31 August 2023 and as a discontinued operation.

The group disposed of its interest in Eqstra effective 1 June 2024. The net assets of Eqstra at the date of disposal were as follows:

	Eqstra 2024 R'000
Property, plant and equipment and right of use assets	56 247
Leasing assets	3 450 286
Intangible assets	24 596
Unlisted investments and other receivables	4 994
Inventories	50 387
Deferred taxation	(274 997)
Trade and other receivables	177 860
Taxation receivable	16 442
Bank and cash balances	97 494
Interest-bearing liabilities	(1 819 050)
Lease liabilities	(2 258)
Trade, other payables and provisions	(350 811)
Impairment of disposal group held for sale*	(309 704)
<b>Net assets disposed of</b>	<b>1 121 486</b>
<b>Total consideration (repurchase price proceeds plus repayment of shareholder loans less transaction costs and capital gains tax paid)</b>	<b>1 095 616</b>
Satisfied by:	
Cash and cash equivalents	1 095 616
Less proceeds receivable (note 5)	(100 000)
<b>Net cash inflow arising on disposal</b>	<b>995 616</b>
Consideration received in cash and cash equivalents	995 616
Less: cash and cash equivalents disposed of	(97 494)
<b>Net proceeds of disposal of disposal group held for sale</b>	<b>898 122</b>

\*Impairment of the disposal group held for sale relates to leasing assets, property, plant and equipment and intangible assets.

The impact of Eqstra on the group's results in the current and prior year is disclosed in note 11 and 20.

During the current year leasing assets and interest-bearing debt increased by R835.3 million and R674.7 million respectively. The movement in leasing assets includes working capital outflow acquisitions of R1.207 billion, the net book value of leasing assets reclassified into inventories amounted to R372 million. Advances in interest bearing liabilities during the period 1 September 2023 to 31 May 2024 amounted to R1 994.5 million and repayments over the same period were R1 319.8 million.

	2024 R'000	2023 R'000
<b>29. LEASE LIABILITIES</b>		
<b>Leases: payable</b>		
Premises	10 355	10 535
Vehicles	4 524	5 781
	<b>14 879</b>	<b>16 316</b>
These commitments relate to the following periods:		
Due within 1 year	8 168	5 480
Due within 2 years	6 675	8 126
Due within 3 years	1 630	4 345
Due within 4 years	389	871
Thereafter	50	282
	<b>16 912</b>	<b>19 104</b>
Less: Unearned interest	(2 033)	(2 788)
Lease liabilities – IFRS 16	<b>14 879</b>	<b>16 316</b>
Classified as:		
Non-current liabilities	8 744	13 624
Current liabilities	8 168	5 480
	<b>16 912</b>	<b>19 104</b>
<i>Movement summary</i>		
Opening balance	16 316	58 425
Lease additions/(derecognition)	3 371	(33 569)
Interest expense	2 206	5 508
Repayments	(7 014)	(8 810)
Reclassification to liabilities associated with disposal group held for sale (note 11)	–	(5 238)
Closing balance of lease liabilities	<b>14 879</b>	<b>16 316</b>
Disclosed as:		
Non-current liabilities	7 618	11 696
Current liabilities	7 261	4 620
	<b>14 879</b>	<b>16 316</b>

The maturity profile of the lease commitments is detailed above and in note 33.

The value of the short term and low value lease commitments that were not recognised in terms of IFRS 16 amount to R11.1 million (2023: R7.9 million), these commitments are due within one year.

No contingent rental is payable. No restrictions are imposed by lease agreements concerning dividends, additional debt and further leasing. Average annual escalation ranges between 4% and 10%.

## 30. RETIREMENT BENEFITS

### Defined contribution plan

All contributions on behalf of employees are charged to the statement of profit or loss and other comprehensive income as they are made.

The group has no liability toward any pension or provident fund apart from normal recurring monthly contributions deducted from the employees to be paid to the relevant funds. Contributions to defined benefit plans are detailed in note 19.

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

## 31. CONTINGENT LIABILITIES AND GUARANTEES

### *Contingent liabilities*

A contingent liability is a possible obligation that arises from past events and its existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

### *Guarantees*

On 13 February 2017 shareholders approved financial assistance in the form of a R15 million enX indemnity to the shareholders of Capleverage Propriety Limited ("Capleverage"). Capleverage, via its wholly owned subsidiary Samvenice Proprietary Limited, is a shareholder of enX Group Limited. In addition PC Baloyi, who is a director of enX Group Limited, is a shareholder of Capleverage. At the AGM in January 2021 shareholders approved the extension of the indemnity until 31 August 2025 for and against any claim by the IDC under the Capleverage shareholders guarantee in relation to its obligations of Samvenice. Capleverage is a related party. As at 31 August 2024 and at the date of this report the Capleverage shareholders had not called the enX indemnity accordingly it remains a contingent liability as at 31 August 2024.

There are no other contingent liabilities or guarantees identified at 31 August 2024 (2023: nil).

## 32. ANALYSIS OF ASSETS AND LIABILITIES BY FINANCIAL INSTRUMENT CLASSIFICATION

	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS*		LOANS AND RECEIVABLES AT AMORTISED COST		FINANCIAL LIABILITIES AT AMORTISED COST OR FAIR VALUE*		NON-FINANCIAL INSTRUMENTS		EQUITY		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Non-current assets</b>	102 033	2 475	-	-	-	-	392 870	373 775	-	-	494 903	376 250
Property, plant, equipment and right-of-use assets	-	-	-	-	-	-	178 011	177 493	-	-	178 011	177 493
Other intangible assets	-	-	-	-	-	-	38 059	48 811	-	-	38 059	48 811
Unlisted investments and receivables	102 033	2 475	-	-	-	-	-	-	-	-	102 033	2 475
Investment in associate	-	-	-	-	-	-	139 464	114 607	-	-	139 464	114 607
Deferred taxation	-	-	-	-	-	-	37 336	32 864	-	-	37 336	32 864
<b>Current assets</b>	-	140 003	1 442 785	1 102 464	-	-	909 406	903 944	-	-	2 352 191	2 146 411
Inventories	-	-	-	-	-	-	859 710	866 725	-	-	859 710	866 725
Trade and other receivables	-	-	671 096	799 484	-	-	45 987	36 895	-	-	717 083	836 379
Derivative financial instruments	-	4 763	-	-	-	-	-	-	-	-	-	4 763
Unlisted investments and receivables	-	135 240	-	-	-	-	-	-	-	-	-	135 240
Taxation receivable	-	-	-	-	-	-	3 709	324	-	-	3 709	324
Bank and cash balances	-	-	771 689	302 980	-	-	-	-	-	-	771 689	302 980
Disposal group held for sale	-	-	-	-	-	-	-	3 049 317	-	-	-	3 049 317
<b>Total assets</b>	102 033	142 478	1 442 785	1 102 464	-	-	1 302 276	4 327 036	-	-	2 847 094	5 571 978
<b>Capital and reserves</b>	-	-	-	-	-	-	-	-	1 688 964	2 582 916	1 688 964	2 582 916
Stated capital	-	-	-	-	-	-	-	-	1 402 123	2 495 999	1 402 123	2 495 999
Other reserves	-	-	-	-	-	-	-	-	11 404	(714 022)	11 404	(714 022)
Accumulated profits	-	-	-	-	-	-	-	-	229 414	740 986	229 414	740 986
Equity attributable to owners of the parent	-	-	-	-	-	-	-	-	1 642 941	2 522 963	1 642 941	2 522 963
Non-controlling interests	-	-	-	-	-	-	-	-	46 023	59 953	46 023	59 953
<b>Non-current liabilities</b>	-	-	-	-	95 099	108 489	2 271	-	-	-	97 370	108 489
Interest-bearing liabilities	-	-	-	-	24 746	37 061	-	-	-	-	24 746	37 061
Lease liabilities	-	-	-	-	7 618	11 696	-	-	-	-	7 618	11 696
Cash settled and option liabilities	-	-	-	-	62 735	59 732	-	-	-	-	62 735	59 732
Deferred taxation	-	-	-	-	-	-	2 271	-	-	-	2 271	-
<b>Current liabilities</b>	-	-	-	-	940 794	1 103 567	119 966	128 369	-	-	1 060 760	1 231 936
Interest-bearing liabilities	-	-	-	-	238 651	228 216	-	-	-	-	238 651	228 216
Lease liabilities	-	-	-	-	7 261	4 620	-	-	-	-	7 261	4 620
Trade and other payables	-	-	-	-	670 763	858 831	65 068	55 509	-	-	735 831	914 340
Provisions	-	-	-	-	-	-	41 413	47 527	-	-	41 413	47 527
Derivative financial liabilities	-	-	-	-	13 524	-	-	-	-	-	13 524	-
Cash settled and option liabilities	-	-	-	-	10 595	11 900	-	-	-	-	10 595	11 900
Taxation payable	-	-	-	-	-	-	13 485	25 333	-	-	13 485	25 333
<b>Liabilities associated with disposal group held for sale</b>	-	-	-	-	-	-	-	1 648 637	-	-	-	1 648 637
<b>Total equity and liabilities</b>	-	-	-	-	1 035 893	1 212 056	122 237	1 777 006	1 688 964	2 582 916	2 847 094	5 571 978

\* Financial liabilities at fair value comprise only of cash settled and option liabilities, all other financial liabilities are held at amortised cost.

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

## 33. FINANCIAL RISK MANAGEMENT

### Interest rate risk management

The group held surplus cash at times throughout the year. The significance of this surplus cash to the group's statement of financial position exposes the group to interest rate risk.

This interest rate risk is managed through commercial banking facilities by the group's executive directors. At year-end, cash was invested with two large commercial banks. The investment of surplus funds is reviewed from time to time.

Currently borrowings which attract interest at prime or JIBAR linked rates. The South African Reserve Banks has indicated their initial preference for the adoption of the South African Rand Overnight Index Average ("ZARONIA") to replace JIBAR, however, there is still uncertainty surrounding the timing and manner in which the transition would occur. The impact on the financial instruments may not be estimable at this stage given the uncertainty.

At year-end, borrowings were held with two large commercial banks. The group's interest rate profile consists of floating rate loans and bank balances which expose the group to fair value interest rate risk and cash flow interest rate risk and can be summarised as follows:

	2024 R'000	2023 R'000
<b>Financial assets</b>		
Financial assets which attract no interest	673 129	811 619
Financial assets linked to fixed interest rates	100 000	135 240
Bank deposits which attract interest at South African money market rates	771 689	302 980
	<b>1 544 818</b>	<b>1 249 839</b>
<b>Financial liabilities</b>		
Financial liabilities which attract no interest	757 617	930 463
Borrowings which attract interest at prime or JIBAR linked rates	278 276	281 593
	<b>1 035 893</b>	<b>1 212 056</b>
<b>Interest rate sensitivity analysis</b>		
<b>Financial assets</b>		
<b>Bank deposits linked to South African money market rates</b>		
Carrying value at statement of financial position date	771 689	302 980
Reasonable possible change in interest rate (%)	1	1
<b>Pre-tax statement of profit or loss and comprehensive income impact</b>	<b>7 717</b>	<b>3 030</b>
<b>Financial liabilities</b>		
<b>Financing received and banking facilities linked to South African prime or JIBAR rates</b>		
Carrying value at statement of financial position date	278 276	281 593
Reasonable possible change in interest rate (%)	1	1
<b>Pre-tax statement of profit or loss and comprehensive income impact</b>	<b>2 783</b>	<b>2 816</b>

### Credit risk

Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in financial loss to the group.

#### Trade receivables

The group's exposure to credit risk on trade receivables is influenced mainly by the individual characteristics of each customer. The group has established a credit policy under which each new customer is analysed individually for creditworthiness before the group's standard payment and delivery terms and conditions are offered. The group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Credit limits are established for each customer and reviewed on a continuous basis through payment history checks and industry information. Any sales exceeding the set credit limits require approval from management.

Based on the credit approval process of the group, no trade receivables are regarded to have been credit-impaired on initial recognition.

The group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of between 30 and 60 days for customers.

The group has a limited history of exposure to write-offs of customer accounts. The group has credit histories on many of the significant customers dealing with the group on a recurring basis. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including trading history with the group and existence of previous financial difficulties.

### 33. FINANCIAL RISK MANAGEMENT continued

#### Maximum credit risk exposure

The group requires external insurance to be in place in respect of trade receivables with certain customers. The insured amounts are considered when calculating the ECLs for trade receivables.

	2024 R'000	2023 R'000
<b>Credit exposure of trade receivables</b>		
Maximum exposure to credit losses of trade receivables	662 071	790 111
Credit risk mitigated through credit insurance	(364 890)	(471 582)
Residual exposure of trade receivables	297 181	318 529

#### Risk grading framework

The group's credit risk grading framework comprises the following categories, all of which apply the simplified approach (lifetime ECLs) in determining the ECLs (except write-off which represents amounts written off):

Category	Description
Performing	The counterparty has a low risk of default and does not have any past due amounts
Non-performing/doubtful	Amount is more than 30 days past due and/or there has been a significant increase in credit risk since initial recognition
In default	Amount is more than 90 days past due or there is evidence indicating the asset is credit impaired
Write off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery

Trade receivables that are past due but not impaired relate mainly to a number of customers for whom there is no recent history of default.

	2024 R'000	2023 R'000
<b>Performing trade receivables</b>	596 432	683 934
<b>Trade receivables that are non-performing/ in default</b>		
Non-performing /doubtful	46 122	87 575
In default	3 593	5 527
	49 715	93 102
<b>Trade receivables that are impaired</b>		
Carrying amount	15 924	13 075
Loss allowance	(10 703)	(12 449)
	5 221	626
<b>Total credit exposure</b>	<b>651 368</b>	<b>777 662</b>

#### ECL model and provision matrix

The group determines the loss allowance on trade receivables using a provision matrix which is based on historical credit loss experience in respect of past due status of trade receivables, adjusted to reflect current conditions and estimates of future economic conditions, as appropriate.

The group's ECL model takes the expected inflation rate and future economic conditions of the market into account in determining whether any adjustments are required in respect of future information.

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

## 33. FINANCIAL RISK MANAGEMENT continued

The ECLs and loss rates using the provision matrix based on the risk grading categories (as above), excluding the credit insurance mitigation, was as follows:

	Total	Current*	30 days*	60 days	90 days	120 days	150 days or more
<b>31 August 2024</b>							
Expected credit loss rate		0.2%	0.3%	0.3%	1.0%	7.5%	66.1%
Total trade receivable balance	662 071	309 009	252 113	65 550	14 616	7 783	13 000
Total provision raised	(10 703)	(488)	(694)	(198)	(145)	(585)	(8 593)
Net balance	651 368	308 521	251 419	65 352	14 471	7 198	4 407
<b>31 August 2023</b>							
Expected credit loss rate	–	–	0.1%	0.2%	0.4%	0.8%	77.9%
Total trade receivable balance	790 111	424 368	297 699	42 447	5 787	4 319	15 491
Total provision raised	(12 449)	–	(210)	(104)	(25)	(36)	(12 074)
Net balance	777 662	424 368	297 489	42 343	5 762	4 283	3 417

\* The group considers the credit risk relating to the "current" and "30-day" ageing to be low as these buckets do not include any past due amounts. The loss rates associated with these buckets are 0,02% and 0,04% respectively (2023: 0,01% & 0,1%).

The ECLs and loss rates, using the provision matrix, based on the risk grading categories (as above), taking credit insurance into account, was as follows:

	Total	Current	30 days	60 days	90 days	120 days	150 days or more
<b>31 August 2024</b>							
Expected credit loss rate		0.4%	0.6%	0.6%	4.5%	65.7%	81.9%
Total trade receivable balance	297 181	134 993	111 815	35 741	3 252	891	10 489
Total provision raised	(10 703)	(488)	(694)	(198)	(145)	(585)	(8 593)
Net balance	286 478	134 505	111 121	35 543	3 107	306	1 896
<b>31 August 2023</b>							
Expected credit loss rate		–	0.2%	1.0%	1.0%	7.0%	90.3%
Total trade receivable balance	318 529	177 490	113 958	10 632	2 558	513	13 378
Total provision raised	(12 449)	–	(210)	(104)	(25)	(36)	(12 074)
Net balance	306 080	177 490	113 748	10 528	2 533	477	1 304

### Movements in the loss allowance

The movement in the loss allowance in respect of trade receivables was as follows:

	2024 R'000	2023 R'000
Balance at the beginning of the year	12 449	56 762
Net remeasurement of loss allowance recognised in profit or loss	2 315	(13 754)
Amounts written off	(4 061)	(20 389)
Reclassification to disposal group held for sale	–	(10 170)
Balance at the end of the year	10 703	12 449

The following significant changes to the gross carrying amount of trade receivables contributed to the changes in the loss allowance as follows:

The decrease in the loss allowance is aligned to the decrease in the total balance of the trade receivables at the reporting date compared to the prior reporting date.

Approximately 55% (2023:60%) of the gross carrying amount of trade receivables is insured for the reporting period which is considered when calculating the loss allowance.

### 33. FINANCIAL RISK MANAGEMENT continued

#### Cash and cash equivalents

ECLs for cash and cash equivalents have been measured on a 12-month ECL basis and reflect the short maturities of the exposures in terms of the group's approach. Cash and cash equivalents are considered to have low credit risk based on the strong external credit ratings of the financial institutions. Therefore, no loss allowance has been recognised in respect of cash and cash equivalents for the current or prior reporting periods.

#### Liquidity risk management

Liquidity risk is the risk that the group will be unable to meet a financial commitment when it falls due. This risk is minimised through the holding of cash balances and banking facilities.

In addition, cash forecasts are monitored so that the cash needs of the group are managed according to its requirements.

The ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the groups' short, medium and long-term funding, including derivative financial instruments.

The following tables detail the group's remaining contractual maturity for its financial liabilities based on the expected repayment profile.

The tables have been prepared based on the undiscounted cash flows of financial liabilities and are based on the earliest date on which the group can be expected to pay. The group has adequate commitment facilities to meet the liquidity needs.

The tables include both interest and principal cash flows (contractual cash flows).

	Contractual cash flows				
	Carrying amount R'000	Within one year R'000	Two to five years R'000	Longer than five years R'000	Total R'000
<b>31 August 2024</b>					
Interest-bearing liabilities	263 397	275 830	24 746	–	300 576
Lease liabilities	14 879	8 168	8 744	–	16 912
Trade and other payables	670 763	670 763	–	–	670 763
	<b>949 039</b>	<b>954 761</b>	<b>33 490</b>	<b>–</b>	<b>988 251</b>
<b>31 August 2023</b>					
Interest-bearing liabilities*	265 277	232 557	45 726	–	278 283
Lease liabilities	16 316	5 480	13 624	–	19 104
Trade and other payables	858 831	858 831	–	–	858 831
	<b>1 140 424</b>	<b>1 096 868</b>	<b>59 350</b>	<b>–</b>	<b>1 156 218</b>

\* The group's interest-bearing borrowings include 30-day and 90-day on-demand general banking facilities which are available to and have been utilised by the group (refer to note 14). Previously the maturity analysis included amounts in respect of these facilities in the 2 to 5 years' time band. However, management determined that the contractual amounts outstanding on these facilities at reporting date, including interest for the notice periods, should be included in the earliest time band where payment can be demanded by the lenders as these facilities are repayable on demand.

#### Foreign exchange currency risk

The group is exposed to foreign exchange risk. This risk is managed by covering material inventory orders with foreign exchange contracts.

The group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. Foreign exchange risk arises from exposure in the operations due to trading transactions in currencies other than the functional currency. Foreign currency imports within the group are managed using forward exchange contracts.

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

## 33. FINANCIAL RISK MANAGEMENT continued

The following significant exchange rates applied during the year:

	Average rate		Spot rate at year end	
	2024	2023	2024	2023
Rand: US Dollar	18.65	17.99	18.61	18.88
Rand: Euro	20.16	19.14	20.10	20.47
<b>Foreign exchange sensitivity analysis</b>				
<b>Financial liabilities</b>				
<b>Net trade payables exposed to US Dollar foreign currency risk</b>				
Carrying value of liability at statement of financial position date (R'000)	(23 897)	(53 718)		
Reasonable possible change in exchange rates (%)	10	10		
<b>Pre-tax statement of profit or loss and comprehensive income gain and equity impact (R'000)</b>	<b>(2 390)</b>	<b>(5 372)</b>		
<b>Net trade payables exposed to Euro foreign currency risk</b>				
Carrying value of liability at statement of financial position date (R'000)	(439)	(1 377)		
Reasonable possible change in exchange rates (%)	10	10		
<b>Pre-tax statement of profit or loss and comprehensive income gain and equity impact (R'000)</b>	<b>(44)</b>	<b>(138)</b>		

### Capital risk management

The group's objectives when managing capital are to safeguard its ability to continue as a going concern and provide optimal returns for shareholders through maintaining an optimal capitalisation.

The group defines capital as equity funding provided by shareholders and debt funding from external parties.

Shareholder funding comprises permanent paid up capital, revenue reserves and other reserves, being revaluation reserves (if any) and foreign currency translation reserves. The board's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business.

The board of directors monitors the cost of capital, which the group defines as the weighted average cost of capital, taking into account the group's internally calculated cost of equity and cost of debt. The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound equity position.

The group's debt capacity and optimal gearing levels are determined by its cash flow profile and are measured through applicable ratios such as net debt to EBITDA, gearing and interest cover. To maintain or adjust the capital structure, in the absence of significant investment opportunities, the group may pay distributions. The board has over a three year period implemented a strategy of cash business procuring stand-alone unguaranteed credit facilities. This strategy was fully implemented and finalised this year.

There were no changes in the group's approach to capital management during the year. Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

### 34. RELATED PARTY INFORMATION

The group defines key management personnel as the directors of enX and those individuals with significant influence over financial and operating decisions of the group, (the prescribed officers).

J Doherty, a previous director of WAG and a current shareholder of enX, has a loan to WAG. In addition to this, additional funds were introduced into the business by separate legal entity, West African Ventures of which J Doherty is a director.

W Chapman is a shareholder of both enX and Peresec Propriety Limited ("Peresec"). The premise is occupied by enX is leased on a month to month basis from Peresec.

A list of subsidiaries is disclosed separately in Annexure A. On consolidation, intercompany transactions between group entities are eliminated.

	2024 R'000	2023 R'000
<b>Related party balances</b>		
<b>Loan accounts – owing to related parties</b>		
J Doherty	(2 000)	(2 000)
West African Ventures	(4 000)	(4 000)
	<b>(6 000)</b>	<b>(6 000)</b>
<b>Trade payables – owing to related parties</b>		
Zestcor	91 948	111 986
	<b>91 948</b>	<b>111 986</b>
<b>Related party transactions</b>		
<b>Interest paid to related parties</b>		
J Doherty	256	240
West African Ventures	511	471
Zestcor	1 083	3 319
	<b>1 850</b>	<b>4 030</b>
<b>Management/administration fees received/(paid) from/(to) related parties</b>		
Zestcor	2 240	2 074
Abakhulu	(1 620)	(1 500)
<b>Purchases from related parties</b>		
Zestcor	484 450	484 582
	<b>484 450</b>	<b>484 582</b>
<b>Rent paid to related parties</b>		
Peresec	1 034	984
	<b>1 034</b>	<b>984</b>

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

## 35. DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS

### Directors of enX Group Limited

Directors' emoluments, including direct and indirect benefits for the period ending 31 August 2024 are as follows:

Directors*	Director fees R'000	Salary R'000	Short term incentives <sup>#</sup> R'000	Long term incentives R'000	Retirement contributions R'000	Other benefits R'000	Total R'000
<b>2024</b>							
<b>Paid by enX and subsidiaries</b>							
<b>Executive directors</b>							
A Hannington (a)	–	4 051	4 051	3 868	–	–	11 970
R Lumb (b)	–	3 079	3 056	2 697	429	313	9 574
<b>Non-executive directors</b>							
P Baloyi	1 097	–	–	–	–	–	1 097
K Matthews	719	–	–	–	–	–	719
W Chapman (c)	254	–	–	–	–	–	254
K Mokhobo	818	–	–	–	–	–	818
N Simamane	734	–	–	–	–	–	734
	3 622	7 130	7 107	6 565	429	313	25 166

### Prescribed officers

Divisional CEOs	Salary R'000	Short term incentives <sup>#</sup> R'000	Long term incentives R'000	Retirement contributions R'000	Other benefits R'000	Total R'000
<b>2024</b>						
<b>Paid by enX and subsidiaries</b>						
J Carr (d)	2 969	2 717	8 000	539	467	14 692
G Rosettenstein	3 029	2 012	–	493	96	5 630
M Kerwan	3 386	2 709	–	–	–	6 095
C Silver	3 380	2 263	–	–	5	5 648
	12 764	9 701	8 000	1 032	568	32 065

(a) At the date of reporting a total of 1 697 619 shares had been issued to A Hannington as long-term SARs incentives, the intrinsic value of these shares is R8.5 million at this date. R3.9 million of the long-term incentives in issue have vested in the current year. For details on the SARs in issue refer to note 15.

(b) At the date of reporting a total of 1 166 538 shares had been issued to R Lumb as long-term SARs incentives, the intrinsic value of these shares is R5.9 million at this date. R2.7 million of the long-term incentives in issue have vested in the current year. For details on the SARs in issue refer to note 15.

(c) Resigned as non-executive director effective 22 April 2024.

(d) J Carr received an exit bonus as part of the sale of Eqstra.

\* Refer the "Shareholders' profiles" for disclosure of directors shares in group on page 88.

# Incentives included above are the actual incentives earned based on the current year results, these incentives were approved by the board in October 2024.

## 35. DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS continued

Directors	Director fees	Salary	Incentives	Retirement	Other	Total
	R'000	R'000	R'000	contributions R'000	benefits R'000	
<b>2023</b>						
<b>Paid by enX and subsidiaries</b>						
<b>Executive directors</b>						
A Hannington (a)	–	3 822	3 822	–	–	7 644
R Lumb (b)	–	2 960	2 883	391	253	6 487
<b>Non-executive directors</b>						
P Baloyi	1 013	–	–	–	–	1 013
L Molefe (c)	223	–	–	–	–	223
B Ngonyama (d)	81	–	–	–	–	81
K Matthews	608	–	–	–	–	608
W Chapman	419	–	–	–	–	419
V Jarana (e)	389	–	–	–	–	389
K Mokhobo (f)	568	–	–	–	–	568
N Simamane (g)	375	–	–	–	–	375
	3 676	6 782	6 705	391	253	17 807
<b>Prescribed officers</b>						
Divisional CEOs	Salary	Incentives	Retirement	Other	Total	
	R'000	R'000	contributions R'000	benefits R'000		
<b>2023</b>						
<b>Paid by enX and subsidiaries</b>						
J Carr	3 744	5 127	804	821	10 496	
B Hean (h)	2 049	–	330	947	3 326	
G Rosettenstein (i)	2 577	1 940	374	96	4 987	
M Kerwan	3 179	2 480	–	100	5 759	
C Silver	2 664	2 100	–	6	4 770	
	14 213	11 647	1 508	1 970	29 338	

(a) At the date of reporting a total of 1 637 908 shares had been issued to A Hannington as a long-term SARs incentives, the intrinsic value of these shares is R4.9 million at this date. None of the long-term incentives in issue have vested in the current year. For details on the SARs in issue refer to note 15.

(b) At the date of reporting a total of 1 126 318 shares had been issued to R Lumb as a long-term SARs incentives, the intrinsic value of these shares is R3.4 million at this date. None of the long-term incentives in issue have vested in the current year. For details on the SARs in issue refer to note 15.

(c) Resigned as non-executive director effective 31 January 2023

(d) Resigned as non-executive director effective 30 January 2023

(e) Resigned as non-executive director effective 30 April 2023

(f) Appointed as non-executive director effective 3 January 2023

(g) Appointed as non-executive director effective 8 February 2023

(h) Passed away on 14 March 2023

(i) Appointed CEO – WAG effective 15 March 2023

# NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2024

## 36. GOING CONCERN

When managing its cash and banking resources, the group's objectives are to safeguard its ability to continue as a going concern and to create long-term value for stakeholders. The board has reviewed and approved the group and company forecasts prepared by management and the solvency and liquidity positions. The result indicated that the group remains a going concern. The projections assumed that the group would remain a going concern over the next 12 months.

The group and company financial statements have been prepared using appropriate accounting policies, supported by reasonable judgements and estimates. The group statement of financial position as at 31 August 2024 reports a positive total equity balance of R1.689 billion (2023: R2.583 billion). The group shows cash inflows before financing of R811 million (outflow 2023: R85 million).

The directors believe that the group and company have adequate resources to continue as a going concern for the foreseeable future. This assessment was based on available facilities and detailed future cash flow forecasts for the next 12 months. Based on this assessment it is considered appropriate to adopt the going-concern basis in preparing the group and company financial statements. The directors have satisfied themselves that the group and company are in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements whilst operating within existing bank facilities terms.

The board considered the solvency and liquidity of the group and the company and is satisfied that the group and company are solvent and liquid at the date of this report.

### **Funding and liquidity**

Longer lead times arising from supply chain constraints and the change in sourcing of some product within WAG has increased net working capital requirements but liquidity in all our businesses remains robust with well managed working capital.

Based on our assessment of the prospects and cash flows for each business as at the date of signing we believe that the credit facilities and surplus cash we have in place provides sufficient liquidity for the businesses to continue trading and support growth for the foreseeable future.

## 37. SUBSEQUENT DATE EVENTS

There have been no material events subsequent to period end that have been taken into account in the financial statements.



**enx**  
GROUP

**COMPANY FINANCIAL STATEMENTS**

for the year ended 31 August

**2024**

# COMPANY STATEMENT OF FINANCIAL POSITION

as at

	Notes	31 August 2024 R'000	31 August 2023 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
		941 312	1 469 167
Property, plant and equipment	2	164	94
Investment in subsidiaries	3	736 082	686 907
Other receivables	6	100 000	–
Loans to group companies	5	105 066	782 166
<b>Current assets</b>			
		457 587	234 609
Trade and other receivables	4	9 682	19 116
Other receivables	6	–	135 240
Bank and cash balances	7	447 905	80 253
Asset held for sale	3	–	1 088 521
<b>Total assets</b>		<b>1 398 899</b>	<b>2 792 297</b>
<b>Total shareholders' interests</b>			
		1 211 385	2 740 857
Stated capital	8	1 419 736	2 513 612
Other reserves		–	(773 654)
Accumulated (loss)/profit		(208 351)	1 000 899
<b>Current liabilities</b>			
		187 514	51 440
Loans from group companies	5	184 799	47 766
Other payables	9	842	1 022
Taxation payable		1 873	2 652
<b>Total equity and liabilities</b>		<b>1 398 899</b>	<b>2 792 297</b>

# COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the years ended

	Notes	31 August 2024 R'000	31 August 2023 R'000
<b>Revenue</b>	10	125 772	236 181
Other income		4 394	–
Loss on disposal of subsidiary		(494 297)	–
Operating expenses	11	(81 344)	(6 498)
<b>Operating (loss)/profit</b>	11	(445 475)	229 683
Net finance income	12	40 658	30 339
Interest income		40 660	30 541
Interest expense		(2)	(202)
<b>(Loss)/profit before taxation</b>		(404 817)	260 022
Taxation	13	(30 779)	(8 326)
<b>(Loss)/profit for the year</b>		(435 596)	251 696
Other comprehensive income		–	–
<b>Total comprehensive (loss)/income for the year</b>		(435 596)	251 696

# COMPANY STATEMENT OF CHANGES IN EQUITY

for the years ended

	Stated capital R'000	Other reserves R'000	Accumulated profit R'000	Total equity R'000
<b>Balances as at 1 September 2022</b>	2 513 612	(773 654)	749 203	2 489 161
Total comprehensive income for the year	–	–	251 696	251 696
<b>Balances as at 31 August 2023</b>	2 513 612	(773 654)	1 000 899	2 740 857
Total comprehensive loss for the year	–	–	(435 596)	(435 596)
Reclassification of valuation reserve*	–	773 654	(773 654)	–
Capital distribution	(1 093 876)	–	–	(1 093 876)
<b>Balances as at 31 August 2024</b>	1 419 736	–	(208 351)	1 211 385

\* The valuation reserve relates to fair value adjustments that were recognised as at 31 August 2017 to ensure that the eXtract shares were valued at the closing JSE share price at 31 August 2017 and the loans receivable and preference shares in the MCC division of eXtract were fair valued on the basis of the estimated cash flows expected to be received from the restructure agreement with eXtract. The fair value adjustments were recognised through profit or loss and subsequently reclassified from retained earnings to other reserves. Subsequent to the disposal of Eqstra, this valuation reserves is no longer required and have been reclassified from other reserve back to accumulated profits.

# COMPANY STATEMENT OF CASH FLOWS

for the years ended

	Notes	31 August 2024 R'000	Restated* 31 August 2023 R'000
<b>Cash flows from operating activities</b>		<b>18 066</b>	<b>243 526</b>
Cash generated from operations	14	13 510	407
Dividend received	17	–	235 183
Interest received	15	36 116	17 323
Interest paid		(2)	(202)
Taxation paid	16	(31 558)	(9 185)
<b>Cash flows from investing activities</b>		<b>1 312 129</b>	<b>(196 488)</b>
Proceeds from loans to group companies	5	682 800	–
Advances on loans to group companies	5	–	(196 488)
Additions of property, plant and equipment		(135)	–
Release of escrow proceeds (EIE)	6	135 240	–
Proceeds on disposal of subsidiary	18	494 224	–
<b>Cash flows from financing activities</b>		<b>(956 843)</b>	<b>(233 375)</b>
Capital distribution		(1 093 876)	(273 661)
Repayment of loans from group companies	5	(807 367)	–
Proceeds from loans from group companies	5	944 400	40 286
<b>Net movement in cash and cash equivalents</b>		<b>373 352</b>	<b>(186 337)</b>
Cash and cash equivalents at beginning of year		80 253	266 590
<b>Cash and cash equivalents at end of year</b>		<b>453 605</b>	<b>80 253</b>

\* The comparative information has been restated on account of the correction of a classification error in respect of the cash flow arising from the movements in loans from group companies. During the current reporting period the group determined that the classification of the cash outflow arising from the movements in loans from group companies should be classified under financing activities instead of investing activities. The overall prior year impact is to decrease cash flows from investing activities by R40.3 million and an increase cash flows from financing activities by R40.3 million. The impact has no effect on profit or total comprehensive income for the year nor the net asset value.

# NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the years ended

## 1. ACCOUNTING POLICIES

The company has adopted the accounting policies as outlined in the audited group financial statements. Please refer to note 1 of the group financial statements.

## 2. PROPERTY, PLANT AND EQUIPMENT

	Computer and office equipment R'000	Leasehold improvements R'000	Total R'000
<b>As at 31 August 2024</b>			
Cost	1 031	256	1 287
Accumulated depreciation	(867)	(256)	(1 123)
<b>Net carrying value</b>	<b>164</b>	<b>–</b>	<b>164</b>
<b>Movement summary</b>			
Carrying value at the beginning of the year	94	–	94
Additions	135	–	135
Depreciation	(65)	–	(65)
<b>Carrying value at the end of the year</b>	<b>164</b>	<b>–</b>	<b>164</b>
<b>As at 31 August 2023</b>			
Cost	896	256	1 152
Accumulated depreciation	(802)	(256)	(1 058)
<b>Net carrying value</b>	<b>94</b>	<b>–</b>	<b>94</b>
<b>Movement summary</b>			
Carrying value at the beginning of the year	151	855	1 006
Impairments	–	(765)	(765)
Depreciation	(57)	(90)	(147)
<b>Carrying value at the end of the year</b>	<b>94</b>	<b>–</b>	<b>94</b>

### 3. INVESTMENT IN SUBSIDIARIES

	Country of incorporation/ principal place of business	Nature	Ownership percentage		Shares at cost	
			2024 %	2023 %	2024 R'000	2023 R'000
enX Trading Investments Proprietary Limited	RSA	Investment Holding	100	100	516 077	516 077
enX Leasing Investments Proprietary Limited	RSA	Investment Holding	100	100	94 233	170 830
enX Ventures PL Proprietary Limited	RSA	Investment Holding	100	–	125 772	–
Eqstra Fleet Services Namibia Proprietary Limited	Namibia	Leasing and Industrials	100	–	****	–
Eqstra Zambia Limited	Zambia	Leasing and Industrials	100	–	****	–
K2016224128 (South Africa) Proprietary Limited	RSA	Share scheme entity	100	100	****	****
Eqstra Investment Holdings Proprietary Limited	RSA	Investment Holding	–	100	–	1 088 521
<b>Total investment in subsidiaries</b>					<b>736 082</b>	<b>1 775 428</b>
Non-current assets					<b>736 082</b>	<b>686 907</b>
Asset held for sale					<b>–</b>	<b>1 088 521</b>

Eqstra was reported as an asset held for sale and discontinued operation from 31 August 2023. The transaction for the disposal of Eqstra to Nedbank Group Limited became unconditional on 19 April 2024 and control of the subsidiary was lost on 1 June 2024. Proceeds were received on 13 June 2024. Refer to note 6 for further detail on proceeds receivable.

During the year a restructuring transaction was concluded between enX Group Limited and Eqstra Investment Holdings Proprietary Limited, whereby Eqstra Investment Holdings Proprietary Limited transferred all of the shares it held in enX Ventures PL Proprietary Limited, Eqstra Zambia Limited and Eqstra Fleet Services Namibia Proprietary Limited to enX Group Limited as a dividend in specie.

Management reviewed the long-term outlook for the subsidiaries and has concluded that given the uncertainty regarding various micro and macro economic factors impacting the business, the investment in enX Leasing Investments Proprietary Limited was impaired by R76.6 million in the current year.

\*\*\*\* Amount less than R1 000

#### Other information

The carrying amounts of subsidiaries are shown net of any impairment losses.

# NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

for the years ended

	2024 R'000	2023 R'000
<b>4. TRADE AND OTHER RECEIVABLES</b>		
Gross trade receivables	893	639
Prepayments	4 211	4 606
Value added tax	27	646
Sundry debtors	4 551	13 225
	<b>9 682</b>	<b>19 116</b>
<b>Basis of raising impairment allowances against receivables</b>		
Gross trade receivables are continuously reviewed for impairment on an individual basis. Credit limits are continuously monitored through payment history checks and industry information.		
The company has applied the simplified model determining the lifetime expected credit losses as there is no significant financing component. Expected credit loss ("ECL") has been considered in detail as part of the impairment of trade and other receivables.		
<b>5. LOANS WITH GROUP COMPANIES</b>		
K2016224128 (South Africa) Proprietary Limited	9 865	6 665
enX Trading Investments Proprietary Limited	95 194	175 494
enX Leasing Investments Proprietary Limited	–	–
enX Corporation Limited	7	600 007
enX Leasing Investments Proprietary Limited	(183 000)	(45 967)
Eqstra Transformation Trust	(1 799)	(1 799)
	<b>(79 733)</b>	<b>734 400</b>
<i>Disclosed as:</i>		
Non-current assets	105 066	782 166
Current liabilities	(184 799)	(47 766)
	<b>(79 733)</b>	<b>734 400</b>
<b>Movement schedule</b>		
<b>Loans to group companies</b>		
Opening balance	782 166	585 678
Closing	(105 066)	(782 166)
Net cash movement	677 100	(196 488)
Proceeds from loans to group companies	682 800	–
Advances on loans to group companies	(5 700)	(196 488)
<b>Loans from group companies</b>		
Opening balance	(47 766)	(7 480)
Closing balance	184 799	47 766
Net cash movement	137 033	40 286
Repayment of loans from group companies	(807 367)	–
Proceeds from loans from group companies	944 400	40 286

The loan amounts are unsecured, interest free, with no fixed terms of repayment and are payable on demand, however the directors do not have the intention to recall the loans in the next 12 months.

Loans receivable are payable on demand and there are no fixed repayment terms. As the company can demand payment on these loans with as little as one days notice the expected credit loss on these loans is considered to be immaterial.

An assessment is made at each reporting date whether there is any objective evidence that loans with group companies are impaired. The company applies the simplified approach to calculate the expected credit loss ("ECL") of loans with group companies. Consideration is given to the equity and profitability of the underlying group companies when assessing the risk of expected credit losses. Management assessed the recoverability of the loans and concluded that no ECL allowance is required as the loans can be recovered if needed.

	2024 R'000	2023 R'000
<b>6. OTHER RECEIVABLES</b>		
Proceeds receivable	100 000	135 240
	100 000	135 240
<b>Movement summary</b>		
Balance at the beginning of the year	135 240	135 240
Release of escrow proceeds (EIE SA)	(135 240)	–
Proceeds receivable on Eqstra disposal (note 28)	100 000	–
<b>Balance at the end of the year</b>	<b>100 000</b>	<b>135 240</b>
Non-current assets	100 000	–
Current assets	–	135 240

In the prior year proceeds of R135.2 million relating to the disposal of EIE SA were held in escrow as collateral for any proven warranty and indemnity (“W&I”) claims that may have arisen out of the Subscription Agreement concluded between CFAO Holdings South Africa and various enX entities. There were no W&I claims and the funds were released to enX on 31 March 2024. Interest earned (at a fixed rate) on the escrow balance was for the benefit of enX. Interest earned is accounted for as part of finance income.

Included in other receivables are proceeds of R100 million which is held in escrow as collateral for any proven W&I claims not covered by W&I insurance that may arise out of the Subscription Agreement concluded between Nedbank and various enX entities, regarding the disposal of Eqstra. Any amounts that are not applied to settle W&I claims will be released to enX on 14 June 2026. Interest earned (at a fixed rate) on the escrow balance is for the benefit of enX. Interest earned is accounted for as part of finance income.

#### Fair value hierarchy disclosures

##### Valuation methodology

##### Level 3 – Valuations based on unobservable inputs include:

The proceeds receivable are level 3 financial instruments. Level 3 instruments are valued using various business-related inputs which are not based on observable market data.

The table below shows the group’s financial assets and liabilities that are recognised and subsequently measured at fair value, analysed by valuation technique.

	Level 3 R'000	Fair value R'000
<b>31 August 2024</b>		
<b>Financial assets</b>		
Designated as fair value through profit and loss		
– Proceeds receivable	100 000	100 000
	100 000	100 000
<b>31 August 2023</b>		
<b>Financial assets</b>		
Designated as fair value through profit and loss		
– Proceeds receivable	135 240	135 240
	135 240	135 240

Type	Valuation Technique	Significant unobservable inputs
Proceeds receivable	Proceeds receivable of R100 million adjusted for any proven W&I claims at reporting date.	There is an element of unobservable inputs as the W&I claims are subject to the agreement concluded between Nedbank and various enX entities. No adjustment to fair value has been made as at 31 August 2024 as there were no W&I claims at this date.

# NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

for the years ended

	2024 R'000	2023 R'000
<b>7. BANK AND CASH BALANCES</b>		
Bank accounts	447 905	80 253
	<b>447 905</b>	<b>80 253</b>

Cash is held by banks that have strong credit ratings which are considered to mitigate the expected credit loss risk.

<b>8. STATED CAPITAL</b>		
<b>Authorised</b>		
1 000 000 000 (2021: 1 000 000 000) ordinary shares of no par value		
<b>Issued</b>		
182 312 650 (2022: 182 312 650) no par value shares	1 419 736	2 513 612
Balance at beginning of year	2 513 612	2 513 612
Capital distribution	(1 093 876)	–
Balance at end of year	<b>1 419 736</b>	<b>2 513 612</b>

<b>9. OTHER PAYABLES</b>		
Employee-related accruals	842	830
Trade payables	–	192
	<b>842</b>	<b>1 022</b>

The company has financial risk policies in place to ensure that all payables are paid in accordance with the contractual terms.

<b>10. REVENUE</b>		
Management fee income	–	998
Dividends received	125 772	235 183
	<b>125 772</b>	<b>236 181</b>

The company generates revenue through investments in subsidiaries. Therefore, dividends received are considered revenue in nature.

<b>11. OPERATING (LOSS)/PROFIT</b>		
is stated after taking the following items into account:		
<b>Other income</b>		
Guarantee fees	4 211	–
<b>Other expenses</b>		
Depreciation on property, plant and equipment	(65)	(147)
Impairment of investment	(76 597)	(993)
Transaction costs	(533)	–
Loss on disposal of subsidiary	(494 297)	–
<b>Employee costs</b>		
Directors remuneration paid by the company	(3 622)	(3 676)

	2024 R'000	2023 R'000
<b>12. NET FINANCE INCOME</b>		
<b>Interest income</b>		
Interest received on funds and deposits with banks	31 324	17 339
Interest received from group companies	9 336	13 202
	<b>40 660</b>	<b>30 541</b>
<b>Interest expense</b>		
Interest paid to banks	2	202
	<b>2</b>	<b>202</b>
<b>Net finance income</b>	<b>40 658</b>	<b>30 339</b>
<b>13. TAXATION</b>		
<b>South African normal taxation</b>		
Current year	11 027	7 273
Prior year	(14)	1 053
	<b>11 013</b>	<b>8 326</b>
<b>Capital gains taxation</b>		
Current year	19 766	–
Total taxation	<b>30 779</b>	<b>8 326</b>
<b>Reconciliation of rate of taxation</b>		
(Loss)/profit before taxation	(404 817)	260 022
Taxation at South African normal taxation rate (27%; 2023: 27%)	(109 301)	70 206
<b>Tax effect of adjustments to taxable income</b>		
Capital gains taxation	19 766	–
Permanent differences		
– Loss on disposal of subsidiary	133 460	–
– Inter-company dividend received	(33 958)	(63 499)
– Legal and professional fees of a capital nature	144	268
– Impairment of investment	20 681	–
Prior year	(14)	1 053
Other non-deductible expenses	1	298
<b>Taxation per statement of comprehensive income</b>	<b>30 779</b>	<b>8 326</b>
<b>14. CASH GENERATED FROM OPERATIONS</b>		
(Loss)/profit before taxation	(404 817)	260 022
<i>Adjusted for:</i>		
– Interest received	(40 660)	(30 541)
– Interest paid	494 297	202
– Loss on disposal of subsidiary	2	–
– Depreciation	65	147
– Impairment of investment	76 597	–
– Impairment of PPE	–	765
– Dividend received	(125 772)	(235 183)
Cash utilised by operations before working capital movements	(288)	(4 588)
Changes in working capital	13 798	4 995
Decrease in trade and other receivables	13 978	4 800
(Decrease)/increase in trade and other payables	(180)	195
	<b>13 510</b>	<b>407</b>

# NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

for the years ended

	2024 R'000	2023 R'000
<b>15. INTEREST RECEIVED</b>		
<b>Interest received</b>		
Total interest received (refer note 12)	40 660	30 541
Interest accrual	(4 544)	(13 218)
<b>Total interest received (in cash)</b>	<b>36 116</b>	<b>17 323</b>
<b>Interest paid</b>		
Total interest paid (refer to note 12)	(2)	(202)
Total interest paid (in cash)	(2)	(202)
<b>Total net interest received (in cash)</b>	<b>36 114</b>	<b>17 121</b>
<b>16. TAXATION PAID</b>		
Balance payable at beginning of year	(2 652)	(3 511)
Charged to the statement of profit or loss and other comprehensive income	(30 779)	(8 326)
Balance payable at end of year	1 873	2 652
<b>Taxation paid</b>	<b>(31 558)</b>	<b>(9 185)</b>
<b>17. DIVIDEND RECEIVED</b>		
Total dividend received	125 772	235 183
Dividend in specie (note 3)	(125 772)	–
<b>Paid in cash</b>	<b>–</b>	<b>235 183</b>
<b>18. PROCEEDS ON DISPOSAL OF SUBSIDIARY</b>		
Assets held for sale as at 31 August 2023 (note 3)	1 088 521	–
Loss on disposal	(494 297)	–
Total proceeds	594 224	–
Less proceeds receivable (note 6)	(100 000)	–
<b>Net cash inflow arising on disposal</b>	<b>494 224</b>	<b>–</b>

Refer to note 28 in the group financial statements.

## 19. DIRECTORS' EMOLUMENTS

Refer to note 35 in the group financial statements.

# NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

for the years ended

## 20. ANALYSIS OF ASSETS AND LIABILITIES BY FINANCIAL INSTRUMENT CLASSIFICATION

	Financial assets at fair value through profit or loss		Loans and receivables at amortised cost		Financial liabilities at amortised cost		Non-financial instruments		Equity		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>ASSETS</b>												
<b>Non-current assets</b>	100 000	–	105 066	782 166	–	–	736 246	687 001	–	–	941 312	1 469 167
Property, plant and equipment	–	–	–	–	–	–	164	94	–	–	164	94
Investment in subsidiaries	–	–	–	–	–	–	736 082	686 907	–	–	736 082	686 907
Proceeds receivable	100 000	–	–	–	–	–	–	–	–	–	100 000	–
Loans to group companies	–	–	105 066	782 166	–	–	–	–	–	–	105 066	782 166
<b>Current assets</b>	–	135 240	453 349	94 117	–	–	4 238	5 252	–	–	457 587	234 609
Trade and other receivables	–	–	5 444	13 864	–	–	4 238	5 252	–	–	9 682	19 116
Proceeds receivable	–	135 240	–	–	–	–	–	–	–	–	–	135 240
Bank and cash balances	–	–	447 905	80 253	–	–	–	–	–	–	447 905	80 253
Assets held for sale	–	–	–	–	–	–	–	1 088 521	–	–	–	1 088 521
<b>Total assets</b>	100 000	135 240	558 415	876 283	–	–	740 484	1 780 774	–	–	1 398 899	2 792 297
<b>EQUITY AND LIABILITIES</b>												
<b>Capital and reserves</b>	–	–	–	–	–	–	–	–	1 211 385	2 740 857	1 211 385	2 740 857
Stated capital	–	–	–	–	–	–	–	–	1 419 736	2 513 612	1 419 736	2 513 612
Other reserves	–	–	–	–	–	–	–	–	–	(773 654)	–	(773 654)
Accumulated profits	–	–	–	–	–	–	–	–	(208 351)	1 000 899	(208 351)	1 000 899
<b>Current liabilities</b>	–	–	–	–	185 641	48 788	1 873	2 652	–	–	187 514	51 440
Loans from group companies	–	–	–	–	184 799	47 766	–	–	–	–	184 799	47 766
Shareholder for dividend	–	–	–	–	–	–	–	–	–	–	–	–
Trade and other payables	–	–	–	–	842	1 022	–	–	–	–	842	1 022
Taxation payable	–	–	–	–	–	–	1 873	2 652	–	–	1 873	2 652
<b>Total equity and liabilities</b>	–	–	–	–	185 641	48 788	1 873	2 652	1 211 385	2 740 857	1 398 899	2 792 297

# NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

for the years ended

	2024 R'000	2023 R'000
<b>21. FINANCIAL RISK MANAGEMENT</b>		
<b>Interest rate risk management</b>		
The company held surplus cash at times throughout the year. The significance of this surplus cash to the company's statement of financial position can expose the company to interest rate risk.		
This interest rate risk is managed through commercial banking facilities by the company's executive directors.		
The company's interest rate profile consists of floating rate loans and bank balances which expose the company to fair value interest rate risk and cash flow interest rate risk and can be summarised as follows:		
<b>Financial assets</b>		
Financial assets at no interest	110 510	796 030
Bank balances and deposits linked to South African money market rates	447 905	80 253
	558 415	876 283
<b>Financial liabilities</b>		
Financial liabilities at no interest	-	-
	-	-
<b>Interest rate sensitivity analysis</b>		
<b>Financial assets</b>		
<b>Bank balances and deposits linked to South African money market rates</b>		
Carrying value at statement of financial position date	447 905	80 253
Reasonable possible change (%)	1	1
Pre-tax statement of comprehensive income impact	4 479	803
<b>Credit risk management</b>		
Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in financial loss to the company.		
The company's cash and cash equivalents and short-term deposits are placed with major banks with strong credit ratings.		
The carrying amounts of financial assets included in the statement of financial position represent the company's maximum exposure to credit risk in relation to these assets.		
<b>Liquidity risk management</b>		
Liquidity risk is the risk that the company will be unable to meet a financial commitment when it falls due. This risk is minimised through the holding of cash balances and banking facilities.		
In addition, cash forecasts are monitored so that the cash needs of the company are managed according to its requirements.		
The ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding.		
The following tables detail the company's remaining contractual maturity for its financial liabilities based on the expected repayment profile.		
The tables have been prepared based on the undiscounted cash flows of financial liabilities and are based on the earliest date on which the company can be expected to pay.		

## 21. FINANCIAL RISK MANAGEMENT *(continued)*

The tables include both interest and principal cash flows.

	Contractual cash flows				
	No terms R'000	Within 1 year R'000	2 – 5 years R'000	5 years R'000	Total R'000
<b>Company</b>					
<b>2024</b>					
<b>Assets</b>					
Loans to group companies	105 066	–	–	–	105 066
<b>Liabilities</b>					
Loans from group companies	(184 799)	–	–	–	(184 799)
Trade and other payables	–	842	–	–	842
	<b>(79 733)</b>	<b>842</b>	<b>–</b>	<b>–</b>	<b>(78 891)</b>
<b>2023</b>					
<b>Assets</b>					
Loans to group companies	782 166	–	–	–	782 166
<b>Liabilities</b>					
Loans from group companies	(47 766)	–	–	–	(47 766)
Trade and other payables	–	(1 022)	–	–	(1 022)
	<b>734 400</b>	<b>(1 022)</b>	<b>–</b>	<b>–</b>	<b>733 378</b>

## 22. RELATED PARTY INFORMATION

### Related party balances

#### Loan accounts – owing (to)/by group companies

For group loans please refer to note 5.

### Related party transactions

#### Interest received from group companies

	2024 R'000	2023 R'000
Eqstra Corporation Limited	9 336	13 202
	<b>9 336</b>	<b>13 202</b>

#### Guarantee fees received from group companies

	2024 R'000	2023 R'000
African Group Lubricants Proprietary Limited	4 211	–
	<b>4 211</b>	<b>–</b>

#### Management/administration fees received from group companies

	2024 R'000	2023 R'000
enX Leasing Investments Proprietary Limited	–	998
	<b>–</b>	<b>998</b>

#### Dividends received

	2024 R'000	2023 R'000
Eqstra Investment Holdings Proprietary Limited	–	235 183
enX Ventures PL Proprietary Limited (dividend in specie)	125 772	–
	<b>125 772</b>	<b>235 183</b>

# NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

for the years ended

## 23. SUBSEQUENT DATE EVENTS

Refer to note 37 in the group financial statements.

There have been no material events subsequent to year-end that have not been taken into account in the financial statements.

## 24. GOING CONCERN

When managing its cash and banking resources, the company's objectives are to safeguard its ability to continue as a going concern and to create long-term value for stakeholders. Based on our assessment of the prospects and cash flows at the date of signing we believe that the surplus cash and receivables we have in place provides sufficient liquidity for the businesses to continue as a going concern in the foreseeable future. In addition, the majority of loans with group companies relate to subsidiaries in which the company holds investments. The loans are held at carrying values that the board expects to recover should these subsidiaries be disposed of or in the ordinary course of business as a going concern. The company is expected to be able to settle any current liabilities as they become due. Accordingly, the company is considered to be a going concern.

# ANNEXURE A – INTEREST IN PRINCIPAL SUBSIDIARIES

for the year ended 31 August 2024

The following relates to enX Group Limited's direct interest in its significant subsidiaries:

Company	Nature of business	Place of incorporation	Interest owned directly or indirectly	Ordinary shares in issue	Book value of interest			
					Shares		Loans	
					2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>SUBSIDIARIES AND GROUP LOANS</b>								
<b>Shares held directly</b>								
enX Trading Investments Proprietary Limited	Corporate	South Africa	100%	150 000	516 077	516 077	161 372	235 875
Eqstra Investment Holdings Proprietary Limited	Corporate	South Africa	–	10 100	–	1 088 521	–	(47 278)
enX Leasing Investments Proprietary Limited	Corporate	South Africa	100%	118	94 233	170 830	(13 054)	(152 721)
enX Ventures PL Proprietary Limited <sup>^</sup>	Corporate	South Africa	100%	6	125 772	380 576	(276 347)	(240 615)
K2016224128 (South Africa) Proprietary Limited	Corporate	South Africa	100%	100	**	**	9 865	6 665
<b>Shares held indirectly</b>								
enX Corporation Limited	Fleet	South Africa	–	1 088 226	–	574 235	–	576 579
New Way Power Proprietary Limited	Power	South Africa	100%	100	90 972	219 120	12 321	18 377
West African International Proprietary Limited	Chemicals	South Africa	100%	200 000	192 436	192 436	(37 672)	(144 886)
Centlube Proprietary Limited	Lubricants	South Africa	66%	100 000	59 317	59 317	(40 875)	(40 875)
Centlube Holdings Proprietary Limited	Lubricants	South Africa	100%	100 000	**	**	9	9
African Group Lubricants Proprietary Limited	Lubricants	South Africa	66%	200 000	59 317	59 317	40 875	40 875
PowerO <sup>2</sup> Proprietary Limited	Power	South Africa	100%	300	**	**	5 602	(18 377)
Other subsidiaries	Various				6 243	6 243	–	–

<sup>^</sup> enX Ventures PL Proprietary Limited was historically Eqstra NH Equipment Proprietary Limited, the name changed in the current year.

\*\* Amount less than R1 000

# ANNEXURE A – INTEREST IN PRINCIPAL SUBSIDIARIES (continued)

for the year ended 31 August 2024

	2024 R'000	2023 R'000
<b>RESULTS OF SUBSIDIARIES</b>		
The aggregate profits and losses of subsidiaries included in investments, after taxation attributable to the company are:		
– Profits	811 514	450 580
– Losses	(601 974)	(154 718)

Company	Place of incorporation	Non-controlling share		Profit/(loss) allocated to non-controlling interest		Accumulated earnings from non-controlling interest	
		2024 %	2023 %	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>NON-CONTROLLING INTEREST</b>							
Amasondo Proprietary Limited*	South Africa	–	40%	1 314	7 065	–	28 637
Eqstra PVPS Proprietary Limited <sup>^</sup>	Lesotho	–	20%	–	–	–	3 998
Omathemba Fleet Services Proprietary Limited <sup>#</sup>	Namibia	–	0%	–	3 300	–	–
Centlube Proprietary Limited	South Africa	34%	34%	18 707	16 808	46 023	27 318
				20 021	27 173	46 023	59 953

\* During the current year enX repurchased the 40% non-controlling interest in Amasondo Proprietary Limited, subsequently 100% of the investment in Amasondo Proprietary Limited was sold effective 1 June 2024 as part of the Eqstra transaction.

<sup>^</sup> During the current year Eqstra PVPS Proprietary Limited was deregistered, prior to deregistration the accumulated profits were distributed to shareholders as a dividend.

<sup>#</sup> During the prior year enX repurchased the 30% non-controlling interest in Omathemba Fleet Services Proprietary Limited, Omathemba Fleet Services Proprietary Limited is 100% owned by enX as at 31 August 2024. During the current year the investment in Omathemba Fleet Services Proprietary Limited was sold effective 1 June 2024 as part of the Eqstra transaction.

# SHAREHOLDERS' PROFILES

	Number of shares
Issued ordinary shares on 1 September 2023	182 312 650
Issued during the year	–
<b>Issued ordinary shares as at 31 August 2024</b>	<b>182 312 650</b>
Shares held in treasury by subsidiary companies	(945 887)
<b>Issued ordinary shares, net of treasury shares, at 31 August 2024</b>	<b>181 366 763</b>
<b>Weighted average number of shares in issue, net of treasury shares, at 31 August 2024</b>	<b>181 366 763</b>

Public/non-public shareholders	Number of		Number of	
	shareholders	%	shares	%
Non-public shareholders	10	0.4	90 458 155	49.6
Directors, prescribed officers and managers of the group	7	0.3	21 377 700	11.7
Shares held by subsidiaries	1	–	945 887	0.5
Beneficial shareholders holding more than 10% (excl. shares indirectly held by directors)	2	0.1	68 134 568	37.4
Public shareholders	2 609	99.6	91 854 495	50.4
	2 619	100.0	182 312 650	100.0
<b>Shareholder spread</b>				
1 – 1 000 shares	2 120	80.9	253 248	0.1
1 001 – 10 000 shares	283	10.8	1 074 304	0.6
10 001 – 100 000 shares	141	5.4	5 349 793	2.9
100 001 – 1 000 000 shares	52	2.0	17 960 996	9.9
1 000 001 shares and above	23	0.9	157 674 309	86.5
	2 619	100.0	182 312 650	100.0
<b>Beneficial shareholders holding 5% or more</b>				
MCC Contracts			61 305 360	33.6
PSG			19 482 634	10.7
Samvenice Trading			12 782 271	7.0
<b>Fund managers holding 5% or more</b>				
PSG Asset Management			19 497 164	10.7
<b>Geographical spread</b>				
South Africa			175 599 374	96.3
Mauritius			4 296 105	2.4
Australia			2 127 053	1.2
Other foreign			290 118	0.1
			182 312 650	100.0
<b>Distribution of shareholders</b>				
Private companies			132 000 694	72.4
Collective investment schemes			19 482 634	10.7
Retail shareholders			15 101 008	8.3
Close corporations			6 714 322	3.7
Stockbrokers, nominees and custodians			4 175 269	2.3
Managed and hedge funds			2 742 386	1.5
Trusts			1 896 854	1.0
Other			199 482	0.1
			182 312 650	100.0

# SHAREHOLDERS' PROFILES (continued)

## Directors' ordinary shareholding\*

	Direct beneficial shareholding	Indirect beneficial shareholding	Total shareholding	% shareholding
<b>Balance 31 August 2023</b>	91 224	49 973 961	50 065 185	27.5
W Chapman <sup>@</sup>	–	29 367 641	29 367 641	16.1
P Baloyi <sup>#</sup>	–	9 669 213	9 669 213	5.3
A Hannington <sup>+</sup>	–	10 937 107	10 937 107	6.0
R Lumb	91 224	–	91 224	0.1
<b>Movement during 2024</b>	–	(29 367 459)	(29 367 459)	(16.1)
<b>Balance 31 August 2024</b>	<b>91 224</b>	<b>20 606 502</b>	<b>20 697 726</b>	<b>11.4</b>
P Baloyi <sup>#</sup>	–	9 669 395	9 669 395	5.3
A Hannington <sup>+</sup>	–	10 937 107	10 937 107	6.0
R Lumb	91 224	–	91 224	0.1

No share dealings took place between year-end and reporting date.

# PC Baloyi holds shares indirectly by virtue of a 45% shareholding in CapLeverage, 2.74% (2023:2.74%) indirect shareholding in MCC and 5.55% (2023:5.55%) in African Phoenix.

@ W Chapman resigned on 22 April 2024. In 2023 he indirectly held shares by virtue of a 42.61% indirect shareholding in MCC and 39.78% in African Phoenix.

+ A Hannington indirectly held shares at 31 August 2024 by virtue of a 17.9% indirect shareholding in MCC. A Hannington resigned on 25 September 2024 as CEO and director of enX.

\* The table detailing the directors' ordinary shareholding above has been audited.

# SHAREHOLDERS' PROFILES (continued)

## Shareholders' information

### Listing and other information

The principal market for enX is the JSE Limited and shares trade through the STRATE system. Closing JSE share prices are published in most national and regional South African newspapers under the General Industries sector. The share prices are also available during the day on the enX website.

### Shareholder communication

Shareholders can obtain updated announcements and general information regarding enX throughout the year on enX's website: [www.enxgroup.co.za](http://www.enxgroup.co.za).

Shareholders wishing to view the annual or interim reports in electronic rather than paper form can access it on the enX website.

Computershare is the transfer secretary of enX. All general enquiries and correspondence concerning shareholders should be directed to the secretaries. Shareholders must notify Computershare promptly of any change of address.

Full details of how shareholders can obtain information regarding their own shareholding on the internet are provided on the Computershare's website ([www.computershare.com](http://www.computershare.com)).

<b>Stock exchange performance</b>	<b>31 August 2024</b>	31 August 2023
Number of shares in issue	182 312 650	182 312 650
Number of shares traded	46 312 255	25 629 358
Value of shares traded (R)	341 330 629	176 062 933
<b>Market price (cents per share)</b>		
Closing price at 31 August	563	745
Highest closing market price	1 023	800
Lowest closing market price	476	461
Market capitalisation	1 026 420 220	1 358 229 243

## Integrated annual reports

Should you wish to receive a printed copy of enX's 2024 integrated annual report, please request same from the contact persons listed at the end of this report, or from the company's website or from [info@enxgroup.co.za](mailto:info@enxgroup.co.za).

# GLOSSARY OF TERMS

## ENTITIES 1

enX or the company	enX Group Limited, registration number 2001/029771/06, a JSE listed entity
enX Group or the group	enX Group Limited and all its subsidiary companies, comprising three segments: <ul style="list-style-type: none"> <li>• enX Power</li> <li>• enX Lubricants</li> <li>• enX Chemicals</li> </ul>
enX Power or Power	A segment within enX, which distributes, rents, leases and provides value add services to generators and <ul style="list-style-type: none"> <li>• New Way Power (New Way Power Proprietary Limited, a wholly-owned subsidiary of enX Trading), and</li> <li>• Power02 (Power02 Proprietary Limited, a wholly-owned subsidiary of enX Trading)</li> </ul>
enX Lubricants or	A segment within enX, which distributes lubricants, comprising <ul style="list-style-type: none"> <li>• AGL (African Group Lubricants Proprietary Limited, a wholly-owned subsidiary of enX Trading,</li> <li>• Centlube (Centlube Proprietary Limited, a wholly-owned subsidiary of enX Trading) and</li> <li>• Zestcor (Zestcor Eleven Proprietary Limited, a 37% associate of enX)</li> </ul>
enX Chemicals or Chemicals	A segment within enX, which distributes plastics polymer and natural rubber comprising: <ul style="list-style-type: none"> <li>• WAG (West African International Proprietary Limited and West African International, a subsidiary of enX Trading)</li> <li>• WAG Chem (WAG Chemicals Proprietary Limited, a subsidiary of enX Trading)</li> </ul>
Abakulu	Abakulu Energy Proprietary Limited, a 34% shareholder of Centlube
enX Investments	enX Investments Holdings Proprietary Limited, a wholly-owned subsidiary of enX Group
enX Trading	enX Trading Proprietary Limited, wholly-owned subsidiary of enX Group

## PREVIOUS SUBSIDIARIES

Discontinued operations - enX Fleet or Eqstra	A segment within enX, which provides passenger and commercial vehicle fleet management solutions, leasing and value add services comprise: <ul style="list-style-type: none"> <li>• Eqstra (Eqstra Fleet Management and Logistics business, including enX Corporation Limited a wholly-owned subsidiary of Eqstra Investments) and</li> <li>• Kynite (Kynite Solutions (Pty) Ltd, a wholly-owned subsidiary of Eqstra Investments)</li> </ul>
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## REGULATORY

B-BBEE	Broad-Based Black Economic Empowerment
Companies Act	the Companies Act, 2008 (Act No. 71 of 2008), as amended, or any law that may replace it wholly or in part, from time to time
the Income Tax Act	the Income Tax Act, 1962 (Act No. 58 of 1962), as amended, or any law that may replace it wholly or in part, from time to time
JSE Listings Requirements	the listings requirements of the JSE Limited
King IV™	King IV Report on Corporate Governance for South Africa, 2016
TRP	Takeover Regulation Panel, as established in terms of section 196 of the Companies Act No 71 of 2008 (the Act) as a juristic person.
VAT	Value added tax of SA, charged on taxable supplies made. VAT is charged at either the standard rate (currently 15% or zero rate 0%).

## ACCOUNTING STANDARDS AND REGULATORS

IAS 12	IAS 12 – Income taxes
IAS 28	IAS 28 – Investments in Associates and Joint Ventures
IAS 34	IAS 34 – Interim Financial Reporting
IAS 16	IAS 16 – Property, Plant and Equipment
IAS 36	IAS 36 – Impairment of Assets
IAS 37	IAS 37 – Provisions, Contingent Liabilities and Contingent Assets
IFRS 3	IFRS 3 – Business Combinations
IFRS 5	IFRS 5 – Assets held for sale
IFRS 9	IFRS 9 – Financial Instruments
IFRS 16	IFRS 16 – Leases
IRBA	Independent Regulatory Board for Auditors
ISA	International Standard on Auditing
IASB	International Accounting Standards Board
FRSC	Financial Reporting Standards Council
SAICA	The South African Institute of Chartered Accountants

## DEFINED TERMS

AFS	Annual financial statements
AGM	Annual general meeting
ARC	Audit and risk committee of enX
MOI	Memorandum of Incorporation
the board	The board of directors of enX Group Limited
the directors	The appointed directors of enX Group Limited board in terms of the requirements of the Companies Act
significance	Significance is determined by referring to qualitative and quantitative factors. Qualitative factors include providing the users of the summarised audited consolidated AFS with relevant information that assists with their decision-making process. These include both the nature of the transactions together with the contributions to amounts reported. Quantitative factors measure the transactions with reference to the group's internal materiality threshold of 5% of annual profit before tax
Assessment of control	An assessment of control is performed annually for each entity within the group, including those acquired during the financial year. In performing this assessment, senior management determines whether or not the group has control over the entity based on whether the group has the practical ability to direct the significant activities unilaterally. The following factors are considered during the assessment: The ability of the group to unilaterally appoint the majority of board members of the entity; <ul style="list-style-type: none"> <li>• Composition of the entity's board and board appointees of the group;</li> <li>• Any contractual or legal rights conferred upon the group by the entity or any other shareholder of the entity to direct its activities; and</li> <li>• The group's shareholding in the investee relative to external shareholders</li> </ul>
CGUs	Cash-generating units
Operating assets	Operating assets are all assets less loans receivable, taxation assets, cash resources and assets classified as held-for-sale
Operating liabilities	Operating liabilities are all liabilities less all interest-bearing debt, and taxation liabilities
Net working capital	Net working capital includes inventories, trade and other receivables, derivative instruments, less provisions, trade and other payables
Interest-bearing borrowings	Interest-bearing borrowings include interest-bearing debt excluding Lease liabilities
Debt	Debt includes interest-bearing borrowings and lease liabilities less cash resources
Net debt	Includes total interest-bearing debt (excluding the lease liabilities in terms of IFRS 16) less cash resources
Net capital expenditure	Net capital expenditure includes expansion and net replacement expenditure of property, plant and equipment, leasing assets and intangible assets

# GLOSSARY OF TERMS (continued)

## DEFINED TERMS (continued)

Net operating expenses	Net operating expenses include operational income and expenditures such as cost of sales, total employee costs, operating leases and other operational costs or income. Other operational costs or income include auditor's remuneration, profit on termination of lease contracts, impairment of right-of-use assets, remeasurement of contingent consideration, and other items
EBIT	Earnings before interest and taxation
EBITDA	Earnings before interest, taxation, depreciation, amortisation and share of results from associates
Depreciation, amortisation and impairments, net of recoupments	Depreciation and amortisation includes depreciation and amortisation of property, plant, equipment, intangible assets, right-of-use assets and leasing assets. Impairments include impairments on property, plant, equipment, investment properties and intangible assets. Recoupments include profit or losses on the sale of property, plant, equipment and intangible assets
NCI	Non-controlling investment or investment in minority
Operating profit before capital items and net foreign exchange gains	Operating profit is the earnings before capital items, net foreign exchange adjustments for items that do not qualify for cash flow hedge accounting including non-hedged items, net finance costs and taxation
Other capital costs	Other capital costs are items of income and expenditure relating to the: <ul style="list-style-type: none"> <li>• Impairment of goodwill and investments in associates and joint ventures; and</li> <li>• Profit or loss on the sale of investments in subsidiaries and associates and other businesses</li> </ul>
Operating margin (%)	Operating profit before capital items and net foreign exchange adjustments divided by revenue
ECL	Expected credit losses
FVTPL	Fair value through profit or loss
CPI	Consumer price index
PBT	Profit before tax (PBT) accounts for all the profits enX generates, whether through continuing operations or non-operating activities. It's also known as "earnings before tax (EBT)" or "pre-tax profit."
ROE	Return on equity (ROE) is a measure of financial performance calculated by dividing by net income by shareholders' equity. Shareholders' equity is equal to enX's total assets minus total debt. ROE is considered the return on net assets
HEPS	Headline earnings include earnings based on operational, trading, and capital investment activities achieved during the year, excluding: <ul style="list-style-type: none"> <li>- profits or losses associated with the sale or termination of discontinued operations, fixed assets or related businesses or</li> <li>- from any permanent devaluation or write-off of their values</li> <li>- net of the tax effect on above</li> </ul> Divided by the number of shares in issue less treasury shares
NAV	Net asset value (NAV) per share is the equity attributable to the owners of enX divided by the total ordinary shares in issue, net of treasury shares
Return on invested capital or ROIC (%)	The return divided by invested capital. The return is the aggregate of a post-tax operating profit for the last 12 months. Post-tax operating profit is calculated as: <ul style="list-style-type: none"> <li>• Operating profit before capital items and net foreign exchange adjustments</li> <li>• Less share of results from associates which already includes the impact of tax</li> <li>• Add share of results from associates</li> </ul> Invested capital is a 12-month average of the monthly total equity plus debt
Weighted average cost of capital or WACC (%)	The weighted average cost of capital is the 12-month average of the monthly calculated weighted average cost of capital. The monthly weighted average cost of capital is calculated by multiplying the cost of each invested capital component by its proportionate share of invested capital and then aggregating the results. The cost of debt and equity is determined with reference to the prevailing SA rates
PPE	Property, plant and equipment
the previous year or the prior year or FY2023	The year ended 31 August 2023

**DEFINED TERMS (continued)**

the year or the year under KPMG Inc.	The year ended 31 August 2024 KPMG Services Proprietary Limited, a South African company is a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee and is the independent external auditors of enX group from 15 March 2023
LTI	Long-term incentive
R'000	South African rands, where the values in financial statements have been rounded off to the nearest thousand rand
SA	Republic of South Africa
SADC	Southern Africa Development Community region
SENS	News dissemination service of the JSE
SARS	South African Revenue Services
SARs	Share appreciation rights are conditional rights to receive shares equal to the difference between the enX
STI	Short-term incentive

# ADMINISTRATION

## NAME AND REGISTRATION NUMBER

enX Group Limited  
Registration number: 2001/029771/06  
JSE share code: ENX  
ISIN: ZAE000222253

## REGISTERED OFFICE AND BUSINESS ADDRESS

9th Floor, Katherine Towers, 1 Park Lane, Sandton  
PostNet Suite X86, Private Bag X7, Aston Manor, 1630  
Tel: +27 10 013 2703

## SPONSOR

The Standard Bank of South Africa Limited  
30 Baker Street, Rosebank 2196  
Tel: x+27 (0) 11 721 6125

## EXTERNAL AUDITORS

KPMG Inc.  
Private Bag X9, Parkview, 2122  
Tel: +27 (0)11 647 7111

## TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited  
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196  
South Africa  
Private Bag X9000, Saxonwold, 2132  
Tel: +27 11 370 5000

## DATE OF INCORPORATION

12 December 2001

## DATE OF LISTING

1 February 2007

## TIP-OFFS ETHICS LINE

Free call: +27 800 212677  
Free fax: +27 800 007788  
Email: [enx@tip-offs.com](mailto:enx@tip-offs.com)

## EXECUTIVE DIRECTORS

RA Lumb (CEO)  
J Dawson (CFO)

## NON-EXECUTIVE DIRECTORS

PC Baloyi (Chairman)  
RD Mokhobo\* (Lead)  
ZK Matthews\*  
NV Simamane\*

*\*Independent*

## AUDIT AND RISK COMMITTEE

RD Mokhobo\* (Chair)  
NV Simamane\*  
ZK Matthews\*

## REMUNERATION AND NOMINATION COMMITTEE

PC Baloyi (Chair Nomination)  
ZK Matthews\* (Chair Remuneration)  
NV Simamane\*

## SOCIAL AND ETHICS COMMITTEE

NV Simamane\* (Chair)  
PC Baloyi  
ZK Matthews\*

## DIVISIONAL EXECUTIVES

G Rosettenstein (WAG)  
C Silver (New Way Power)  
J Govender (AG Lubricants)

## COMPANY SECRETARY

Acorim Proprietary Limited, represented by Roxanne Cloete

## WEBSITE

[www.enxgroup.co.za](http://www.enxgroup.co.za)