Eskom

2026 ANNUAL RESULTS

From recovery to structural sustainability

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31 August 2026

From recovery to structural sustainability

Eskom

❖ Chairman's review	›	Governance, strategy and the reform imperative
❖ Chief Executive's review	›	Operational stability, growth and the energy transition
❖ Chief Financial Officer's review	›	Financial stability, liquidity and the path to standalone sustainability
❖ Outlook	›	The next phase: from recovery to structural sustainability

Operational and financial recovery has become structural, giving Eskom a stable base from which to drive reform and growth. Success depends on sustaining operational gains while resolving structural constraints

Chairman’s review

Governance, strategy and the reform imperative

A reconstituted Board will continue to lead Eskom's transition from recovery to sustainable transformation

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The Board was reconstituted in December 2025 to create a fit-for-purpose Board which combines new skills and institutional memory to steer Eskom's customer-centric strategy within a highly competitive market

15
Directors on the reconstituted Board

8
New non-executive directors appointed, fit to guide the transformation agenda

5
Non-executive directors retained to ensure continuity

MTETO NYATI
Chairman

DAN MAROKANE
Group Chief Executive

CALIB CASSIM
Group Chief Financial Officer

BAJABULILE TSHABALALA
Lead Independent Director

DR ANDREW BARENDSE
Independent non-executive director

DR KGAUGELO CHILOANE
Independent non-executive director

LWAZI GOQWANA
Independent non-executive director

SHARMILA GOVIND
Independent non-executive director

CLIVE LE ROUX
Independent non-executive director

DR DIMAKATSO MATSHOGA
Independent non-executive director

DR TSAKANI MTHOMBENI
Independent non-executive director

TSHOKOLO NCHOCHO
Independent non-executive director

PROF. VUYO PEACH
Independent non-executive director

DR BUSISIWE VILAKAZI
Independent non-executive director

THANDEKA ZONDI-MTHEMBU
Independent non-executive director

Eskom has moved from recovery to transformation; from stabilisation to building a financially sustainable, competitive and future-ready Eskom

Eskom

Operational reliability

Sustained energy availability and an end to loadshedding

1

Financial sustainability

Deleveraging and returning to standalone financial strength

2

Energy transition

A just, orderly shift to cleaner generation

3

Market reform & competition

Enabling a competitive electricity market

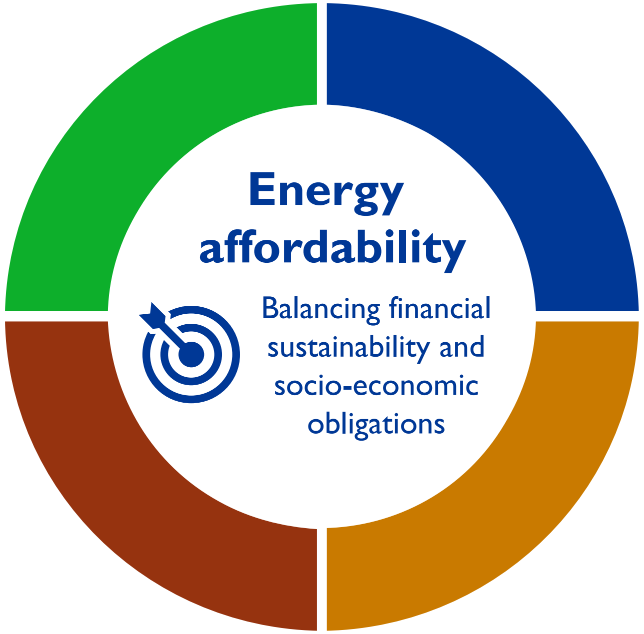
4

Governance & trust

Integrity, accountability and stakeholder confidence

5

- Sustain energy security and operational reliability
- Improve financial sustainability beyond tariff increases while addressing affordability
- Address sales decline and resolve municipal arrear debt
- Deliver a practical and just energy transition through Eskom Green
- Advance reform to support a competitive, sustainable electricity market



Stable liquidity gives Eskom the confidence to plan, invest and execute. Sustaining strong operational cash flows is critical as the debt relief programme comes to an end and we deliver our R343 billion capex programme

Reshaping Eskom to respond to the challenges and opportunities presented by a competitive and sustainable electricity market

- Unbundling remains central to Eskom's long-term transformation and is sequenced to support market reform while protecting sustainability
- Market reform is reshaping the electricity industry and requires a new business model to ensure relevance
- The establishment of an independent Transmission System Operator remains a critical reform that must be executed in a way that does not harm Eskom's financial sustainability
- Phase II of the ERTT will prioritise financial sustainability, municipal debt and Eskom's obligations to lenders

1 Legal and structural separation

- NTCSA legally established as a separate subsidiary (2024)
- NTCSA Grid Access Unit established to ensure fair grid access

2 Regulatory and market approvals

- Approved NERSA Market Operator licence secured
- Participated in the process leading to the approval of Grid Capacity Allocation Rules being gazetted

3 Market participation and growth

- 100+ IPPs connected to the grid since 2012, and 60+ wheeling participants on the transmission grid
- Eskom contributes to emerging market design through the Electricity Market Advisory Forum

Group Chief Executive's review

Operational stability, growth and the energy transition

A year of strong performance has laid the foundation for transformation

Eskom

365 loadshedding-free days by **15 May 2026**

Profit after tax of **R30.3 billion** (from R14 billion in FY2025)

EAF 65.16% plant availability improved relative to 60.60% in FY2025

799MW Kusile Unit 6 synchronised

270.8km additional HV lines and **4 000MVA** transformers installed

Distribution network **stable** Transmission network **reliability** improved

610 223 smart meters installed

67 578 new electrification connections

13.1TWh lost due to electricity theft

0.18 employee LTIR improved, although we suffered seven fatalities

Emissions deteriorated **0.98kg/MWhSO**

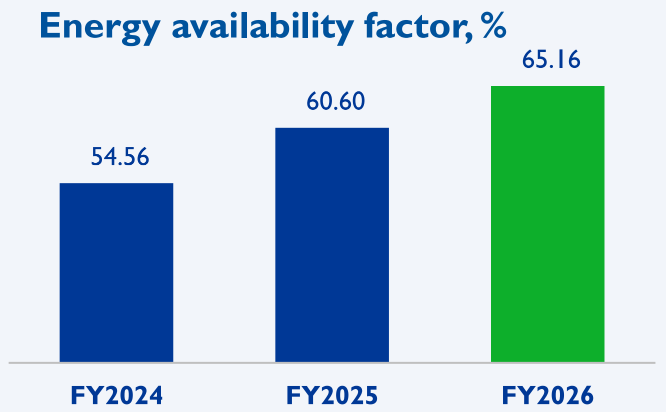
Water use improved **1.34ℓ/kWhSO**

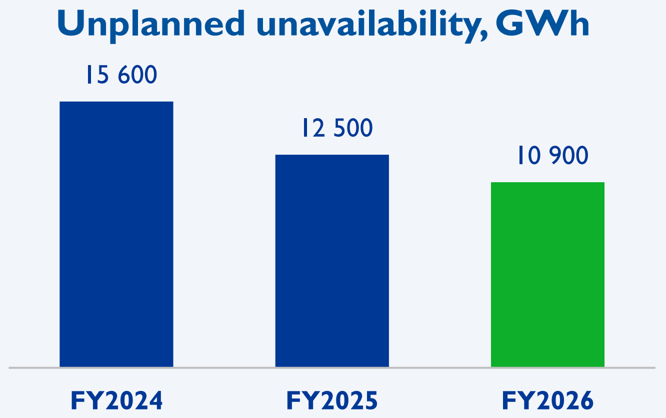
Eskom Green launched on 9 June 2026

The priority now is to convert improved operational and financial performance into long-term structural sustainability, while modernising the electricity system and preparing Eskom to collaborate, compete and lead in a reformed industry

Generation recovery continued gains in prior years through improved reliability and disciplined execution

- Plant availability has improved in each of the last three years, reducing reliance on expensive emergency generation
- The FY2026 step-up was driven by the return of Medupi Unit 4 and Koeberg Unit 1 together with the commissioning of Kusile Unit 6, strengthening system adequacy and reliability
- Improved availability translated into security of supply, with more than 460 consecutive days without loadshedding by August 2026
- The refocused Generation Reliability and Sustainability Plan underpins the trend, shifting the emphasis from short-term recovery to long-term reliability





The focus has shifted to sustaining the structural recovery, driving further performance improvements, reducing unplanned outages and progressing towards the medium-term EAF target of 70%

Unlocking South Africa's energy future through grid expansion and market enablement

2021	2024	2026	FY2027	Market opening
Functional separation	NTCSA subsidiary established	Licence and grid rules secured	Ring-fencing complete	Competitive trading at scale

Progress delivered

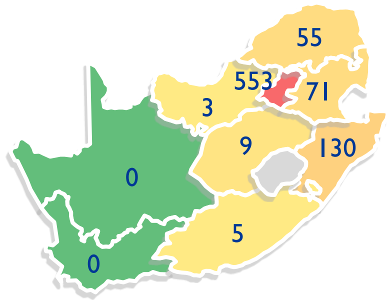
- Market Operator licence secured, with grid capacity allocation rules gazetted
- NTCSA legally separated in 2024 with a dedicated Grid Access Unit in place
- 100+ IPPs connected and 60+ wheeling participants trading on the network
- 270.8km of high-voltage transmission lines and 4 000MVA transformer capacity added in FY2026, with reliability improving

Focus on enabling the market

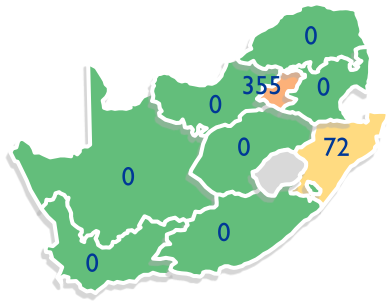
- Deliver the Transmission Development Plan to unlock the Cape corridors
- Mobilise private capital via supplier panels and Independent Transmission Projects
- Maximise existing grid capacity while new infrastructure is built
- Broaden participation through wheeling, competition and regional trade
- Shape market design with NERSA so that the market opening protects both the industry and Eskom's sustainability

NTCSA will continue to advance innovative solutions to maximise available grid capacity, while progressing transmission infrastructure delivery

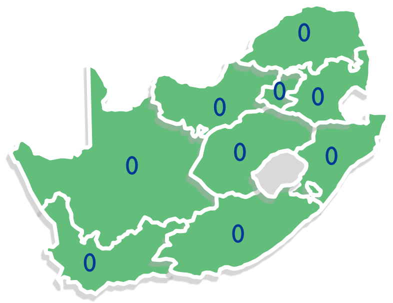
The distribution business connects Eskom to end-users through a modernised distribution network



At inception



August 2026



March 2027

- Load reduction meaningfully reduced, relieving around 1.2 million customers and achieving load reduction-free status in seven provinces, with full elimination targeted by March 2027
- Targeted interventions addressed the root causes – illegal connections, meter tampering, electricity theft, network overloading and non-payment, particularly in high-risk areas
- Smart metering and network modernisation advanced, strengthening revenue protection, outage visibility, demand management and reduction of electricity theft, despite challenges
- Customer centricity and service performance improved, supported by stronger customer engagement, improved responsiveness and customer satisfaction levels ahead of target
- Distribution is preparing for a more competitive electricity market, developing new trading capabilities and customer-focused products and services
- Focus is shifting from managing demand constraints to improving network performance, protecting revenue, enabling growth and supporting new opportunities such as customer wheeling, data centres and distributed energy resources

Distribution will continue to improve reliability, protect revenue and advance equitable access to electricity while laying the foundation for NEDCSA

Eskom Green has been established and is anchoring a 32GW renewables and storage ambition to deliver a diversified energy future

17
high-priority projects across the coal footprint

6GW
carbon-free electricity targeted by FY2030

32GW
renewables and storage ambition by FY2040

9 June 2026
Eskom Green launched

July 2026
PFMA approvals secured

From FY2027
Advancing 2GW renewables and storage pipeline

FY2031
3GW of new gas capacity

Ring-fenced funding platform

Up to R25 billion a year in green financing and sustainability-linked issuances from FY2028, supported by the EU's €4.7 billion green energy package

Coal sites repowered and repurposed

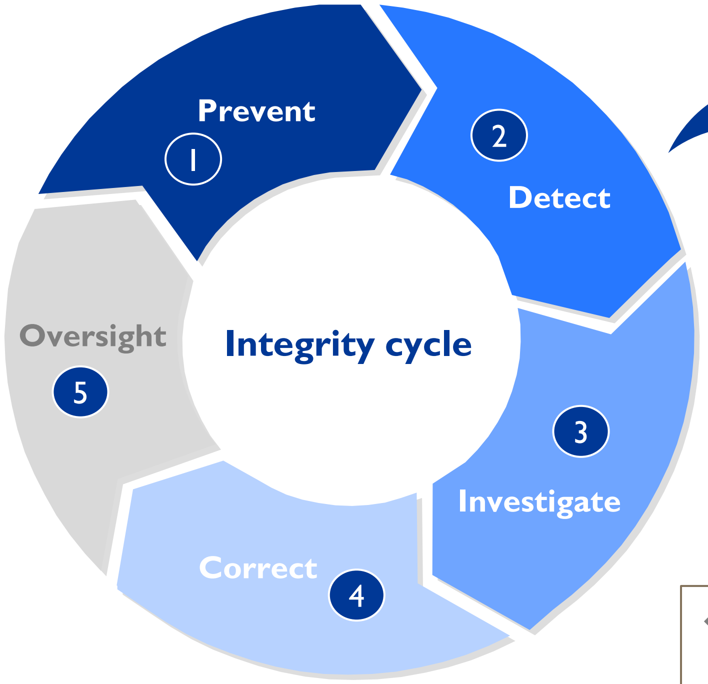
Komati, Grootvlei, Camden and Hendrina lead six priority sites, targeting around 1 000 new jobs and reskilling 15 000 employees by FY2031

A reliable, cleaner system

Renewables at 11.7% of power supplied in FY2026, with storage and gas providing the flexible capacity that keeps the system firm

Private and concessional capital through project-financed special purpose vehicles will be key to improving bankability to reduce reliance on Eskom Holdings' balance sheet and Government support

A structured, intelligence-led response is strengthening our fight against criminality and misconduct



1. Proactive prevention of crime, fraud and corruption
2. Faster identification of suspicious activity
3. Effective analysis and confirmation of fraudulent / criminal activity
4. Case resolution, prevention of recurrence and recoveries
5. Improving oversight and monitoring of the combined assurance model

710
Active forensic cases
Cases from 2018 up to 31 March 2026

- Raptor Fusion Centre launched on 6 February 2026 to address high-priority incidents through intelligence-driven investigations and rapid response interventions
- Reinstated probity checks and proactive assurance on high-value tenders

Outcomes

- 505 arrests
- 13 convictions
- 15 employees dismissed from forensic referrals
- 101 suppliers restricted from doing business with Eskom
- 299 criminal cases reported to SAPS (279 referred to the DPCI under PRECCA)

Interventions underway to address forensic backlog

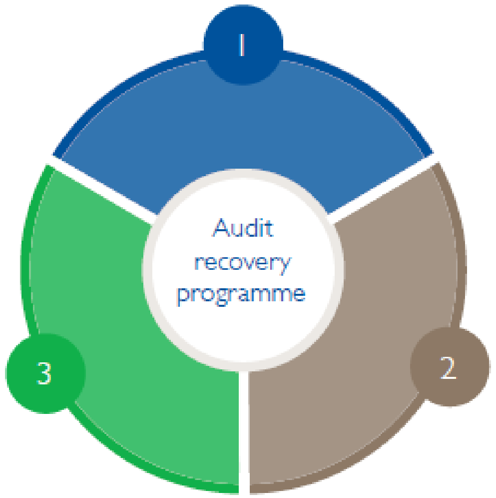
New forensic panel tender	Backlog project tender	Permanent recruitment	Referral to Raptor Fusion Centre	PMO report review	Current panel
In progress (Q3 FY2027)	In progress (Q3 FY2027)	In progress (Q3 FY2027)	In progress	In progress	In progress (expires Q3 FY2027)

Chief Financial Officer’s review

Financial stability, liquidity and the path to standalone sustainability

Our audit recovery programme has advanced from its initial recovery phase to embedding control improvements

PROGRESS THROUGH THE AUDIT RECOVERY PROGRAMME



- Shifted from administrative closure of findings to addressing root causes and embedding clearer accountability
- Strengthened audit evidence and documentation disciplines
- Enhanced controls in high-risk areas
- Advanced PFMA remediation and reduced backlog of assessments and determinations
- Embedded audit readiness as an ongoing discipline

EARLY SIGNS OF STRENGTHENED CONTROLS

FY2026 external audit concluded more timeously

Audit qualification has narrowed
Limited to the ***completeness*** of irregular expenditure disclosure No longer extends to *accuracy* of irregular expenditure or to ***losses due to criminal conduct***

Value of new irregular expenditure was limited
Of R4.9 billion incurred, only R28 million related to new matters (the balance from existing multi-year contracts)

Addressing backlog of PFMA assessments and determinations

No new reportable irregularities raised, with four historic matters closed – only environmental matters remain open

Control environment requires continued focus
Assessed as adequately designed but requires stronger first-line assurance and more effective implementation. Combined assurance maturity assessment planned for FY2027

Financial recovery is translating into resilience – profitability improved, reflecting operational gains, cost discipline and favourable market movements

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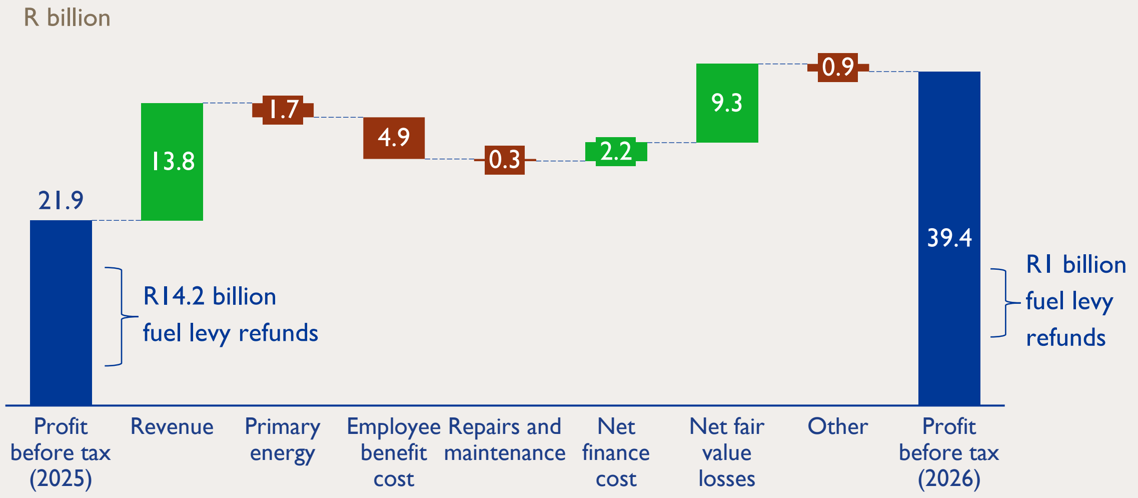
Leading factors contributing to improved profitability



Key drivers

Revenue: 12.74% tariff increase, partly offset by a 6.2% decline in sales

Primary energy: increase distorted by fuel levy refunds in FY2025; underlying costs fell R11.5 billion when excluding fuel levy impact; enabled by more reliable, cheaper generation displacing OCGTs

Net fair value losses: largely non-operational; lower embedded derivative losses and gains on foreign debt (stronger Rand, favourable rates)

Employee benefit costs: higher headcount-related and incentive costs

Finance costs: lower debt and favourable interest rates

GROUP INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH

R million	2026	Restated 2025	% YoY
Revenue	**354 724**	340 895	4▲
Other income	**1 283**	3 265	61▼
Primary energy	**(151 896)**	(150 207)	1▲
Net employee benefit expenses	**(48 060)**	(43 160)	11▲
Net impairment loss and write-downs	**(1 117)**	(7 616)	85▼
Other operating expenses	**(46 286)**	(45 165)	2▲
EBITDA	**108 648**	98 012	11▲
Depreciation and amortisation expenses	**(36 335)**	(31 764)	14▲
Operating profit (EBIT)	**72 313**	66 248	9▲
Net fair value and foreign exchange gains	**(1 126)**	(10 415)	89▼
Net finance cost	**(31 886)**	(34 072)	6▼
Share of profit of equity-accounted investees	**100**	102	2▼
Profit before tax	**39 401**	21 863	80▲
Income tax	**(9 056)**	(7 822)	16▲
Profit for the year	**30 345**	14 041	116▲

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

The restatement of R2 billion for FY2025 relates to:

- R980 million payable to National Revenue Fund for fees related to Government guarantees based on Eskom's improved financial performance
- R1 026 million for provision of public liability claims against Eskom.

Our four finance strategy pillars are building a strong foundation for long-term resilience and sustainability

OUR FINANCE STRATEGY

Improve income statement

REVENUE SECURITY AND ENHANCEMENT
- Adequate tariff path
- Tariff restructuring
- New products and services

BALANCE SHEET OPTIMISATION
- R230 billion debt relief
- Dispose non-core assets
- Diversify funding mix

Operations

COST EFFICIENCIES
- Review cost trajectories and drive efficiencies
- Enhance financial controls
- Root out crime, fraud and corruption

MUNICIPAL DEBT REDUCTION
- Address poor current account payment levels
- Pursue alternative solutions
- Enforce legal rights

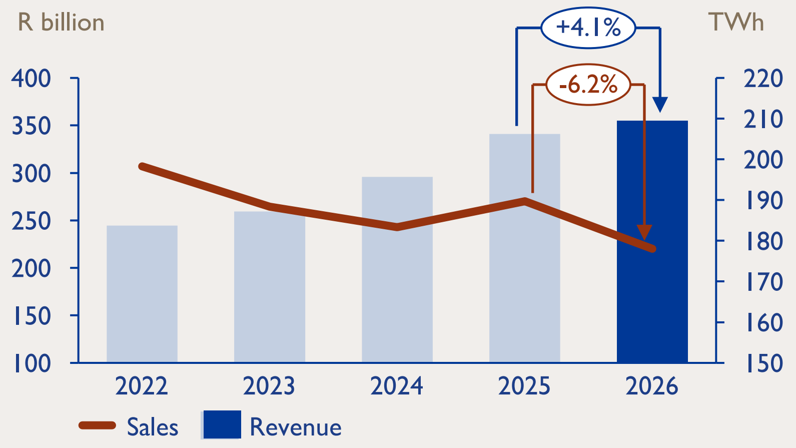
Strengthen balance sheet

Enablers: Audit recovery programme | Digital transformation
ESG integration | Unbundling readiness | Operating model refresh
Talent and culture

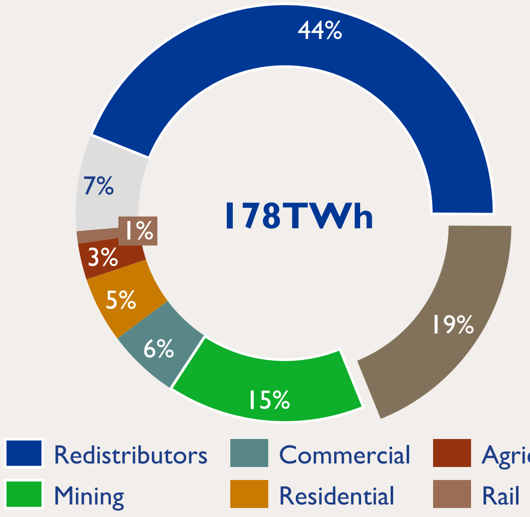
The path to sustainability is dependent on all four pillars being executed simultaneously, within appropriate timeframes

Revenue growth requires demand retention and diversification; tariff increases alone cannot secure Eskom's future

Sales and revenue trend



Electricity sales by customer category



Declining sectors in FY2026

Industrial	▼ 9.7TWh	▼ 22.5%
International	▼ 1.2TWh	▼ 8.3%
Redistributors	▼ 0.7TWh	▼ 0.9%
Agricultural	▼ 0.3TWh	▼ 5.7%
Commercial	▼ 0.1TWh	▼ 0.9%

Industrial decline driven by ferrochrome smelter hardship

GROWING REVENUE BEYOND TARIFF INCREASES

For the first time in over a decade, improved generation availability has created an estimated 2–3GW surplus capacity, positioning Eskom to attract new demand rather than ration it

Revenue growth initiatives

- Retention in a liberalising market: concessionary tariffs for larger industrial smelter customers and customer wheeling optimisation
- Structural demand growth: targeting additional load through data centres targeted, flexible load (including a Bitcoin-mining pilot) and demand-side activation
- Developing South Africa's role as a regional electricity hub to grow export sales
- New products and services: renewable PPAs and EV charging through Eskom Green
- Introducing wholesale pricing arrangements and enhanced price signalling mechanisms

Targeting sales stabilisation at 178TWh over the next five years, with potential growth opportunities beyond that

Even where customers self-generate or buy elsewhere, Eskom will retain revenue through network charges, customer wheeling and revised tariff structures which separate energy charges from the recovery of fixed costs

Cost discipline has become a strategic capability, embedded in how Eskom plans and operates

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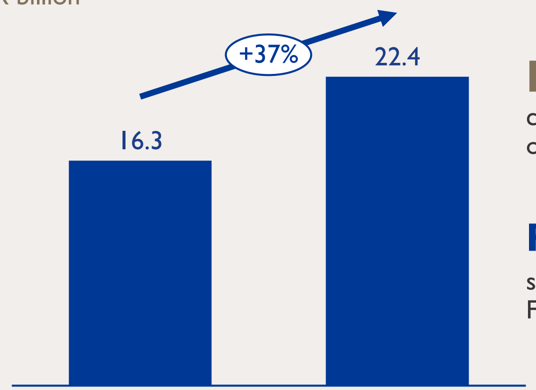
COST OPTIMISATION AND REVENUE ENHANCEMENT (CORE)

CORE contribution

R billion



R38.7 billion
cumulative CORE contribution over the last two years

R21 billion
stretch target for FFY2026 exceeded

FY2025 FY2026 FY2030

R112 billion ambition (FY2026 – FY2030)

R22.4 billion = R14.5 billion cost savings + R7.9 billion revenue uplift

supporting EBITDA and operating cash flows, both directly and indirectly

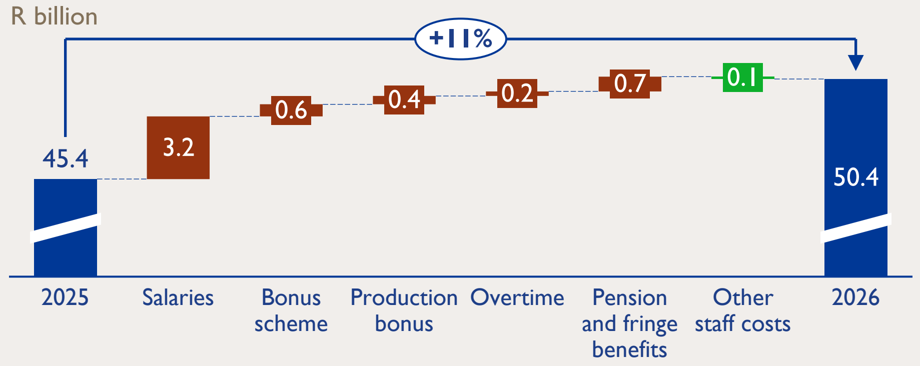
- Cost discipline is being institutionalised as a permanent way of operating – targets embedded in divisional performance commitments from Exco to operational teams
- Cumulative CORE target of R112 billion by FY2030, supporting a sustainable EBITDA margin of around 30% over the next five years
- R5 billion base operating cost reductions built into the budget from FY2027. Additional targets are being assessed to maintain a sustainable pipeline of CORE initiatives to FY2030
- Focusing on sustainable, repeatable gains rather than once-off benefits
- Future focus: primary energy, procurement and supply chain, capital productivity, digital transformation and revenue growth

Key drivers

- Reduced production costs through efficiencies in power generation, including savings on fuel oil, coal, and water consumption
- OCGT utilisation more than halved: combined Eskom + IPP OCGT spend reduced by R10.6 billion (approximately 60% reduction)
- Increased revenue from international electricity sales versus baseline
- Reduced energy losses within the Distribution business, resulting in improved revenue recovery and operational efficiency
- Dispatching to the merit order – cheapest available stations first – as improved base-load availability displaced expensive peaking plant

Investing in the skills behind our recovery, while rewarding performance and containing future cost growth

Movement in gross employee benefit costs



Headcount	Total training spend
43 274 (2025: 42 030)	**R2.2 billion** (2025: R1.5 billion)

Employee bonus obligation (including pension)	Production bonuses
R5.1 billion (2025: R4.2 billion)	**R1.6 billion** (2025: R1.2 billion)

Key drivers

- 7% remuneration adjustments – last year of three-year collective bargaining agreement
- 3% headcount growth to rebuild critical skills for the future to sustain operational gains
- Higher short-term and production bonuses due to improved results

MANAGING COSTS

- New recruitment limited to approved business cases; capacity, role duplication, resource deployment and employee productivity under review
- "Build–Buy–Borrow–Bot" – balancing internal development, targeted hiring, flexible contracting and AI/automation to contain future manpower growth
- Overtime – tighter monitoring of work scheduling and key drivers (theft, vandalism and unplanned losses) to protect critical infrastructure
- Group-wide skills audit in progress to identify future capability requirements and critical skills gaps

REWARDING PERFORMANCE

- Incentive schemes are self-funded – paid based on performance against targets – including profitability and positive cash generation
- Production bonuses are a temporary measure to recover performance
- Employee costs rose R5 billion, but this investment restored plant performance and unlocked R10.6 billion in OCGT savings
- Remuneration is anchored to the market median, balancing affordability with retention of scarce skills
- Review of total reward framework is underway to keep pay market-informed, sustainable and equitable and aligned to performance, productivity and affordability

Three-year wage agreement covering FY2027 to FY2029 concluded in April 2026 promotes cost predictability and supports operational and labour stability

Municipal debt remains the single largest threat to financial sustainability

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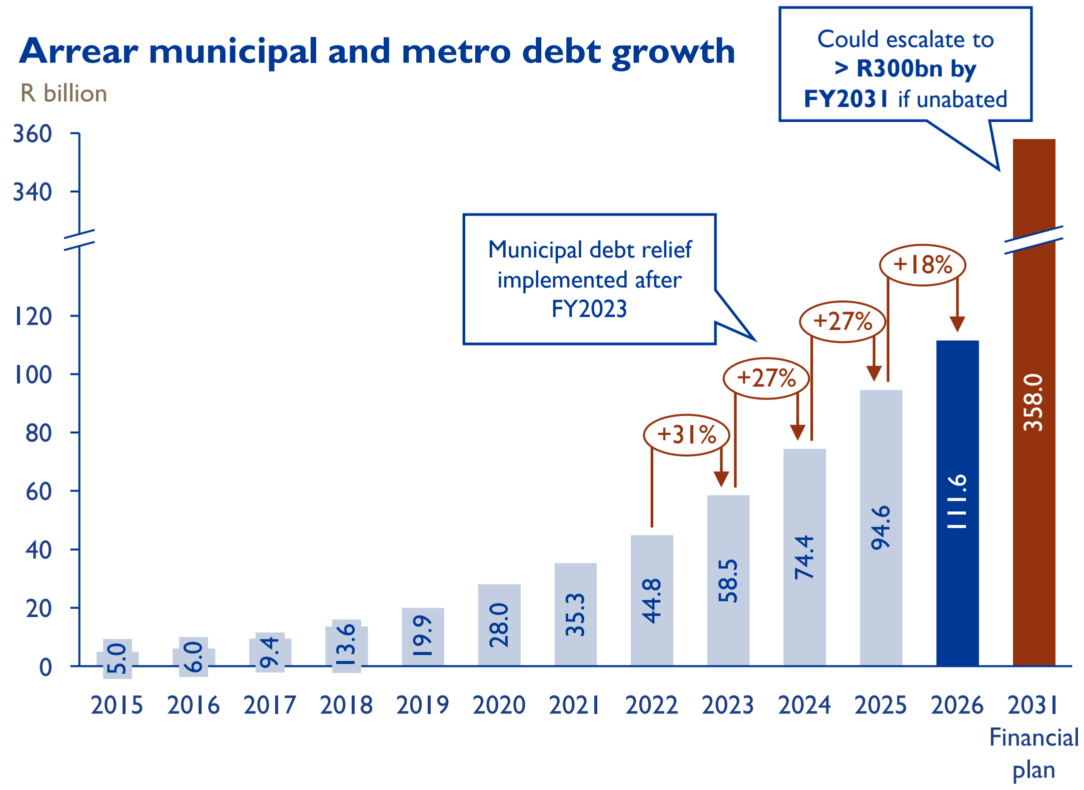

The ERTT Phase I report which was endorsed by President Ramaphosa emphasised the criticality of resolving municipal debt to ensure the distribution industry's future financial sustainability and to support Eskom's unbundling

- Arrear debt was below our FY2026 financial plan, supported by payment arrangements with key metros and improved municipal capital payment levels of 89.74% (2025: 88.88%)
- National Treasury's municipal debt relief programme has had limited success in stemming the escalating levels of arrear debt (cumulative R4.2 billion write-offs processed by 31 March 2026)
- In response, Eskom and Government are pursuing several solutions, including distribution agency agreements (DAAs), prepaid supply models, PAJA enforcement and withholding payment of defaulting municipalities' quarterly equitable share (July 2026 equitable share temporarily withheld from 69 municipalities)
- DAAs will support municipalities in ensuring sustainable local service delivery while contributing to Eskom's financial sustainability through improved billing and revenue collection
- Three DAAs have been concluded, with several others in progress. Learnings are being used to improve future DAAs
- Municipal arrear debt is a structural challenge which will nullify Government's debt relief support if not resolved – resolution requires a coordinated national response, not from Eskom alone

A materially stronger balance sheet and improved solvency is charting a clear path to a sustainable capital structure

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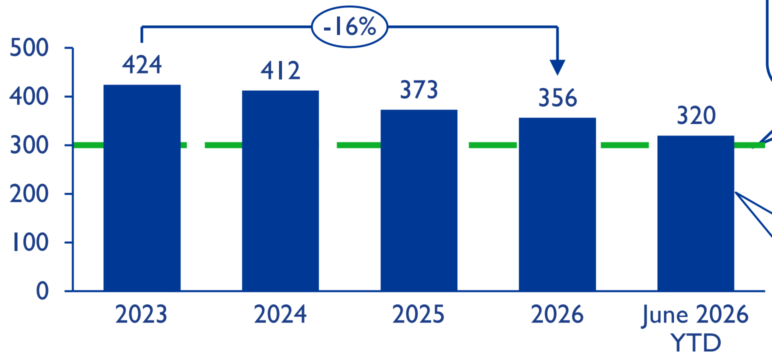
Debt securities and borrowings

R billion



Targeting gross debt <R300 billion and debt/equity of 0.5 over the next five years

Following settlement of ES26 bond of R38 billion in April 2026

Debt relief support

R billion

Current ratio	Debt service cover
▲ 1.03 (2025: 1.02)	▲ 1.55^ (2025: 1.11)
Debt/equity ratio*	**Gross debt/EBITDA***
▼ 0.93 (2025: 1.46)	▼ 4.60 (2025: 4.96)

^ Debt service cover excluding the China Development Bank conversion as a debt repayment: 2.29.
* Includes shareholder loan not yet converted to equity at year end. Debt/equity ratio with shareholder loan converted: 0.58 (2025: 1.05); gross debt/EBITDA: 3.87 (2025: 4.39).

GROUP STATEMENT OF FINANCIAL POSITION AT 31 MARCH

R million	2026	Restated 2025	% YoY
Property, plant and equipment and intangible assets	**706 754**	689 556	2 ▲
Current inventory and receivables[1]	**79 423**	74 293	7 ▲
Cash and cash equivalents and treasury investments	**147 010**	66 399	121 ▲
Derivatives held for risk management	**9 764**	15 345	36 ▼
Other assets[2]	**78 905**	66 238	19 ▲
Total assets	**1 021 856**	911 831	12 ▲
Equity	**360 916**	276 339	31 ▲
Debt securities and borrowings	**356 195**	372 655	4 ▼
Loan from shareholder	**80 076**	56 132	43 ▲
Current payables[3]	**76 761**	72 819	5 ▲
Derivatives held for risk management	**4 853**	1 647	195 ▲
Non-current decommissioning liabilities	**54 547**	47 252	15 ▲
Contract liabilities and deferred income	**39 382**	37 865	4 ▲
Other liabilities[4]	**49 126**	47 122	4 ▲
Total equity and liabilities	**1 021 856**	911 831	12 ▲

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

1. Comprises current trade and other receivables, inventory, payments made in advance and taxation.
2. Comprises mainly non-current inventory, future fuel supplies, insurance investments and the Eskom Finance Company loan book.
3. Comprises current trade and other payables, payments received in advance, provisions, employee benefit obligations and taxation.
4. Comprises mainly non-current employee benefit obligations and lease liabilities.

Stronger operating cash flows funded our capital programme and strengthened liquidity, reducing reliance on debt

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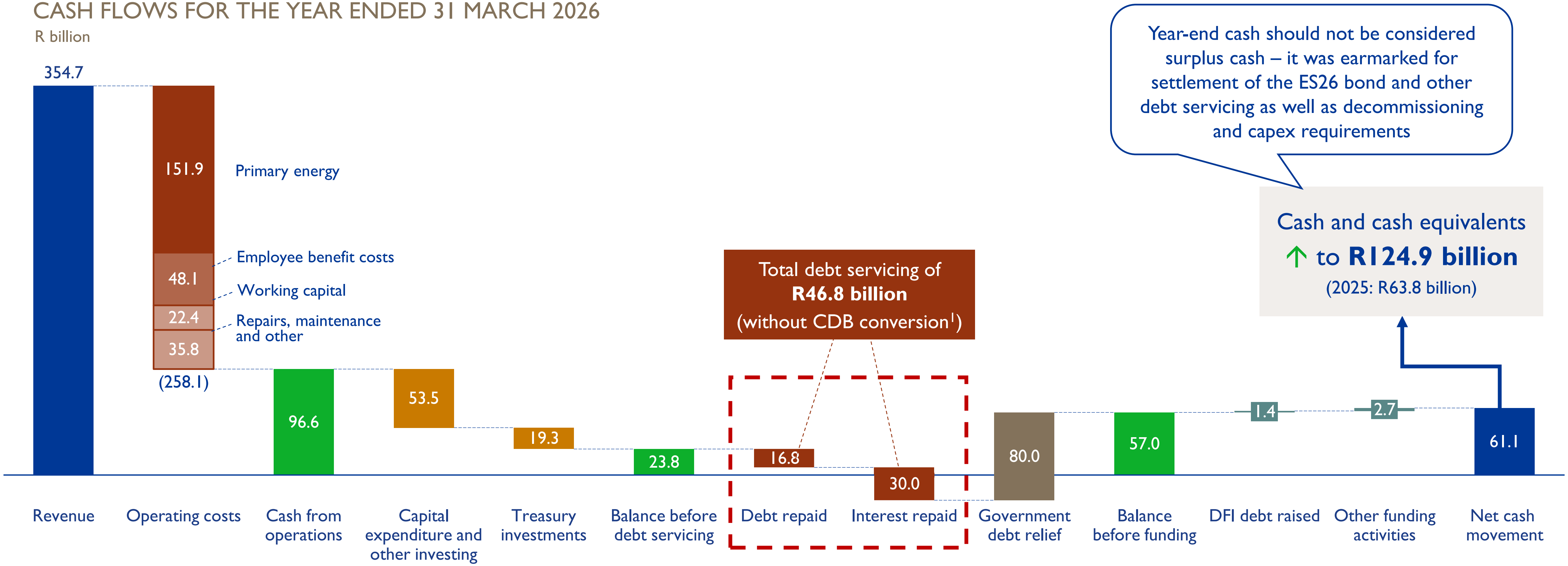
CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

R billion

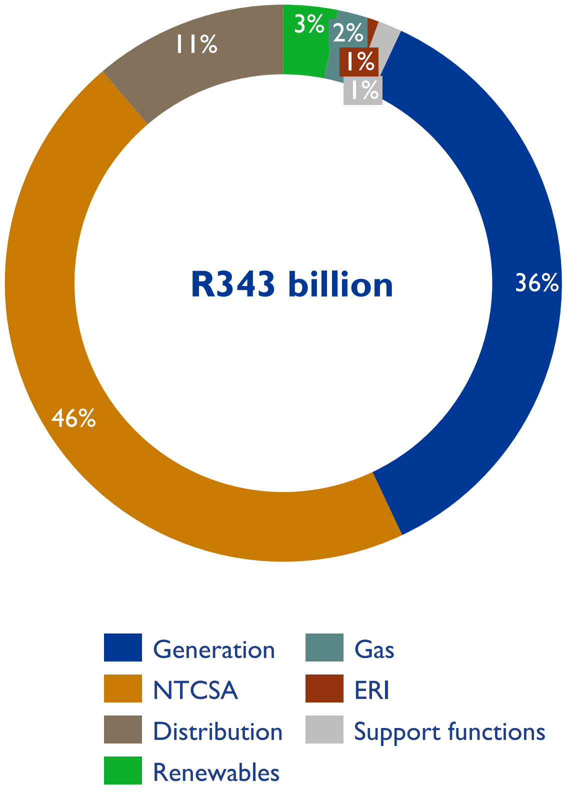


Stable liquidity gives Eskom the confidence to plan, invest and execute – sustaining strong operational cash flows is critical as the debt relief comes to an end and capex requirements scale

1. An existing China Development Bank facility of R20.1 billion was converted from USD to CNY, which converted the debt from a floating interest rate to a lower fixed interest rate.

Cash is being invested into a R343 billion infrastructure programme over the next five years – growing from R54.5 billion in FY2027 to over R70 billion by FY2031

Planned investment (FY2027 to FY2031)



New capacity

- Deliver 2GW construction-ready renewables by FY2027 and commission 6GW by FY2031
- Deliver 1 500MW gas by FY2029, ramping to 3 000MW by FY2031

Grid expansion

- Commission 8 362km of line and 82 425MVA by FY2031
- 1 714km of distribution lines and 1 110MVA transformer capacity by FY2031
- Roll out 5.4 million smart meters by FY2028

New markets

- Enhance business models, including new products and services (e.g. eMobility and data centres)
- Expand into new markets

Technology

- Digitalisation strategy including data analytics and AI adoption to drive efficiency, with the distribution network supported by advanced metering infrastructure
- Clean coal technologies

The path to standalone financial sustainability is now even clearer

Eskom

Stabilise
Restore operations and liquidity

Strengthen
Deleverage and embed cost discipline

Grow
Rebuild sales through a new demand model

Standalone sustainability
Self-funding, investment-grade trajectory

Gross debt below R300 billion

Sustainable EBITDA margin of 30%

Without reliance on Government

Credit rating trajectory

Eskom (standalone)
Eskom (secured)

D to CC	CCC- to CCC+	B- to B+	BB- to BB+	BBB- to BBB+	A- to A+	AA- to AA+	AAA

Sub-investment grade
Investment grade

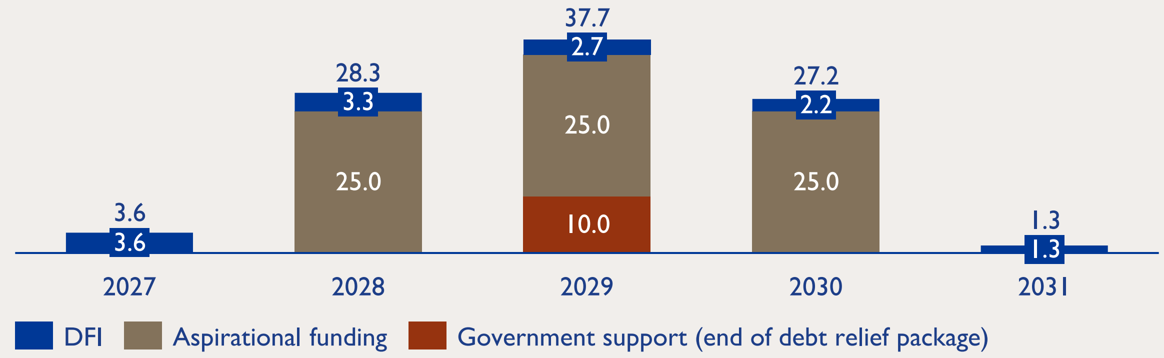
3 to 5 years

Recent credit rating actions

S&P	Moody's	Fitch
November 2025	May 2026	June 2026
Upgraded	**Affirmed**	**Upgraded**
Foreign and local currency ratings **B → B+ | Stable**	Foreign and local currency ratings **B2 | Stable**	Local currency ratings **B → B+ | Stable**

Future funding

R billion



Near term: refinancing existing maturities and drawing on committed DFI facilities
From FY2028: a phased return to the capital markets on a standalone basis, supported by an ESG funding framework for green and sustainability-linked instruments

Outlook

The next phase: from recovery to structural sustainability

Continue building on hard-won gains while confronting the structural headwinds ahead

- **FY2026 demonstrated meaningful progress in Eskom's recovery**
  Improved generation performance, stronger financial results, enhanced liquidity and sustained system reliability confirm that the recovery is structural
- **The focus now shifts from recovery to long-term sustainability**
  The priority is to convert operational and financial improvements into enduring change that can withstand future pressures and market evolution
- **Significant structural headwinds remain and execution risk remains high**
  Municipal arrear debt, declining sales volumes, affordability pressures, tariff uncertainty and rising costs continue to constrain long-term sustainability
  Grid expansion, unbundling, market reform, environmental compliance, digital transformation and capital programme delivery all require sustained focus and disciplined execution
- **Success depends on collaboration beyond Eskom**
  Coordinated action is needed across Government, regulators, municipalities and other stakeholders to deal with the headwinds ahead

The foundations are in place, but sustained implementation must translate gains translate into long-term resilience, competitiveness and value creation

The next phase is to convert recovery into a stronger, market-ready and structurally sustainable Eskom to deliver on our mandate

Our mandate remains to provide reliable, affordable and sustainable electricity while supporting economic growth and long-term development

The medium-term objective is clear: achieve standalone investment-grade status and reduce gross debt to levels below R300 billion

1. **Maintain operational excellence and energy security**
   by sustaining generation recovery, achieving the medium-term EAF target of 70%, expanding and modernising the network, and improve customer service
2. **Restore long-term financial sustainability**
   by strengthening revenue, optimising costs, stabilising municipal arrear debt, arresting the sales decline and diversifying revenue streams
3. **Complete reform and position Eskom for competitiveness**
   by advancing unbundling, supporting market reform and preparing for participation in a more competitive electricity market
4. **Invest in the future energy system**
   by expanding transmission capacity, accelerating digitalisation, scaling Eskom Green, developing renewables, storage and gas, and leading a just transition
5. **Rebuild trust and stakeholder confidence through consistent delivery**
   supported by strong governance, accountability and ethical leadership

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From recovery to structural sustainability