

## EOH HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1998/014669/06)

JSE share code: EOH ISIN: ZAE000071072

("EOH" or "the Group")



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## SETTLEMENT REACHED ON THE PAYE DISPUTE BETWEEN SARS AND EOH ABANTU (PTY) LTD

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In the pre-close statement issued by EOH on 31 January 2024 reference was made to the outstanding legacy issue regarding the PAYE dispute between EOH Abantu (Pty) Ltd t/a Highveld ("**Abantu**") and the South African Revenue Service ("**SARS**").

Abantu and SARS have continuously engaged on this matter and have agreed to final settlement terms. The salient terms of the settlement include:

- The payment of R112 million, payable on or before 1 March 2024. This amount is in line with Abantu's year-end provisions and therefore has no effect on the Group income statement.
- Abantu to forfeit its tax receivable credit of R6,9 million. This was not provided for and will negatively affect the income statement on the tax line.
- Abantu to forfeit its assessed loss of R34,5 million. This has no income statement or balance sheet effect as no deferred tax provision was raised previously.

The agreement with Standard Bank is as follows:

- Agreement for a temporary increase to facilities to allow for payment to be made before 1 March 2024.
- Due to successful sales of non-core assets the additional facility requirements are limited to R63 million.
- Agreement to waiving the loan covenants for a period of 12 months to allow additional loan repayments to reduce the EBITDA to total debt covenant ratio below the 2:1 requirement level.
- At year end, the Group reported they would raise at least R75 million in sale proceeds. The Group is on track to meet this commitment.

EOH Group CEO Stephen van Coller said, "We are extremely excited to close out our last significant legacy issue. While this negotiation was frustrating at times from an EOH business perspective, I would like to assure South Africans that in solving this very technical and complex issue, the senior SARS officials were extremely diligent in ensuring the best possible outcome for South Africa.

EOH can now focus firmly on executing our Growth, Efficiency, Talent (GET) strategy. This large legacy issue was the final piece of the very complicated puzzle that was needed to be solved to allow the EOH Group to operate as a normal business."

EOH expects to release its financial results for the six months ended 31 January 2024 on or about 26 March 2024.

29 February 2024

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