enX
GROUP

INTEGRATED REPORT
2020

CONTENTS

NAVIGATION

OUR CAPITALS

Our relevance as a business depends on how we effectively utilise the various capitals available to us and the impact we make by leveraging our business strategy against these capitals.

FINANCIAL
Cash resources, bank funding

SOCIAL
Relationship and supply

HUMAN
Product and technical skills

NATURAL
Water, electricity, fuel

MANUFACTURED
Material handling equipment, rental and leasing fleets lubricants blending

INTELLECTUAL
Technical, supply chain skills, drive and core values

Read more in this report

Read more online on www.enxgroup.co.za

ABOUT THIS REPORT

01

enX is an industrial group listed on the JSE's "Industrial General" sector, providing quality branded industrial equipment, petrochemicals, fleet management and logistics products and related services to a wide range of economic sectors in South Africa, Sub-Saharan Africa and the UK. The group reports through three segments: **enX Equipment (comprising EIE SA, Impact Handling (UK), New Way Power and Austro), enX Petrochemicals (comprising African Group Lubricants and West African Group) and enX Fleet (Eqstra)**. Each business is managed autonomously.

MATERIAL EVENTS

Following a strategic review in 2019, the board decided to divest of its ownership in Eqstra. The final outstanding condition precedent to the disinvestment of Eqstra to Bidvest Bank was not fulfilled and accordingly, the disinvestment transaction did not become effective. As a result, Eqstra, which was previously classified as an asset held for sale, was reclassified as a continuing operation in May 2020 and the summarised consolidated statement of profit or loss and other comprehensive income and summarised consolidated statement of financial position for 2019 has been re-presented as though Eqstra was a continuing operation.

THE REPORT

This integrated annual report presents a concise and integrated overview of the strategy, risks, financial, operational, environmental, social and governance performance of the group for the year 1 September 2019 to 31 August 2020 and includes commentary on material subsequent events up to the date of signing. It covers all segments and subsidiaries of the company, as illustrated in the group structure on page 5, across all operations in South Africa, Sub-Saharan Africa and the UK.

The report is primarily targeted at current shareholders and potential investors in the group, but also covers areas of interest to other stakeholders such as suppliers, employees, customers, government and communities, which may be impacted by the group's operations.

The group uses its capitals, namely financial, social, human, natural, manufactured and intellectual, to achieve its strategic goals. These capitals are reported on primarily in our segmental reports and acting sustainably reports.

The integrated report, notice of Annual General meeting (AGM), Annual Financial Statements (AFS) and corporate governance report (including the King IV application register) are available on the group's website and printed copies of this report can be requested at info@enxgroup.co.za. For additional information and recent announcements, please visit enX's website at www.enxgroup.co.za.

BASIS OF PREPARATION

In preparing this report enX has considered and applied many of the recommendations contained in the International Integrated Reporting Framework and the King Report. In terms of paragraph 8.63(a) of the JSE Listings Requirements, a King IV application statement is available on the website (www.enxgroup.co.za).

The AFS have been prepared in accordance with International Financial Reporting Standards (IFRS), the requirements of the Companies Act, the Listings Requirements of the JSE and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council. Non-financial assurances include B-BBEE verifications and health and safety ISO accreditations. At present the sustainability information is not independently assured. External assurance will be considered as and when necessary.

PRO FORMA FINANCIAL INFORMATION

To provide a more meaningful assessment of the group's performance, certain information considered to be *pro forma* financial information has been included for the year ended 31 August 2020. The directors of enX are responsible for the compilation of the *pro forma* financial information, which does not constitute financial statements fairly represented in accordance with IFRS and which has been prepared for illustrative purposes only.

RESPONSIBILITY STATEMENT AND REVIEW

The Audit and risk committee (ARC) and the board acknowledge their responsibility to ensure the integrity of this report. The report has been reviewed by ARC, the board, company secretary and JSE sponsor. The AFS for the year ended 31 August 2020, attached in this integrated report, have been audited by external auditors, Deloitte & Touche.

MATERIALITY

The integrated annual report is intended to provide insight into issues identified as the most relevant and material to enX and its stakeholder groups that could potentially impact the group as a going concern. We believe that in order to create sustained value for our shareholders we need to look beyond short-term returns and aim to incorporate this thinking throughout the report and in our everyday business.

The board, specifically the ARC and the Social and ethics committee (SEC), play a central role in the determination of material risks as well as opportunities that may arise, and further detail pertaining to these risks and opportunities is detailed on pages 10 to 13 of this report.

FORWARD-LOOKING STATEMENT

This integrated annual report contains forward-looking statements that, unless otherwise indicated, reflect the group's expectations as at 31 August 2020. Actual results may differ materially from the group's expectations if known and unknown risk or uncertainties affect its business, or if estimates or assumptions prove inaccurate. The group cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these forward-looking statements.

The group disclaims any intention and assumes no obligation to update or revise any forward-looking statement even if new information becomes available as a result of future events or for any other reason, save as required to do so by legislation and/or regulation.

Andrew Hannington
Chief executive officer

Robert Lumb
Chief financial officer

Babalwa Ngonyama
Chair of the Audit and risk committee

22 December 2020

FEEDBACK

We welcome your feedback on this report. Please email your comments to info@enxgroup.co.za.

The definitions included in the Definitions section of this integrated annual report apply throughout the integrated annual report.

02

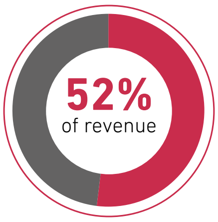
OUR GROUP

enX AT A GLANCE

enX EQUIPMENT

Distribution, leasing, rental, after market and value added services for:

Forklifts, Port and Crane equipment, Materials handling equipment, Power generators and Wood processing machinery



Number of employees

1 754

(2019: 1 830)

Major subsidiaries

100%

EIE Group
IMPACT CAT Lift Trucks
NEW WAY POWER
AUSTRO

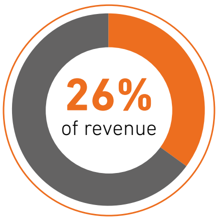
Global partners

TOYOTA INDUSTRIAL EQUIPMENT
CAT Lift Trucks
BIESSE
KONECRANES
HELI
MITSUBISHI
HANGCHA
JOHN DEERE

enX FLEET

Full suite of fleet management solutions across all vehicle classes for:

Leasing, administrative services, tracking, insurance and remarketing



Number of employees

379

(2019: 531)

Major subsidiary

100%

EQSTRA FLEET MANAGEMENT & LOGISTICS

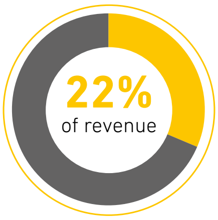
Global partner

globalfleet services

enX PETROCHEMICALS

Manufacturing, marketing and distribution of oil lubricants:

Agent, reseller and distributor of oil lubricants and base oils, polymer, rubber, fillers and specialised chemicals



Number of employees

135

(2019: 131)

Major subsidiaries

100%

west african group
AG Lubricants

37%

ZESTCOR

Global partners

ExxonMobil
CENTRO TRADE
Quaker Houghton Forward Together
synthos chemical innovations

OUR 2020 HIGHLIGHTS

FINANCIAL

NET ASSET VALUE PER SHARE

↓ **1 361 cps**

2019: 1 597.0 cents per share

SOCIAL

PPE AND SANITISATION TO PROTECT EMPLOYEES

R3.7m

HUMAN

NUMBER OF COUNTRIES OF OPERATIONS **12**

NATURAL

Go Green initiative drives recycling

MANUFACTURED

Launched
TUF Forklifts

INTELLECTUAL

Quest system
showing return on investment

OUR JOURNEY

2007	• Listed Austro • Power business acquired
2013	• Wild Rose Capital introduced as shareholder of reference
2014	• Establishment of Petrochemicals segment through acquisition of Centlube • Group renamed enX
2015	• Awarded ExxonMobil distributorship
2016	• Acquisition of Genmatics, WAG and AG Lubricants • Empowerment transaction and capital raise
2017	• Acquisition of established Eqstra and EIE • Decoupled from eXtract • Growing Petrochemical segment
2018	• Expanded UK footprint • 12 months of results for EIE and Eqstra
2019	• Eqstra classified as discontinued operations • AG Lubricants business reported loss
2020	• Eqstra re-presented as a continuing operation • Challenging environment arising due to COVID-19 lockdown restrictions

OUR GROUP SEGMENTS

enX is a diversified industrial group that provides quality branded industrial, petrochemical and fleet management and logistics products and services. enX is organised into the following three operating segments:

enX EQUIPMENT

enX Equipment comprises EIE SA, Impact Handling (UK), New Way Power and Austro:

- **EIE SA** provides distribution, rental and value added services for industrial and materials handling equipment in South Africa and other African countries. EIE SA is the sole distributor of Toyota Forklifts, BT warehousing equipment, Konecranes heavy duty forklifts and container handling equipment, Terberg Terminal Tractors, Hawker batteries and chargers, Hako Industrial cleaning equipment and Fassi truck mounted cranes in Sub-Saharan Africa.
- **Impact Handling (UK)** provides distribution, rental and value added services for industrial and materials handling equipment in the United Kingdom and Ireland ("UK"). Impact Handling (UK)**,** is the exclusive distributor for Cat Lift Trucks and Konecranes heavy duty forklifts and container handling equipment in the UK.
- **New Way Power** manufactures, installs and maintains diesel generators as well as provides temporary power through Genmatics. The business also distributes a range of industrial and marine engines and components through Power O^2, which is the sole distributor of John Deere and Mitsubishi industrial engines in South Africa.
- **Austro** distributes professional woodworking equipment, tooling and sharpening and the provision of associated services such as blade sharpening and equipment maintenance. It is the sole distributor of Biesse equipment and Leitz tooling in South Africa.

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enX FLEET

enX Fleet comprises Eqstra Fleet Management Services:

- **Eqstra** provides a full spectrum of passenger vehicle services including leasing, fleet management, outsourcing solutions, maintenance, warranty management and vehicle tracking solutions. It also provides fleet management solutions for commercial vehicle fleet owners and logistics solutions. Its footprint is South Africa and Sub-Saharan Africa. Eqstra's commercial vehicle operations are supported by a nationwide network of workshops and panel repair shops.

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enX PETROCHEMICALS

enX Petrochemicals comprises AG Lubricants and WAG:

- **West African Group** ("**WAG**") distribute plastics, polymers, rubber and specialty chemicals into Southern African. It is the sole agent and distributor of ExxonMobil chemicals in South Africa.
- **AG Lubricants** through **Centlube** and **African Group Lubricants** ("**AGL**") produce and market oil lubricants and greases in South Africa and Sub-Saharan Africa. It is the sole distributor of ExxonMobil lubricants (excluding marine and aviation) and Houghton International's Advanced Fluids Solutions and Services.

OUR GEOGRAPHICAL FOOTPRINT

enX EQUIPMENT

EIE (SA)
Johannesburg, Durban, Cape Town, East London, Nelspruit, Polokwane, Pietermaritzburg, Newcastle, Richards Bay, Port Elizabeth, George, Upington, Kimberley and Bloemfontein (dealer)

EIE Africa (all dealers)
Namibia, Botswana, Zambia, Zimbabwe, Malawi, Mozambique, Angola, Madagascar, Mauritius and Tanzania

Impact Handling (UK)
20 branches
49 dealers

New Way Power
Johannesburg, Durban and Cape Town

Austro
Johannesburg, Durban, Cape Town, East London and Nelspruit

enX FLEET

South Africa
Johannesburg
Cape Town
Durban
Port Elizabeth

Botswana
eSwatini
Namibia
Zambia

enX PETROCHEMICALS

Centlube
Johannesburg, Durban, Cape Town and Port Elizabeth

AG Lubricants
Johannesburg, Namibia, Democratic Republic of Congo and Zambia

WAG
Johannesburg, Durban and Cape Town

OUR DIRECTORATE

EXECUTIVE DIRECTORS

Andrew Hannington (64)
CEO
CA(SA)
Appointed:
13 August 2020

Andrew serves as an executive director of Zarclear Holdings Limited and a non-executive director of Texton Property Fund Limited. He was previously CEO of Grant Thornton in Johannesburg, and prior to that CEO and National chair of PKF. He was a member of the South African Institute of Chartered Accountants Senior Partners Committee and during his career acted as the reporting accountant on several JSE listings. Andrew is currently an independent corporate consultant and in addition, advises several non-profit organisations in the environmental, religious and education sectors.

Robert Lumb (50)
CFO
CA(SA), FCMA
Appointed:
1 March 2020

Robert serves as CFO of the enX Group. He previously served as CFO of Interwaste Holdings Limited after a long career within the Barloworld Group. He has a Bachelor of Commerce and Post Graduate Diploma in Accounting, is a CA(SA) and an FCMA. He has over 25 years of financial management experience in South Africa and the UK in several sectors including construction, FMCG, banking, IT, manufacturing, automotive, logistics and waste management.

NON-EXECUTIVE DIRECTORS

Paul Baloyi (64)
Chair of the board and Nomination committee
MBA (Manchester Bangor University of Wales), MDP, SEP (Harvard)
Appointed:
1 January 2014

Paul is the non-executive director of several listed companies in South Africa, including Old Mutual, enX Group, Bidcorp, Alphamin Resources and Zarclear. He previously held positions as CEO and MD of the Development Bank of Southern Africa (DBSA) and the DBSA Development Fund, and MD of Nedbank Africa. He holds various degrees, including an MBA from the University of Bangor in the UK. With over 30 years of experience in the Financial Services sector alone, he is a proven specialist in risk and finance engineering. He continues to be an independent non-executive director on boards locally and in Africa, and previously served as chair of the African Capacity Building Foundation (ACBF). Paul is a 35% shareholder of CapLeverage, which owns 7.01% of enX. In addition Paul has a 7% shareholding in Peresec, which has a beneficial interest in MCC, this equates to 5 449 982 shares in enX.

Warren Chapman (49)
BCom (Hons) CA(SA)
Appointed:
3 July 2020

Warren is the CEO of Zarclear Holdings Limited and has been the CEO of Peresec South Africa, formerly Peregrine Securities, for over 19 years. With his deep knowledge of capital markets and financial technology, he steered Peregrine Securities to become the largest broker on the JSE. With his commitment to the development of South African financial markets, he remains a regular contributor to policy discussions on draft regulations. Warren has a 17% shareholding in Peresec, which has a beneficial interest in MCC, this equates to 9 490 983 shares in enX.

Oyama Mabandla (57)
B.A.Juris Doctor
Appointed:
3 July 2020

Oyama joined the Johannesburg Bar as a practising advocate in January 1999, after working as an investment banker for the Union Bank of Switzerland. He then joined South African Airways as general counsel, later becoming the Deputy CEO of the airline. He has held various positions during his career, including board Chairperson at both Vodacom Group Limited and Consol Glass Proprietary Limited; director of Group Five Limited and Mvela Group Limited; and as a member of the JP Morgan African Advisory Board. Oyama has a 2% indirect shareholding in MCC, this equates to 1 157 229 shares in enX.

enX Group Limited director attendance/participation at meetings for the 2019/2020 financial year

Director	Board	Audit and risk committee[%]	Social and ethics committee	Remuneration and nomination committee	Special board and committee	Investment committee[@]	IT steering committee[@]	Asset and liability committee[@]
P Baloyi	4(5)	–	1(2)	6(6)	2(17)	2(2)	–	2(2)
S Booysen[1]	4(4)	3(5)[#]	–	3(3)	14(14)	2(2)	–	2(2)
J Friedman[2]	3(4)	4(4)[#]	–	1(1)	–	1(2)[#]	–	1(2)[#]
A Joffe[1]	4(4)	5(5)[#]	–	3(3)[#]	14(14)	2(2)	–	2(2)
L Molefe	5(5)	5(6)	2(2)	3(6)[#]	18(18)	1(2)[#]	1(1)	–
G Neubert[3]	4(4)	5(5)	2(2)[#]	–	18(18)	3(3)[#]	–	3(3)[#]
B Ngonyama	4(5)	6(6)	1(2)	2(3)	16(18)	2(2)[#]	1(1)	2(2)
P O'Flaherty[1]	4(4)	3(4)[#]	–	–	14(14)	2(2)	–	1(2)[#]
A Phillips[4]	2(2)	3(3)	1(1)	2(2)	1(1)	–	–	–
E Oblowitz[5]	2(2)	2(2)	–	1(1)	13(13)	–	–	1(2)[#]
R Lumb[6]	2(2)	2(2)[#]	–	–	–	1(1)[#]	1(1)	1(1)[#]
W Chapman[7]	1(1)	1(1)[#]	–	1(1)	2(2)	–	–	–
A Hannington[8]	1(1)	1(1)	–	–	2(2)	–	–	–
O Mabandla[7]	1(1)	–	–	1(1)	1(2)	–	–	–
K Matthews[7]	1(1)	1(1)[#]	–	1(1)	2(2)	–	1(1)	–
J Varana[9]	–	1(1)	–	–	–	–	–	–

[#] Attended by invitation.
[@] The committee was incorporated into the Audit and risk committee
[%] Includes special meetings.
[1] Resigned as director on 22 June 2020.
[2] Resigned as director on 31 March 2020.
[3] Resigned as CEO on 13 August 2020.
[4] Resigned as director on 12 February 2020.
[5] Appointed as director on 16 December 2019 and resigned on 22 June 2020.
[6] Appointed CFO on 1 March 2020.
[7] Appointed as director on 3 July 2020.
[8] Appointed as director on 3 July 2020 and as CEO on 13 August 2020.
[9] Appointed as lead independent director on 3 September 2020.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Vuyani Jarana (50)
Lead independent non-executive director
BCom, MBA
Appointed:
3 September 2020

▨

Vuyani is a seasoned business transformation leader with over 25 years of ICT experience, most of which he spent within the Vodacom Group where he held various positions including a group chief operating officer role and a chief executive officer for Vodacom Business. He is the former CEO of South Africa Airways. Vuyani has extensive experience in doing business in the African Continent. As a development activist he always looks a most appropriate ways to apply mobile and digital technologies to address some of the most challenging and stubborn social issues facing the African continent. He is currently the shareholder and the chair of the Mobax Group, a leading managed services company providing infrastructure into the telecommunications sector. He is also a Board Member of the Eastern Cape Rural Development Agency.

Babalwa Ngonyama (46)
Audit and risk committee Chair
BCom (Hons) CA(SA)
Appointed:
19 July 2019

▨ ■ 🟥

Babalwa was appointed to the Board in July 2019 and is the chair of the Audit and risk committee. She is the CEO of Sinayo Securities (Pty) Limited, a women-owned and managed securities firm. Prior to this she was the Group Chief Internal Auditor of Nedbank Limited, the past financial director of Safika Holdings, an Audit Partner at Nkonki Chartered Accountants and, thereafter, a Partner at Deloitte (Financial Institutions Services Team). She is, among others, a non-executive director and member of the Audit committees of Aspen Pharmacare Holdings Limited and Implats Limited, and previously served as a non-executive director of Barloworld. She brings considerable financial and commercial experience to the Board. Babalwa is the founding chair of the African Women Chartered Accountants (AWCA) and serves as a chair of the Council for the University of Cape Town.

Lerato Molefe (43)
Social and ethics committee Chair
Juris Doctor (Harvard)
Appointed:
21 October 2016

▨ 🟥

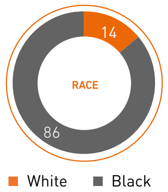
Lerato is responsible for strategic investments and initiatives at MFS Africa, a leading fin-tech for digital payments interoperability. Prior to this, she ran Naaya Consulting - a legal strategy consultancy. She began her career practicing mergers and acquisitions law at Shearman & Sterling LLP in New York and Paris, and later at Bowmans in Johannesburg, as well as at international organisations such as the World Bank in Washington DC, and Africare in Dakar, Senegal. Lerato holds a Juris Doctor degree from Harvard Law School, a Masters degree in Law and Diplomacy from The Fletcher School at Tufts University, and a Bachelors degree in Economics and Political Science from Smith College.

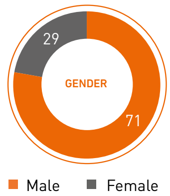
Zolani Kgosietsile (“Kgosie”) Matthews (63)
BA (Hons)
Appointed:
3 July 2020

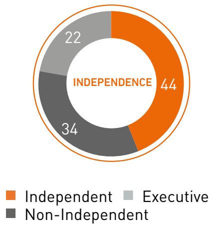
■

Kgosie is currently a non-executive director of Zarclear Holdings Limited, and chair of the Ports Regulator of South Africa. He previously served as a non-executive director on the board of the South African Post Office and was a member of their Audit and risk committee. He was also previously involved as a trustee on the board of trustees of the South African Post Office Retirement Fund, served in the capacity of chair of the Postbank Committee of the Post Office Board. Some of his previous roles include executive chair of Imvula Group in Johannesburg, managing director of Fordworks and Associates in New York, senior manager at Armscor in Pretoria, Vice Chairperson at Washington Strategic Consulting Group Inc. in Washington DC, as well as the director of state and local government affairs at America Express in New York. In September 2020, he was appointed by Parliament as a full-time Councillor for the Independent Communications Authority of South Africa (ICASA) for a four-year term.

NON-EXECUTIVE DIRECTORS







ROLES AND RESPONSIBILITIES

▨ Audit and risk committee
■ Remuneration and nomination committee
🟥 Social and ethics committee

Refer to the website for executive management team.

RISK MANAGEMENT AND OUR TOP OF MIND ISSUES

The board undertakes responsibility for the process of risk management in the group and is further responsible for setting the tone for risk management by providing discipline and structure. It has delegated this function to the ARC. However, each committee of the board manages the group's risks for its areas of responsibility.

enX makes use of the assistance of BDO with regards to formulating our risk management framework, determining emerging risks, identifying and assessing risks at strategic, business, and operational levels.

The table provides a summary of the roles and responsibilities of each of the key stakeholders in the enX group risk management process:

RISK MANAGEMENT FRAMEWORK

	Responsibilities
Board	• The board is responsible for the governance of risk and sets the tone for risk management by providing discipline and structure. • The board approves the ERM Framework, which clearly defines enX's risk management philosophy and encourages a risk management culture within the group to ensure that the ERM Framework is integrated and embedded into normal business processes and activities. • Overriding control and mitigation of risks. • Approving risk appetite and ensuring alignment with strategy. • Annual evaluation of adequacy and effectiveness of internal control systems and processes. • Setting risk tolerance and appetite.
Audit and risk committee	• The ARC has implemented the ERM Framework for a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes within the company. • Overseeing the risk management programme and reporting thereon to the board. • Ensuring adequate internal controls. • Formal risk assessments. • Monitoring implementation of internal control systems.
CEO and CFO	• The group's CEO and CFO drive the culture of risk management and sign off on annual risk attestation.
Senior management	• Ensure that employees in their business units comply with the risk management policy. • Fosters a culture where risks can be identified and addressed.
Employees, contractors and agents	• Comply with the group's risk management policies and control procedures, including being alert to and willing to report instances of non-compliance and unethical behaviour. • Make recommendations, based on their practical experiences, on what measures can be implemented to manage and/or mitigate risks within the group.

RISK MANAGEMENT PROCESS AND CONTROL FRAMEWORK

Risks are managed using policies, standards and procedures, practices, as well as internal controls based on the realisation of our strategic objectives. The process of risk management is to systematically apply management policies, procedures, and practices to the following risk activities:

- Risk awareness culture.
- Risk appetite and tolerance.
- Risk classification.
- Communication and consultation.
- Risk assessment.
- Risk response.
- Monitoring and review.

The assurance framework promotes accountability and consistency. It supports a coordinated approach to risk management throughout the group and provides assurance that risks are being effectively managed.

- **First line of defence (management)** – responsible for the identification and management of risks, in line with agreed policies, risk appetite, tolerance levels and controls at an operational level.
- **Second line of defence (risk management, compliance, legal quality control functions)** – responsible for the oversight and monitoring of different risks and provides the first line of defence with the appropriate tools to effectively manage identified risks.
- **Third line of defence (internal audit, external audit, independent assurance providers)** – provides independent oversight and assurance to the board and senior management on the adequacy and effectiveness of controls implemented.

All three lines of defence report to the board directly, or through the ARC and/or SEC.

Material priorities are those factors most likely to influence the conclusions of our stakeholders when assessing our ability to create value over time.

After completing risk identification, analysis and evaluation, the most appropriate response options are determined. These are then evaluated in relation to enX's risk appetite, the cost *versus* benefit of potential risk responses, and the degree to which a response will reduce the impact and/or likelihood of a risk materialising.

enX determines if a factor is material by considering its potential to impact strategy, performance, and prospects in the short, medium- and long-term, and ultimately our ability to create, sustain and limit the erosion of value.

Within the context of the uncontrollable factors in our operations, our material priorities are those factors we can to some extent control. We considered our strategy, the views and concerns of management and the board, key stakeholder groups, including customers, investors, lenders, OEMs, and staff.

Following these workshops, top of mind issues were identified at both a group and segmental level, as were the control strategies to mitigate them.

OUR TOP OF MIND ISSUES (continued)

Risk description	Mitigating actions and opportunities
Failure to grow the business due to prolonged sluggish or negative economic growth, market volatility and not being able to differentiate with scale	Enhance efficiencies to maintain margin Right-sizing of business units Regular review, analysis and reporting on margins and focused balance sheet management with strong cash flow management Proactively managing debt maturity profile Separation of funding sources within Leasing with more focused treasury management Stringent hedging policies in place Continuous assessment of allocation of capital into a diversified portfolio of businesses Improved credit granting process and debtors management Focus on new opportunities Continue to provide service excellence Active management of currency volatility through hedging with overarching policy and governance structures
Underperformance on earnings and returns to shareholders	Board and committee oversight Constant financial management oversight and reporting (budgeting, cash flow management) Enhance efficiencies to maintain margin Right-sizing and restructuring of business units
Insufficient capital (debt and equity perspective), not being able to manage the leverage, liquidity and refinance risk and reduce the high cost of capital	De-gear the business by improved cash flow management and the refinancing of the EIE SA and Eqstra business Constant financial management oversight and reporting (budgeting, cash flow management) Active engagement with funders Maintaining funding framework Continuous stakeholder engagement Effective board and committee oversight Proactively managing debt maturity profile Separation of funding sources within Leasing with more focused treasury management Continuous assessment of allocation of capital into diversified portfolio Strong cash flow management during the COVID-19 lockdown restrictions
Inadequate succession planning and talent management	Strategy alignment Remuneration strategy for executives Coordinated transformation policies and programmes focused on development, promotion, and recruitment of employment equity candidates Detailed succession planning at all levels Training and development programmes including our training academy Providing support
Non-compliance to laws and regulatory requirements	Understanding and managing the legal universe in which we operate Confirmation of current legislation has been included into processes and procedures Monitoring the legal environment for any material changes to the current landscape Constant reviews, training and roll out of compliance programmes
Not achieving transformational targets	Continual monitoring of B-BBEE scorecard and targets Initiatives in place to meet employment equity targets and skills development Keeping abreast of potential code changes and planning accordingly
Impact of disruptive technologies including increased cyber-security requirements	Implementation of new and improved technologies to improve efficiencies Monitoring innovative changes in the market Strategy alignment reviews to ensure appropriate IT strategies Business Continuity and Disaster Recovery Plans are in place Awareness training Appropriate network security Implementation of effective endpoint security Cyber strategy Continued implementation of additional controls arising from penetration tests Committee oversight of material IT projects

Risk description	Mitigating actions and opportunities
• Not appropriately managing reputational risks	• Implementation of operating protocols to protect our stakeholders against the spread of COVID-19 in the places we operate • Strict adherence to protocols • Position the group with high levels of professionalism and values • Manage the impacts of right-sizing our operations • Ensure all stakeholders are treated fairly and in line with our values • Safety audits
• Impact of a loss of key international brands and dependence on specific brands	• Effective relationship management with OEMs and meeting realistic performance targets • High focus on training of staff and customers to ensure appropriate product use and application • Long-term contracts secured • Customer relationship management to counter risk of brand changes • Focused service delivery • Constant monitoring of brand reputation • Maintaining key accreditations and safety protocols
• Not managing stakeholder and staff expectations	• Executive interventions • Strategy alignment • Remuneration strategy for executives • Identified key stakeholders, rated relationships, and identified areas that require improvement

See segmental reviews for top of mind issues relating to each operating business (pages 20 to 29).

03

OUR PERFORMANCE

CHIEF EXECUTIVE'S AND CHAIRPERSON'S REPORT

Despite the grim experience of recent months, we are pleased to report that the enX Group ("group") has pulled through the first wave of the economic contraction resulting from COVID-19 restrictions. That said, it is not unexpected that the group's overall revenue dropped by 8% compared to the prior year, and profit from operations before depreciation and amortisation decreased by 6%.

Not unlike many businesses around the world, 2020 was extremely challenging for the group, and revenue plans were significantly disrupted. Fortunately, among the group's customers are several essential services providers, and we were well placed to continue supporting them throughout the lockdown in South Africa and the UK, which helped to buoy annuity revenue streams during this uncertain period.

One of the key initiatives we began in FY19 was the divestment of the enX Fleet segment to Bidvest Bank. Due to a series of unexpected challenges, some created by the outbreak of the pandemic, approvals were not completed in time, and the sale fell through. Fleet will therefore remain part of the enX Group for the foreseeable future.

See Consolidated Financial Results (pages 56 to 71)

Arising from this and in the main, a material change in the group's shareholding, the group effected significant changes in both management and board. We are pleased at the positive impact to the group and the support we received from the majority of shareholders. A great deal of effort went towards effective management of our Transformation strategy resulting in the group profile improving to a level 4 B-BBEE contributor.

See Transformation (page 49)

As you will read in the seven business reports on pages 20 to 29, the impact of the economic lockdown in recent months has taken its toll on every business within the group. Faced with extreme pressure on revenue and cashflow, and, coupled with diminished demand due to the global economy on pause, every effort was made by our business leaders to ensure the sustainability of their respective businesses. As such, various headcount right-sizing interventions were accelerated in recent months, resulting in some retrenchments and reskilling of employees. On the upside, we have been challenged to objectively reconsider all aspects of our performance, from supply chain, stock management, productivity, sales, and after-sales service.

Thanks to the diversified mix of industrial businesses within the group, our business models were able to buffer the immediate shock of sudden market changes and new customer buying patterns, which have, for example, seen a slowdown in capital outlay and a subsequent uptick in rentals. It has also been encouraging to note the acceleration of enabling technologies leveraged within the group to drive efficiencies, engage distribution networks, and support engagement with customers more effectively. Moreover, we are greatly encouraged by the support and commitment from our international OEM suppliers to the group, who have collaborated closely with our divisional leaders to manage the impact of supply chain disruptions and arrange more favourable payment terms.

EMPOWERING BUSINESS UNITS FOR SUSTAINABLE GROWTH

In our view, the greatest lesson from the experiences of 2020 is to build agility, flexibility, and diversity into every aspect of our business model. With so many unpredictable factors beyond our control, we will focus on doing the basics right, and doing them well. We are undertaking a deliberate approach of decentralisation with the sole purpose of empowering our business leaders to successfully achieve their business objectives and rely on the support of the group to improve efficiencies. A key enabler is the successful refinancing of all the banking facilities for the group secured in November 2020 for another five years.

Our newly constituted board is focused on achieving financial stability and sustainability of the business, by ensuring continued improvement in the group's human capitals and long-term value creation for shareholders and stakeholders alike.

We would like to thank S Booysen, E Oblowitz, A Joffe, and P O'Flaherty, who resigned from the board during the year for their contribution to the group. We also thank J Friedman who resigned as CFO and G Neubert who resigned as group CEO but remains as the CEO of EIE SA. Under the board's chairmanship of P Baloyi we welcome K Matthews, O Mabandla, W Chapman, and V Jarana as non-executive directors. We are thankful for the support of our shareholders, suppliers, customers, distributors, employees, and their families, who have continued to support us with optimism and encouragement.

Andrew Hannington
Chief executive officer

Paul Baloyi
Chairperson

22 December 2020

CHIEF FINANCIAL OFFICER'S REPORT

FINANCIAL RESULTS

OVERVIEW

With the unprecedented circumstances arising from the COVID-19 pandemic, the year ended 31 August 2020 has been an extraordinarily challenging time for every business within the group.

Despite the lower activity arising from lockdowns, the group's total revenue for the year decreased 8% to R7.206 million (2019: R7.791 billion). The risks of lower revenue during the restrictions was mitigated by robust annuity revenues within our Eqstra, EIE SA and Impact Handling (UK) businesses coupled with a large portion of our customer base categorised as essential service providers. Revenues from the sale of equipment, used vehicles and chemicals was, however, impacted significantly.

Profit from operations before depreciation and amortisation decreased by 6% to R1.795 billion (2019: R1.909 billion) positively impacted by R68.0 million being the reclassification of operating leases to depreciation and interest of R60.0 million and R8.0 million respectively in line with the adoption of IFRS 16: Leases from 1 September 2019.

IMPACT OF IFRS 5: ASSETS HELD FOR SALE EQSTRA

Following the strategic review in 2019, the board decided to divest its ownership in Eqstra. The final outstanding condition precedent to the disinvestment was not fulfilled by the deadline of 4 May 2020 and accordingly, the transaction was not concluded. As a result, Eqstra, which was previously classified as an asset held for sale at 31 August 2019 and at 28 February 2020, was reclassified as a continuing operation in the second half of the financial year. In line with IFRS 5, the summarised consolidated statement of profit or loss and other comprehensive income and segmental analysis for the prior year for the Fleet segment has been represented as a continuing operation.

IFRS 5 also required enX to cease depreciation and amortisation and assess the carrying value of the assets held for sale in terms of the transaction value. As a consequence, additional depreciation and amortisation, as a result of the reclassification of Eqstra from a discontinued operation to a continuing operation in May 2020, of R65.9 million (after tax: R47.4 million), which related to the period from the effective date of the Eqstra transaction to 31 August 2019 was recognised in the 2020 financial year following the termination of the transaction.

The *pro forma* impact for the year ended 31 August 2020 and 2019 if Fleet had been disclosed as a continuing operation would have been as follows:

	31 August 2020 Reported	**31 August 2020 *Pro forma*[1]**	**31 August 2019 *Reported***	**31 August 2019 *Pro forma*[1]**
Profit from operations before depreciation and amortisation (Rm)	**1 794 764**	**1 794 764**	1 908 519	1 908 519
Operating profit (Rm)	**381 751**	**447 619**	757 175	691 307
Net finance charges	**409 352**	**409 352**	406 480	406 480
(Loss)/profit before taxation	**(589 659)**	**(523 791)**	189 265	123 397
Headline (loss)/earnings (Rm)	**(36 410)**	**11 015**	253 315	205 890
Basic (loss)/earnings per share (cents)	**(283.1)**	**(256.9)**	58.9	32.5
Diluted (loss)/earnings per share (cents)	**(283.1)**	**(256.9)**	58.3	32.1
Headline (loss)/earnings per share (cents)	**(20.1)**	**6.1**	141.0	114.6

[1] *The pro forma figures include the impact of re-instating depreciation and amortisation for the year ended 31 August 2019 and 2020 on all held for sale Eqstra designated assets. Depreciation and amortisation amounting to R65.9 million (after tax: R47.2 million) relating to the period 15 July 2019 to 31 August 2019 was re-instated in 2019 and reversed in 2020.*

ONE-OFF OPERATING COSTS AND IMPAIRMENTS

Pro forma Operating profit decreased by 35% to R447.6 million (2019: R691.3 million), negatively impacted by the following factors:

- Costs pertaining to redundancies within EIE SA, Impact Handling (UK) and Eqstra amounting to R32.0 million; and
- Additional bad debts, stock obsolescence, onerous contract provisions and one-off operating costs relating primarily to the COVID-19 pandemic of R63.3 million.

Pro forma Headline earnings decreased to R11.0 million (2019: R205.9 million), with *Pro forma* Headline earnings per share being 6.1 cents per share (2019: 114.6 cents per share).

Pro forma Loss before tax was R523.8 million (2019: profit of R123.3 million). The additional consideration relating to enX's acquisition of Zestcor amounted to a R30.7 million charge and was adjusted as a fair value adjustment. As a result of challenges created by the COVID-19 pandemic with a new economic reality and an anticipated slow recovery, the group incurred impairment charges as follows:

- Impairment of EIE SA goodwill of R133.9 million and associate intangibles of R91.0 million (after tax: R65.5 million);
- Impairment of Eqstra goodwill of R181.6 million and associated intangibles of R91.7 million (after tax: R66.0 million);
- Impairment of AG Lubricant's intangibles of R13.7 million (after tax: R9.9 million); and
- Impairment of WAG intangibles of R31.2 million (after tax: R22.5 million).

OPERATIONS REVIEW

See Segmental and business unit reviews (pages 20 to 29).

ENX EQUIPMENT

The South African and UK forklift markets were impacted significantly by the COVID-19 pandemic and were down approximately 32% and 25% against the prior year, respectively.

EIE SA revenue decreased 15% to R1.890 billion (2019: R2.211 billion) mainly due to significantly lower equipment volumes sold. EIE SA operating margins decreased to 10.7% (2019: 15.4%) primarily as a consequence of a number of once off costs incurred amounting to R38 million which included COVID-19 related costs, redundancy costs and additional bad debt and stock obsolescence provisions. EIE SA's profit before tax decreased to R29 million (2019: R175 million).

Impact Handling (UK) revenue increased 9% to R1.448 billion (2019: R1.334 billion), however revenue in GBP was flat compared to the prior year with year-on-year growth in aftermarket revenue being offset by a decline in revenue from equipment sold. Impact Handling (UK) operating margins decreased to 6.4% (2019: 7.6%) primarily as a result of several once-off costs, which included COVID-19 related costs, redundancy costs and stock obsolescence provisions, but was offset by UK government furlough assistance, which has been extremely beneficial.

Profitability in both EIE SA and Impact Handling (UK) was significantly impacted by COVID-19 lockdown restrictions in both South Africa and the UK but being mitigated by the continuity of the aftermarket services to essential customers during the lockdowns. Higher borrowings in both the SA and the UK to fund increased working capital levels over the period, as well as debt-funding of the acquisition of Grant Handling in the UK resulted in higher net finance charges.

New Way Power had a disappointing performance in a challenging environment with almost no activity during the April 2020 lockdown followed by much lower than normalised revenue through to July 2020 as lockdown levels eased. As a result of the non-activity during lockdowns and complete closure of the events industry, which make use of short-term generator rentals, revenue decreased to R276 million (2019: R339 million), down 19%. Profitability was impacted by significant pressures on margins, mainly in the data application space together with higher bad debt and inventory obsolescence provisions. A loss before tax of R31 million (2019: loss of R3 million) was incurred.

Austro delivered a poor financial result in extremely difficult circumstances with no activity during the hard lockdown. Revenue decreased to R107 million (2019: R161 million). A loss before tax of R20 million was incurred, a similar result to the prior year. Profitability was impacted by additional bad debt and inventory obsolescence provisions and once off retrenchment costs to right-size the business.

ENX FLEET

Eqstra's revenue decreased 10% to R1.860 billion (2019: R2.064 billion). While rental revenues remained flat compared to the prior year, the COVID-19 lockdown restrictions significantly impacted the used vehicle revenue, and to a lesser degree, the value added product revenue. Activity levels during hard lockdown were around 60% of normalised pre-COVID-19 revenue mainly due to the annuity nature of the business together with a large essential service customer base. Profit before tax decreased to R33 million (2019: R175 million) on a like for like basis. While the underlying annuity based revenue streams have provided a large degree of protection against the negative financial impacts of the COVID-19 lockdown restrictions, profitability was significantly impacted by the delaying of replacement business, the challenging used car market and significant once off costs arising due to increased provisions and retrenchment costs.

ENX PETROCHEMICALS

AG Lubricants' revenue decreased 3% to R778 million (2019: R804 million). Despite activity levels decreasing to around half of normalised pre-COVID-19 revenue during the hard lockdowns in April 2020, activity levels during July and August 2020 were significantly higher as certain customers focused their efforts to clear back orders arising from COVID-19 lockdowns. Profit before taxation increased to R31 million (2019: loss before taxation R71 million). In the prior year, inventory impairments amounting to R60 million were recorded.

WAG's revenue decreased 2% to R896 million (2019: R910 million). Activity levels during hard lockdown in April 2020 were around 60% of normalised pre-COVID-19 revenue and steadily grew and recovered to a similar level by year end. During hard lockdown, the business supplied essential services with product required for packaging within the food industry. Volumes of rubber supplied to industrial and mining related customers have been resilient. Profit before taxation increased to R34 million (2019: R13 million). In the prior year, goodwill within the business of R16 million was impaired.

FOREIGN CURRENCY RISK

The group has material foreign currency exposure as it imports many of its product components as well as finished products. In line with policy, current exposures are hedged and whenever commercially possible, the resulting increase in input costs are adjusted for in margins.

CHIEF FINANCIAL OFFICER'S REPORT (continued)

INTERNAL CONTROLS AND RISK MANAGEMENT

Continuous monitoring and improvement of the control environment is reported on by internal audit. The group's system of internal controls over financial reporting have been assessed as effective as referred to in the Audit and risk committee report.

See ARC report (pages 57 to 60).

FUNDING AND LIQUIDITY

Liquidity in all our businesses has been resilient during lockdown and is a testament to the ability of scale back capital expenditure, reduce orders, collect debtors, and draw down on inventory levels to release cash. Net cash inflows before financing activities amounted to R224.0 million (2019: outflow of R531.2 million). Included in working capital inflows of R610.3 million (2019: R296.4 million) is the reclassification of leasing assets into inventories amounting to R595.1 million (R493.0 million) in the year.

The group's net interest-bearing liabilities increased by 3% to R5.015 billion (2019: R4.858 billion) primarily to fund a 3% increase in Leasing assets to R6.087 billion (2019: R5.937 billion) and higher inventory levels at R1.622 billion (2019: R1.548 billion). Bank covenants were all met during the period. Net finance charges increased 1% to R409.4 million (2019: R406.5 million) impacted by higher average net borrowings as a result of growing lease book, higher average inventory and additional interest of R8.0 million arising from the adoption of IFRS 16: Leases.

During September 2020, Impact Handling (UK) renewed its funding arrangements, which now mature in August 2023 with an option to extend.

As a result of the termination of the Eqstra transaction, enX has been in a process of engaging with its lenders regarding the refinance of the South African leasing businesses' bank term facilities and the debt capital market programme. At the date of signature of the financial statements, agreements with the bank lenders have been concluded whereby, subject to the fulfilment of customary conditions precedent, both EIE SA and Eqstra business will raise their own independent funding facilities and all existing bank borrowings will be repaid and debt capital market instruments redeemed.

The South African trading businesses will retain their own dedicated credit facilities. The composition of the facilities will however change in December 2020. We intend to repay the term loan of R50 million and reduce the facility limit of our revolving credit by R30 million to R45 million. Our general banking facility of R150 million and indirect facilities of R80 million will remain in place providing the business with liquidity to trade. Furthermore, the maturity of the revolving credit facility will be extended to 31 August 2022.

Based on our assessment of the prospects and cash flows for each business as at the date of signing, we believe that credit facilities discussed above, provide sufficient liquidity for the businesses to continue trading.

OUTLOOK

The lockdowns have had a significant impact on the financial and trading results for the year. The health and safety of our stakeholders remains our highest priority. The measures adopted during this period were designed to protect the financial position and preserve cash flow of the group. Management will continue to implement appropriate measures to achieve these goals. Trading activity relative to revenue achieved before lockdown continues to recover, with almost all the businesses returning to above 80% of pre-lockdown revenue. The measures that management has implemented with regards redundancies mainly in EIE SA, Impact Handling (UK) and Eqstra have been necessary to scale our business activities in anticipation of lower revenues, yet act responsibly. Working capital management will continue to remain a high priority across the businesses.

Despite a slow recovery of the economy in SA and UK, we anticipate improved operating and financial results with improving new and used equipment sales for the year ending August 2021 across all the business units. However, the lockdown recently imposed in the UK during November 2020 will impact the rate of recovery of the UK economy. The used vehicle market is expected to remain under pressure. Our diversified customer base, annuity revenues and our in-use fleets, which are large, held at attractive values and funded, should be supportive of the leasing businesses in the medium to long term.

The reductions in the South African interest rate will have positive impacts of the profitability of the trading businesses but it will be neutral to negative for the leasing businesses as the reductions have been passed on to most of the existing long term leasing customers. However, lower lease rates should support retention levels and new business.

Robert Lumb
Chief financial officer

22 December 2020

SEGMENTAL PERFORMANCE AT A GLANCE

enX EQUIPMENT

REVENUE
R3 721
MILLION

EBIT
R253
MILLION

PBT
R30
MILLION

LEASING ASSETS
R3 352
MILLION

enX FLEET

REVENUE
R1 860
MILLION

EBIT
R148
MILLION

LBT
(R29)
MILLION

LEASING ASSETS
R2 732
MILLION

enX PETROCHEMICALS

REVENUE
R1 674
MILLION

EBIT
R76
MILLION

PBT
R65
MILLION

INVENTORY
R436
MILLION

SEGMENTAL AND BUSINESS UNIT REVIEWS

enX EQUIPMENT

We aim to be the partner of choice in distribution, rental, value added services and pre-owned equipment in the industrial and materials-handling, power and wood markets; offering a total solution, providing best-in-class brands and delivering optimal lifetime value for our customers.

This segment comprises four businesses, namely EIE SA, Impact Handling (UK), New Way Power and Austro.

EIE SA AND IMPACT HANDLING (UK)

enX Industrial Equipment (EIE SA) and Impact Handling (UK), provide distribution, rental, value added services and pre-owned for industrial and materials handling equipment. EIE SA and Impact Handling (UK) are active in most market segments, with a focus on FMCG, automotive, logistics, manufacturing, retail, and mining, among others. This diversification across industries has allowed the company to mitigate the risk of focusing revenue streams on singular markets. The range of services offered by both EIE SA and Impact Handling (UK) continues to include long- and short-term rentals, service and maintenance contracts, sales of new and pre-owned equipment and parts, fleet management, operator training, load testing and battery bay management of industrial equipment.

NEW WAY POWER

New Way Power designs, manufactures, installs, and supports power solutions to the manufacturing, construction, mining, engineering, IT, agricultural, retail, hospitality, and medical sectors. Associated services include maintenance, refurbishment, refuelling and remote monitoring of systems, ensuring an end-to-end solution in all markets. Through Genmatics, New Way's rental division, the company caters to temporary, short- and long-term, and standby rental power requirements. Under Power0^2, the business distributes industrial and marine diesel engines and spare parts with the distribution rights for global brands Moteurs Baudouin, John Deere and Mitsubishi diesel engines.

AUSTRO

Austro supplies specialised and quality branded industrial equipment and related products to corporate, commercial and infrastructure markets in southern Africa, primarily for the woodworking and wood processing sectors, as well as the plastics, aluminium, and advanced materials sectors. Austro is active in many market segments across Africa and provides comprehensive business solutions that cater to the needs of large manufacturers to small and medium enterprises (SMEs) in shopfitting, construction, and furniture manufacturing, among others. Austro continues to provide ancillary and supplementary services and products, such as equipment maintenance and other technical services, manufacturing and supply of specialised tooling and sharpening thereof.

KEY PERFORMANCE MEASURES

Measure	FY2020	FY2019
Revenue (R'000)	3 721 188	4 045 741
EBIT (R'000)	252 540	421 922
Net finance costs (R'000)	(222 373)	(200 321)
PBT (R'000)	30 167	221 601
PBT margin (%)	0.8	5.5
Number of employees	1754	1 830
Total liabilities (R'000)	4 491 506	4 088 070
Leasing assets (R'000)	3 351 653	3 043 620
Total assets (R'000)	5 864 824	5 374 840

PERFORMANCE OVERVIEW OF EIE SA

The South African forklift market was hard hit by the COVID-19 lockdown restrictions, down approximately 32% year-on-year. When the threat of lockdown became apparent, EIE SA undertook swift action to obtain essential service provider status and activate remote working technology and tools for employees, which positioned our teams well to continue serving our customers without interruption.

EIE SA's FY20 revenue decreased by 15% year-on-year – mainly due to lower sales volumes in new equipment. Overall profitability declined 83% year-on-year arising from the significantly lower new equipment sales and several one-off operating costs and adjustments in provisions arising predominately from COVID-19 lockdown restrictions. Through our range of rental offerings, accounting for approximately 70% of revenue in FY20, EIE SA continued to offer aftermarket services to clients classified as essential services providers, which has helped to mitigate the negative effects of the pandemic on business operations by preserving these important annuity revenue streams. Customers in the new equipment market adopted a more conservative wait-and-see approach, and consequently this market suffered an immediate contraction that will likely not normalise until more economic certainty prevails.

When the lockdown in SA hit, our immediate focus was on the wellbeing of our people. South African staff received full salaries as well as some supplemental payments for lower threshold wage earners to assist their families in the crisis. The company also implemented an employee counselling service to support with the trauma of lockdown.

The return of staff to the workplace was done in line with lockdown easing requirements, and all staff were back on-site by 1 September 2020. Relevant protocols for Personal Protective Equipment (PPE) were implemented to ensure the safety of staff and customers. In FY20 EIE SA spent over R3.5 million on personal protective equipment, and the budget for this in FY21 is more than double.

During the crisis, regular and open communication was key in motivating and assisting teams who returned to EIE SA sites and serviced our customers at their sites. Management held daily meetings with employees, which helped to keep staff engaged and navigate the impact of the pandemic on the business. The company used collaboration tools and videos to support communication with employees as well as customers.

The company continued the process of realigning costs initiated in the prior year, and 103 employees were retrenched in South Africa in FY20.

See EIE SA's sustainability performance (pages 49 to 53).

Despite the market conditions we successfully maintained our partnerships with leading global forklift brands (including four of the top ten global forklift brands), namely Toyota Forklifts, Heli, Sinoboom, CT Power, Hangcha, Cat Lift Trucks, Hako, and Konecranes Lift Trucks. After 36 years, EIE SA remains the exclusive distributor in SA for Toyota Forklift.

In FY20 we launched TUF Forklifts, which provides quality used forklifts and battery-electric equipment and meets the needs of customers seeking a solution in an economic pricing range. TUF Forklifts offers second-hand Toyota forklifts as well as other international brands without the offer of after sales service. To support a change in business model, away from truck mounted cranes, 600SA took on two new brands on this year: CT Power and Sinoboom.

Our OEM suppliers were very supportive during the lockdown period with extended payment terms where needed, and spare parts were delivered without interruption, although orders of new equipment slowed in line with muted market activities.

OUTLOOK

The poor economic performance anticipated in SA for the foreseeable future will continue to place significant pressure on EIE SA, not the least of which is the ongoing sustainability of EIE SA's operations.

We will continue to realign the business to adjust to the changing environment, with a focus on reducing overall costs and driving efficiencies. Opportunities exist to expand our footprint into Uganda, and we will focus on creating demand for the new products offered by the CT Power and Sinoboom brands, as well as the lower end of the market through TUF Forklifts. We will continue exploring opportunities to expand into complementary distributorships to support access to changing markets, especially in rental and after sales service markets.

At the start of FY21, we were pleased to elevate our B-BBEE rating to Level 2, which will support our efforts to access new markets in SA.

The primary risks for FY21 include further market contractions resulting from COVID-19 restrictions globally and locally, and the knock-on effect of exchange rate volatility for imported products. Operationally, we are implementing technology, processes, and tools to optimise costs and ensure that employee wellbeing and engagement remains a focus.

An unrelenting focus to meet customer needs in their own changing markets will be key to our sustainability. We will remain agile and aligned to changing market dynamics to keep our products and brands visible and provide consistent and quality service to our customers, whom we thank for their ongoing support.

Gary Neubert

Chief executive officer, EIE SA

SEGMENTAL AND BUSINESS UNIT REVIEWS

(continued)

PERFORMANCE OVERVIEW OF IMPACT HANDLING (UK)

Impact Handling (UK) operates in the UK as a complete material handling solution provider. In FY19, Impact Handling (UK) acquired Grant Handling Limited in the UK to strengthen its market position and increase product diversity; this integration is now complete. Impact Handling (UK) is the exclusive UK distributor for Cat Lift Trucks, Hangcha materials handling equipment, Konecranes Lift Trucks, and Heli materials handling equipment.

While geographically smaller than SA, the UK market for forklifts and material handling is approximately five times larger, with a market size on average of 33,500 new trucks per year. Due to the impact of COVID-19 restrictions in the UK and Europe, this market experienced a decline of 25% year-on-year. During the peak of the first wave of lockdowns in April and May, the UK market came to a standstill with relatively few sales of new equipment. As a result, the company's stock levels were unusually high, which resulted in higher borrowings to fund working capital and additional finance charges. Market activity started to normalise during the northern hemisphere summer months. However, depending on the severity and duration of the second wave of lockdowns in the latter months of 2020, expectations are low for a complete normalisation in FY21.

The company's profitability declined by 24% against prior year. This could have been more significant were it not offset by the furlough assistance offered to employers by the UK government, which supplemented 80% of the earnings of employees during this period. The UK government also offered an extended payment plan on PAYE. Support was also received from OEM suppliers, such as Cat Lift Trucks, which offered delayed payments and alternative stock storage arrangements.

Impact Handling (UK) obtained key supplier status during the lockdown, which enabled continuous service to be provided to customers across the UK and permission to travel to customer sites. This was key to serving customers in essential services sectors such as food and pharmaceuticals. Only the company's main locations were kept open for physical operations. Employees on active duty reduced to 20% during the peak of the lockdown, and by August this had returned to 95% of the workforce. Our mantra of attending to customers' needs immediately strongly positioned Impact Handling (UK) as a reliable business partner during the crisis.

Notwithstanding the support that most employers received from the government during this period, there was a significant downturn on revenues from customers in the short-term rental sector. New sales and long-term rentals saw delays in contract renewals and purchase decisions, or a tendency to seek out lower value equipment solutions. We maintained close contact with our key accounts to ensure that their needs are met quickly and efficiently.

A key focus has been the health and safety of staff throughout this period. In addition to remote working and implementing strict social distancing, we designed team engagement to involve a minimum of interpersonal contact. Our mobile workforce of approximately 250 engineers were provided with full PPE gear and other support tools. In acknowledgement of the stress caused by anxiety and fear during the pandemic, we implemented several human resources support initiatives and regular communications to provide information and assurances to our team of 500 people.

In FY20 around 40 people were made redundant and four satellite branches were permanently closed. This process of workforce optimisation was underway prior to the onset of COVID-19 restrictions, resulting from a duplication in back office functions following the acquisition of Grant Handling in 2019. Redundancies were affected primarily in back office functions of finance, HR, payroll, compliance, and property management. While this process has reduced the number of locations, it has not reduced the company's overall footprint in the UK.

See Impact Handling (UK)'s sustainability performance (pages 49 to 53).

OUTLOOK

The goal for FY21 is to successfully navigate through the many and varied COVID-19 risks and issues, and ensure the company remains robust and sustainable. Even with a slowdown in general economic activity anticipated in the second wave of lockdowns, our customer base remains essential to providing services to the UK. We aim to extend our range of solutions obtained through the Grant Handling acquisition primarily in the south, across the key industrial areas in the UK.

As a mature business, we are fortunate to have no reliance on any one industry. There are opportunities for expanding further in growing market sectors such as packaging and port/terminals materials handling equipment solutions. Furthermore, the demand for competitively priced brands from China, such as Heli and Hangcha, is growing, which will also meet the requirements for diesel emission legislation in the UK.

Our business model of serving customers with multi truck solutions in multi franchises, across multiple locations, positions us well to be highly responsive to market needs. HSBC, the company's main funding partner, signed a renewal of the funding facility in August that provides a comprehensive five-year funding structure, and welcome message of confidence in the business for the future.

Terry Kendrew

Chief executive officer, Impact Handling (UK)

PERFORMANCE OVERVIEW OF NEW WAY POWER

As an essential services supplier under SA's lockdown restrictions, New Way Power continued operations throughout FY20, achieving, on average, 68%of pre COVID-19 lockdown revenue from April to August 2020. During the winter months, the SA market experienced another spate of load shedding, which saw revenue increases, driven by generator and engine sales as the industry slowly started to recover from the suppressed lockdown trading. Overall, the market dynamic has shifted to present more opportunity for the company's rentals business model (previously focused predominantly on the events industry), as more customers come under cashflow pressure and delay purchasing decisions.

New Way Power's customers in the events and media industries were hardest hit by lockdown restrictions, with zero activity in this sector during the lockdown and many customers going into business rescue. This eroded a significant portion of the company's revenue streams. However, on a more positive trajectory, the rental business units managed to supply into industries previously untapped. Customers in the market segments who weathered the contraction have remained loyal to New Way, albeit in a reduced capacity, and this is unlikely to normalise in the near term. Unsurprisingly, the majority of FY20's order book came from the IT sector – especially data centres – where the demand for their services were heightened as the need for remote working accelerated globally. There are significant opportunities to grow market position in this sector.

For FY20, the company reported a net loss before tax of R31 million, largely accelerated by an increase in the bad debt and inventory obsolescence provision of around R19 million. However, the company managed its cashflow position prudently throughout the year, capitalising on the long-term relationships with the integral global OEM suppliers.

New Way Power continues to supply products in leading international brands, and we have maintained our OEM relationships with John Deere, Mitsubishi, Grupel and Moteurs Baudouin.

Headcount has remained steady since 2018 and no significant restructuring took place in the year under review.

The company's ISO 9001 rating expired in FY20, and due to the restructuring of the company in the last two years, several processes need to be reviewed, finalised, and implemented. New Way Power will undertake a new ISO certification process in FY21. The company currently makes use of the enX Group Level 4 B-BBBE accreditation and a strong focus on an independent scorecard will commence in FY21.

See New Way Power's sustainability performance (pages 49 to 53).

OUTLOOK

To adjust to new market realities, New Way Power will continue to seek enhanced applications of product solutions, in particular alternative energy production and energy storage. We are focusing on providing complementary power solutions, such as UPS and switch gear technology, that extend beyond the typical diesel generator options offered by competitors. We believe this will address the increased appetite for alternative and clean technology by SA companies seeking to reduce their dependency on the national power grid.

We would like to thank the enX Group and our key suppliers for their ongoing support. We offer a note of special thanks to our customers and employees for their loyalty and commitment to New Way Power during this tumultuous trading period.

Dane Viljoen

Chief executive officer, New Way Power

SEGMENTAL AND BUSINESS UNIT REVIEWS

(continued)

PERFORMANCE OVERVIEW OF AUSTRO

Austro is the leading premium woodworking equipment supplier and associated services provider in Sub-Saharan Africa. The prior two trading years have been extremely difficult for Austro, driven primarily by SA's economic recession and resulting market contraction, and more recently the cessation in market activity for five months of FY20 during the lockdown period. A large portion of Austro's customer base is in the manufacturing sector, namely furniture manufacturing, shopfitting, and construction, which was brought to a standstill by the country's lockdown regulations, as many were deemed non-essential services by government.

Austro closed FY20 with a loss before tax of R20.0 million, a similar amount in FY19. All aspects of the company's operations were impacted by the lack of market activity during the lockdown restrictions, and consequently Austro had to absorb additional bad debts as customers went into business rescue or insolvency, and inventory obsolescence provisions were increased.

Coupled with management changes in the beginning of 2020, a new leaner executive management structure was established to optimise the business and implement a recovery plan. The onset of COVID-19 restrictions slowed these plans, but it remains the primary focus of management. A headcount reduction was undertaken through a comprehensive s189A procedure to right-size the business. In addition, management is focused on sustainable cost savings, as well as efficient working capital management to ensure liquidity.

This year Austro marked 39 years of operations, during which it has established itself as a reliable partner in southern Africa for several premium OEM suppliers of major machinery and equipment suppliers such as The Felder Group, Leitz, Weinig, Striebig and Kleiberit. Biesse, the company's largest supplier and a key anchor for Austro's market position, has committed to the new executive management structure and its continued exclusive distributorship rights. Our other OEM suppliers of equipment and tolling mentioned above have provided similar support. This is a strong vote of confidence for Austro's strategic recovery plan for FY21.

Austro management used the downtime in FY20 to optimise business processes and implement technologies to better enable employees and drive productivity and customer engagement. With the increased demand for lower priced equipment, higher end equipment, and demonstrations of these products will be done virtually in future. This is also in line with the limitations of physical presence by international suppliers with lockdowns in Europe and Asia. Upskilling and retraining staff to engage with customers digitally has become important as new ways of work are becoming more commonplace.

See Austro's sustainability performance (pages 49 to 53).

OUTLOOK

Despite the economic slowdown everywhere, Austro embarked on an expansion strategy into other African countries to diversify its customer base. This will continue in FY21 as we use a capital light approach with a dealer network focus. A dealer has been appointed in Zimbabwe and we are exploring dealer networks in Angola and Mozambique to access these untapped markets.

Marketing and sales will also be streamlined towards digital engagement with customers, which has several benefits for customers and enables improved management of the sales process. Austro will launch an online store for customer to seamlessly order parts, tooling, adhesives, and request services. A re-invigoration of the digital platform, Austro Intelligence, will also provide real-time information on customers' machine productivity, troubleshooting and fault resolution.

From a people perspective, especially technical services, Austro's management is placing a significant emphasis on the retention of talent and driving a culture that enables the growth and future sustainability of the business.

The availability of correct parts to minimise downtime for our customers will also be a major focus area for the company given the streamlining of the ordering and inventory management process.

We remain cautiously optimistic that Austro's markets will experience revival, and some degree of normalisation, in FY21. With the incentives and support funds offered by Government to manufacturers and downstream operators, we aim to be the first port of call for customers who need to invest in their capital infrastructure.

Grant Hinckley

Executive, Austro

enX FLEET

Eqstra Fleet Management and Logistics (Eqstra) is a leading integrated fleet management solutions provider in selected Sub-Saharan African geographies. The company takes residual value and maintenance risk for its leasing customers, while adding value through the development of bespoke fleet solutions.

ENX FLEET

Eqstra provides a full spectrum of passenger vehicle services including leasing, fleet management, outsourcing solutions, maintenance, warranty management and vehicle tracking solutions. Eqstra provides fleet management solutions for commercial fleet vehicle fleet owners and logistics solutions and has a footprint in South Africa and Sub-Saharan Africa in 15 locations across four countries. With a 35-year history, Eqstra holds a leading market position.

Following a strategic review in 2019, the board had decided to divest of its ownership in Eqstra to Bidvest Bank. However, the divestment was terminated, and Eqstra was represented as a continuing operation in 2020.

KEY PERFORMANCE MEASURES

Measure	FY2020*	FY2019
Revenue (R'000)	1 859 651	2 063 548
EBIT (R'000)	147 898	429 029
Net finance costs (R'000)	(177 122)	(191 918)
PBT (R'000)	(29 224)	237 111
Adjusted PBT (R'000)*	32 836	17 505
Adjusted PBT margin (%)	1.8	8.5
Number of employees	379	531
Total liabilities (R'000)	2 382 940	2 506 289
Leasing assets (R'000)	2 731 600	2 893 386
Total assets (R'000)	3 116 518	3 280 838

* *In terms of IFRS 5, enX was required to cease depreciation and amortisation on assets held for sale. The PBT of Eqstra has been adjusted considering the business unit depreciation of R62 million (pre-tax) from 15 July to 31 August 2019 that was processed in the 2020 financial year, that related to 2019 showing profitability on a "like for like" basis.*

SEGMENTAL AND BUSINESS UNIT REVIEWS (continued)

PERFORMANCE OVERVIEW OF EQSTRA

At the onset of FY20, Eqstra was poised for a year of growth through the positioning of the business for sale to Bidvest Bank. Two significant shocks occurred in the first half of 2020. By May 2020 it was clear that the sale of the business to Bidvest Bank would not become effective following the non-fulfilment of a final condition precedent. As a result, the business was reclassified as a continuing operation and remains part of the enX Group of companies.

Unsurprisingly, the second significant event was COVID-19 and the impact the lockdown restrictions had on the market. From April to August 2020, Eqstra achieved around 76% of pre-COVID19 lockdown revenue, and revenue for FY20 closed 10% down on the prior year. The sustainability of revenue was in large part due to blue chip annuity customers, who continued their operations as essential services providers during lockdown. This gave Eqstra the benefit of operating continuously during this period, albeit it at lower activity levels. Rental revenues remained flat but used vehicle sales fell significantly as expected.

Due to the prevailing market uncertainty, there was a net 5% decline in vehicle and fleet replacements, while some customers downscaled contracts in anticipation of further market contractions. Reciprocally, we right-sized the business and streamlined sales processes to be more effective within the changed environment. Debtors levels and recoverability were maintained during the peak lockdown months. However, increased provisions and retrenchment costs impacted profitability.

To ensure the sustainability of the business in the current muted market, and to manage working capital more closely, a comprehensive business restructure was announced. The retrenchment of 65 employees resulted in costs of around R10 million by the end of FY20; however, as a result, significant savings are forecast for FY21. Furthermore, the decrease in the prime interest rate had a significant impact on profitability. Bad debt write offs were sizable relative to historical levels due to late payments and increased liquidations but remained within acceptable levels. Capital expenditure was well below target in FY20, which will impact FY21 budgets.

The ongoing benefits from the use of Quest, Eqstra's integrated IT platform, were remarkable as all employees seamlessly changed to remote working practices without interrupting service levels. Our team used the lockdown period to stress-test the Quest system to maximum capacity – providing the opportunity to push previous boundaries and make important strides towards the sale of Quest as Software as a Service (SaaS) locally and internationally. Quest has proven its ability to integrate several data sources to provide accurate intelligence to customers on their fleet's performance in a timeous and relevant manner, to support agile business decision-making.

We continued to invest in keeping the awareness of Eqstra's custom offerings high on the agenda of customers through social media and digital marketing campaigns. While the entire market has been reshaped this year, Eqstra is considered by customers as one of the most stable and consistent service providers in the industry.

See Eqstra's sustainability performance (pages 49 to 53).

OUTLOOK

Looking ahead, we expect the size of traditional fleet sizes to reduce in FY21. Therefore, we will continue to reinvent and enhance our current offerings to support a low touch environment and anticipate new needs stemming from customers' reduced fleet footprints. We will continue to focus on de-gearing the business to diversify our product range and becoming an asset-light, non-capital-intensive business with leasing at the core.

We will repurpose existing resources and products and continue to invest in our technology assets, including white-labelling Quest, and ensure that customers have access to a full range of integrated fleet solutions and driver productivity management solutions across all vehicle and equipment classes. Quest will be enhanced to support other companies within the enX Group, as there is a natural extension among equipment-led sectors. Strong opportunities exist to diversify and enrich offerings within the South African insurance sector.

We thank our customers for their ongoing support during the past year and look forward to becoming an increasingly important partner in their data intelligence supply chain as one of South Africa's leading integrated fleet management solution provider.

Jacqui Carr

Chief executive officer, Eqstra

enX PETROCHEMICALS

ENX PETROCHEMICALS

As a collective Petrochemicals segment, we aim to procure, produce, store, distribute, sell, and market quality lubricants and chemical products that meet or exceed the expectations of our customers, within a safe and reliable operation. enX Petrochemicals serves all areas of the economy, including mining, packaging, fleet, construction, agriculture, and steel, among others. enX Petrochemicals is comprised of two businesses, namely African Group Lubricants ("AG Lubricants") and Centlube and West African Group ("WAG").

AG LUBRICANTS

AG Lubricants produces and markets oil lubricants and greases in South Africa and Sub-Saharan Africa. They are the sole distributors of ExxonMobil lubricants (excluding marine and aviation) and Quaker Houghton International's Advanced Fluid Solutions and Service.

AG Lubricants is a producer and marketer of Caterpillar (CAT) Lubricants, which are distributed to the entire SADC region. It has capacity to produce up to 347 million litres of lubricants per year on a single shift.

AG Lubricants is a fully integrated producer and marketer of lubricants in Sub-Saharan Africa, catering to the Passenger, Commercial, Industrial (PCI) sector. It is the authorised distributor of ExxonMobil automotive commercial and industrial lubricants in South Africa and is a Toll manufacturer for other independent lubricant producers.

WEST AFRICAN GROUP

West African Group ("WAG") is a chemicals distribution business that distributes, both directly and indirectly, a range of virgin polymers, specialised Biaxially Oriented Polypropylene (BOPP) films, synthetic rubber, natural rubber, fillers, engineered carbons, rubber chemicals, specialty chemicals, desiccants and dunnage bags into the southern African market via its extensive warehouse and logistics network. Core products are polyethylene, synthetic rubber, natural rubber and specialised rubber chemicals tailor-made for the rubber and plastic polymer converting industry. WAG is the sole distributor of ExxonMobil Polyethylene in South Africa. It is also one of the biggest importers and distributors of natural rubber, synthetic rubber and rubber chemicals used in the mechanical rubber goods industry.

KEY PERFORMANCE MEASURES

Measure	FY2020	FY2019
Revenue (R'000)	1 674 032	1 713 959
EBIT (R'000)	76 490	(32 905)
Net finance costs (R'000)	(23 510)	(29 151)
PBT/(LBT) (R'000)	64 691	(57 091)
Number of employees	135	131
Total assets (R'000)	1 055 791	877 745
Inventories (R'000)	436 347	350 272
Total liabilities (R'000)	734 154	623 729

SEGMENTAL AND BUSINESS UNIT REVIEWS
(continued)

PERFORMANCE OVERVIEW OF WAG

WAG has been resilient throughout FY20, closing the year with a profit before tax of R34 million, up from R13 million in the prior year where a goodwill impairment of R16 million impacted results. By all accounts, this strong performance is testament to the experienced management team and the company's investment in the fundamentals of the WAG business to ensure its sustainability, which was put to the test this year.

Considering the market challenges that arose this year from lockdown restrictions, the proven business model was key to responding to sudden market changes. By design, the cost base in WAG can be scaled up or down with relative ease, as fixed overheads are limited with both transport and storage costs variable depending on use. A strong focus on working capital, cashflow and expenses have been central in the finance strategy this year.

In April, WAG achieved approximately 60% of pre-COVID-19 lockdown revenue, which grew steadily to around pre-COVID-19 lockdown revenue levels by the end of the financial year. The industrialised rubber market slowed at the start of the hard lockdown in line with reduced manufacturing activities, but packaging was considered an essential service and activity remained at similar levels in this sector throughout. Although orders slowed at the start of lockdown, there was a significant resurgence of activity from May onwards, well above expected levels.

The business continued to have success in natural and synthetic rubber and rubber chemicals, without increasing overhead costs. The company's strong market position in the synthetic rubber sector has been cemented in FY20, following a strategic positioning exercise in FY19. By the end of October 2019, WAG secured its own warehouse in Cape Town, with five full time employees, which has further strengthened our market position in the Western Cape.

We have continued to invest in relationships with world leading principals, such as ExxonMobil, Centrotrade/Corrie MacColl, SynthosVideolar-Innova, and Vizara Plantations. While there are ongoing economic challenges in SA, suppliers have expressed their confidence that WAG has access to their target markets in southern Africa, and the company's efficient operating approach, customer service, and quality standard aligns with their expectations.

In the winter months, the load shedding programme implemented by Eskom in SA had a further negative impact on customers in the plastics sector, which are unable to operate processing equipment on backup power. Reports indicate that pressure on the national grid will continue for the foreseeable future, which places this sector at risk, and may adversely affect customers due to production interruptions as a result.

The increased use of technology and accelerated adoption of various IT platforms has been encouraging across all levels of the company. From customer engagement, to online learning and data analytics, the use of enabling technology is at an all-time high in the company. In response to new customer needs, an online portal for customers will be rolled out in FY21, allowing for real time order tracking and various customer engagement contact points.

At the start of FY21, we achieved an important transformation target as a Level 4 B-BBEE contributor.

See WAG's sustainability performance (pages 49 to 53).

OUTLOOK

An important growth factor for FY21 will rest on our ability to bring new and diversified products to existing customers and keep service levels at an industry-setting standard. We will be seeking opportunities to drive up volumes, while carefully managing the pressure points within the business.

There are several risks beyond immediate control that could impact performance in the year ahead, not the least of which are future impacts of COVID-19 restrictions on suppliers and local markets, and the impact of the global economy on currency exchange volatility. These are being monitored carefully, and where possible, contingency plans have been put in place.

Our commitment to our customers remains a steadfast priority. We aim to continue delivering excellent products and service, within a framework of responsible financial and operational practices, to ensure the ongoing sustainability of the business and the wide range of stakeholders who depend on our collective success.

Brent Hean

Chief executive officer, WAG

PERFORMANCE OVERVIEW AG LUBRICANTS

AG Lubricants and Centlube, including our share of Zestcor's profits, posted a profit before tax of R31 million (2019: loss before tax R71 million), despite a decrease in revenue of 3% against the prior year. This comeback performance is the consequence of several strong financial and business disciplines implemented in the past two years that have assisted the company to navigate through much of the disruption of 2020.

In many ways, FY20 was a 'reset' year for the overhauled management team at AGL. After a complete review of the business model several efficiencies were identified to increase profitability and open revenue streams, and importantly, provide more impactful levels of customer service. After the write-off of R60 million of legacy stock issues in FY19, we continued to implement strict implementation of the streamlining strategy. Priority was given to driving efficiencies in manufacturing and financial processes as well as inventory management. Employees were trained on the use of the ERP system in conjunction with other new systems that improved productivity.

In the first two months of COVID-19 lockdown restrictions, revenue dropped by half against pre-COVID-19 lockdown restrictions. Fortunately, as essential services providers, most customers kept their operations open, which enabled our operations in our 20 000 m^2 blending facility to continue without interruption. In July and August, revenues were higher as many customers normalised their activities and aimed to process back orders delayed by the hard lockdown. During this period, the company adjusted the rotation of shifts to ensure the safety of employees, which meant the manufacturing facility remained operational throughout, albeit at a reduced level. Many of the company's competitors were unable to offer uninterrupted service, which has distinguished AGL as reliable provider during the crisis.

During the year we have continued to expand our product range with locally blended OEM products. We secured a significant Toll blending producing contract that will strength the company's position for the next five years. The group continues its investment in its base oil supply chain through 37% ownership of Zestcor.

The market has undoubtedly changed, with a significant impact on products used by the passenger, commercial and industrial sectors. There has been a marked increase in requests for financial assistance from debtors, while our supply chain has remained steady.

One of the key areas for efficiencies has been the focus on using data strategically. With the use of data dashboards, the monitoring of all aspects of the financial and operational performance of the business has increased. Consequently, the business intelligence from our data mining capabilities has opened opportunities for future growth in green energy and the mining sector.

The focus on improving efficiencies in the company has contributed to improved overall quality standards. The laboratory is considered to have one of the highest levels of quality standards in SA and on par with that of leading international OEM suppliers. We were accredited with the ISO14000 standard, on top of the ISO9000 standard in place, a significant achievement in the current circumstances.

From a talent perspective, our reputation is growing as an employer of choice, and the company is attracting sought after skills that will enable the increase the volume of Toll blending production. This year we took significant steps to support our employees and their families, going to great lengths to provide transport for workers, additional subsistence allowances, meals, and psychological support to deal with the anxiety of lockdown. Staff were fully equipped with the requisite PPE and additional costs were incurred for increased sanitising services. Staff who were able to work remotely were encouraged to do so, incurring additional costs for data usage for connectivity.

In the latter part of FY20, we initiated a process of workforce reorganisation to improve workflow and efficiencies within the business to adjust to new economic conditions; this will be implemented in the new financial year.

Our focus on skills development amplified as we leveraged the training and skills programme offered by ExxonMobil across AGL. As a global player, ExxonMobil is well equipped with digital learning and training platforms, which was extremely useful in obtaining world class best practice and knowledge sharing for AGL employees.

We were pleased to achieve our target as a Level 2 B-BBEE contributor at the start of the new financial year, which will support future business development opportunities and drive the focus on transformation in the business.

See AG Lubricants' sustainability performance (pages 49 to 53).

OUTLOOK

In addition to managing the ongoing impact of COVID-19 on local markets and global supply chains, a significant risk at the start of FY21 is the renewal of key agreements with suppliers and customers. All players have indicated positive intentions for renewals and extensions of contracts, which will positively position the company for the next three to five years.

The safety of our employees remains paramount and we will continue to invest in skills, protective gear and supporting our people. We will keep an unwavering focus on the important disciplines in the business to ensure ongoing sustainability. We are grateful for the ongoing support received from our customers and OEM suppliers, as this is an important vote of confidence as we face the challenges ahead together.

Mark Kerwan

Chief executive officer, AG Lubricants

FIVE-YEAR REVIEW

	2020 R'000	2019 R'000	2018 R'000	2017 R'000	2016 R'000
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME					
Revenue	**7 206 109**	7 790 851	7 429 294	6 218 342	1 150 951
Profit from operations before depreciation and amortisation, excluding foreign exchange	**1 794 763**	1 908 519	1 949 425	1 733 248	35 181
Depreciation and amortisation	**(1 429 536)**	(1 146 962)	(1 141 121)	(1 026 397)	(9 799)
Profit/(loss) on disposal of property, plant and equipment	**6 410**	(1 468)	(1 036)	27	379
Share-based payment (expense)/credit	**(2 547)**	6 579	(26 110)	(6 708)	(6 322)
Foreign exchange gains/(losses)	**12 660**	(9 493)	(39 933)	(27 085)	876
Operating profit	**381 750**	757 175	741 225	673 103	20 315
Impairment of goodwill and intangible assets	**(543 080)**	(166 395)	(56 184)	–	(78 205)
Adjustment on deferred vendor consideration	**(30 688)**	–	–	–	–
Fair value adjustment of investments	**–**	–	–	(736 563)	–
(Loss)/profit before interest and taxation	**(192 018)**	590 780	685 041	(63 460)	(57 890)
Net finance costs	**(409 352)**	(406 480)	(377 176)	(291 679)	(8 484)
Share of profits/(losses) from associates	**11 711**	4 965	1 246	(2 620)	293
(Loss)/profit before taxation	**(589 659)**	189 265	309 111	(357 759)	(66 081)
Taxation	**76 729**	(80 614)	(78 448)	(103 368)	(5 312)
(Loss)/profit after taxation	**(512 930)**	108 651	230 663	(461 127)	(71 393)
Non-controlling interest	**(461)**	2 840	4 941	6 186	–
Headline (loss)/earnings per share (cents)	**(20.1)**	141.0	158.0	(301.2)	1.6
STATEMENT OF FINANCIAL POSITION					
Property, plant and equipment	**621 446**	425 296	397 055	374 470	121 928
Leasing assets	**6 087 417**	5 937 005	5 377 858	5 077 814	–
Goodwill	**92 461**	390 810	478 746	504 510	151 336
Intangible assets	**73 308**	332 674	400 245	428 943	128 393
Investment in associate	**70 916**	59 205	54 240	–	971
Other investments and loans	**9 175**	12 769	18 214	237 323	–
Deferred taxation assets	**60 050**	55 956	47 234	25 430	16 289
Inventories	**1 622 021**	1 547 864	1 352 939	1 229 624	542 626
Trade and other receivables and derivatives	**1 069 503**	1 138 043	1 125 091	1 216 748	400 537
Taxation receivable	**19 801**	3 915	6 545	26 020	2 087
Cash and cash equivalents	**885 909**	458 736	451 305	317 806	60 150
Assets held for sale	**–**	–	–	212 176	–
Total assets	**10 612 007**	10 362 273	9 709 472	9 650 864	1 424 317
Deferred taxation liabilities	**437 928**	531 270	524 922	507 653	36 304
Interest-bearing liabilities	**5 861 278**	5 282 043	4 702 242	4 822 631	141 234
Non-current financial liabilities	**5 090**	2 999	13 513	–	–
Deferred vendor consideration	**33 895**	–	35 331	51 084	99 761
Lease liabilities	**211 416**	–	–	–	–
Bank overdraft	**5 377**	32 233	44 709	16 349	52 153
Trade, other payables, provisions and derivatives	**1 536 226**	1 554 894	1 548 604	1 500 073	405 962
Taxation payable	**23 350**	50 425	46 931	37 824	1 483
Total liabilities	**8 114 560**	7 456 519	6 916 252	6 935 614	736 897
Net assets	**2 497 447**	2 905 754	2 793 220	2 715 250	687 420
Funded by:					
Equity attributable to owners of the parent	**2 462 964**	2 869 379	2 757 218	2 683 839	687 420
Non-controlling interest	**34 483**	36 375	36 002	31 411	–
Total equity	**2 497 447**	2 905 754	2 793 220	2 715 250	687 420
KEY RATIOS					
Net asset value per share (cents)	**1 360.6**	1 597.0	1 537.9	1 506.4	1 259.5
Net tangible asset value per share (cents)	**1 280.4**	1 246.2	1110.1	1047.7	812.9

	2020 R'000	2019 R'000	2018 R'000	2017 R'000	2016 R'000
STATEMENT OF CASH FLOWS					
Cash flows from operating activities	1 995 525	1 736 384	2 007 418	1 640 721	12 294
Cash generated from operations	2 470 873	2 205 006	2 453 597	2 091 280	22 162
Interest received	13 945	7 231	24 423	71 803	3 016
Interest paid	(417 032)	(399 374)	(401 022)	(356 864)	(7 725)
Taxation paid	(72 261)	(76 479)	(69 580)	(165 498)	(5 159)
Cash flows from investing activities	(1 771 570)	(2 267 615)	(1 656 842)	(2 636 043)	(276 701)
Cash flows from financing activities	243 311	546 754	(248 827)	1 288 782	259 770
Net movement in cash and cash equivalents	467 266	15 523	101 749	293 460	(4 637)
Exchange gain on cash and cash equivalents	(13 237)	4 384	3 390	–	–
Cash and cash equivalents at the beginning of the year	426 503	406 596	301 457	7 997	12 634
Cash and cash equivalents at the end of the year	880 532	426 503	406 596	301 457	7 997

04

OUR ACCOUNTABILITY

CORPORATE GOVERNANCE

GOVERNANCE STRUCTURE

	Board
Members	Paul Baloyi* (Board chair) Andrew Hannington (CEO) – Appointed as director on 3 July 2020 and as CEO on 13 August 2020 Robert Lumb (CFO) – Appointed 1 March 2020 Vuyani Jarana** (Lead Independent Director) – Appointed 3 September 2020 Kgosie Matthews** – Appointed 3 July 2020 Lerato Molefe** Babalwa Ngonyama** Warren Chapman* – Appointed 3 July 2020 Oyama Mabandla* – Appointed 3 July 2020
Responsibilities	• The performance and affairs of the group, ensuring that the group's strategic direction is designed and implemented to drive value creation for shareholders • Custodian of governance and implementation of the King IV principles • Exercising sound judgement and leading with integrity • Continually monitoring the solvency and liquidity of the group as well as non-financial aspects • Safeguarding sustainability, including reviewing material issues • The formal nomination and appointment of new directors in accordance with the group's policy • The role and responsibilities are documented in the board charter available at www.enxgroup.co.za

* *Non-executive.*
** *Independent non-executive.*

	Audit and risk committee	Nomination and remuneration committee	Social and ethics committee
Members	B Ngonyama** (Chair) V Jarana** L Molefe**	W Chapman** (Chair of remuneration) P Baloyi* (Chair of nomination) V Jarana** K Matthews** B Ngonyama**	L Molefe** (Chair) P Baloyi* O Mabandla**
By invitation	R Lumb (CFO) A Hannington (CEO) External auditors Internal auditors	A Hannington (CEO) R Lumb (CFO)	A Hannington (CEO) R Lumb (CFO)

CORPORATE GOVERNANCE (continued)

	Audit and risk committee	Nomination and remuneration committee	Social and ethics committee
Responsibilities	• Overseeing preparation of financial statements and accounting practices • Risk management and internal controls • Oversight of the internal audit function • Appointment and assessment of independence of the external auditor • Periodic reviews of the group's insurance policy • Legal compliance • Financial performance reviews • Ensure that the group has established appropriate financial reporting procedures and ensure that these are operating • Implement best practice asset and liability risk management policies • Managing liquidity, interest rate and foreign exchange risks • Monitoring group's capital adequacy within acceptable risk profiles • Monitors group liquidity and bank funding covenant adherence • Approves and monitors funding strategy • Ensure an IT charter and IT policies and procedures are established and monitored • Ensure independent assurance of the effectiveness of IT internal controls • Advise the board on a suitable IT strategy • Monitor and evaluate significant IT expenditure • Monitor compliance with IT laws and related rules, codes and standards • Monitor management of information assets	• Determining policy and framework for group remuneration, including the total remuneration package of the CEO, his direct reports and CFO and each executive director • Determining short- and long-term incentives for group executives • Setting targets for performance-related pay schemes of executives • Assessing non-executive directors' remuneration • Ensuring adequate disclosure of directors' remuneration • Contracting with executives • Consider significant changes to the group pension and provident funds and medical schemes and other benefits • Lead process of selection for suitable candidates for the board • Make recommendations to the board in terms of succession plans for executive and non-executive directors • Review and approve board diversity policy • Make recommendations in terms of directors who retire in terms of the MOI • Review the independence of non-executive directors	• Setting the group's values, corporate ethics, monitoring and reporting thereon • Employment workplace and employee wellbeing policies as well as employment equity policies • Health and safety, including public safety • Corporate social investment • Research and development • Empowerment • Environmental policies • Product quality control • Stakeholder relations
Independent non-executives	**3/3**	**3/5**	**1/3**

Each committee operates under written terms of reference approved by the board. There is transparency and full disclosure from board committees to the board in the form of verbal report backs by committee chairs at board meetings. Minutes of committee meetings are further made available to board members. The board is satisfied that all committees have satisfied their responsibilities during the year.

	See pages 57 to 60 for the full report.	*See pages 40 to 45 for the full report.*	*See pages 54 to 55 for the full report.*

Board and committee meetings were held quarterly in line with the group's financial cycle. All directors attended at least 85% of the meetings of the board and the committees on which they served during the 2020 financial year. Attendance at board and committee meetings is set out on page 8.

The board and management believe that good corporate governance is imperative in ensuring a sustainable business, while operating in a responsible, ethical and transparent manner. The group's policies and procedures are aligned with the Companies Act, the JSE Listings Requirements, King IV and international best practice.

In guiding the group's development, the board attempts to balance and encourage entrepreneurial freedom within the boundaries of good corporate governance to achieve maximum shareholder value.

ETHICAL LEADERSHIP

We are committed to the highest standards of honesty, integrity, non-discrimination and fairness and have zero tolerance for the commissioning or concealment of fraudulent acts by our people, from board level downwards and throughout the group. As set out in the board charter, the directors are required to lead by example in embodying ethical behaviour. King IV advocates an outcomes-based approach and defines corporate governance as the exercise of ethical and effective leadership towards the achievement of the following governance outcomes: Ethical culture; Good performance; Effective control; and Legitimacy. The application of King IV is on an apply and explain basis. The practices underpinning the principles so espoused in King IV are entrenched in many of the group's internal controls, policies and procedures governing corporate conduct. From a materiality point of view, the board is satisfied that enX has applied the principles as set out in King IV, the detail of which is more fully described in this report. We aim to integrate responsible corporate citizenship into the group's business strategy and to embed sound governance practices into daily operations to ensure sustainable long-term growth.

A Code of Ethics ("Code") is in place and all directors and employees are required to abide by its terms. The Code is underpinned by the group's six Core Values and provides guidance on the expected ethical conduct of all staff members, as well as encouraging staff to report any violations of the Code. The segments are required to adopt respective principles and processes that deal with specific ethical issues that arise in their specific circumstances. All staff are required to sign a declaration form annually indicating that they understand and adhere to the policies and are fully committed to ethical behaviour. The group emphasis on business ethical behaviour has been integrated into internal training programmes. The human resources departments are responsible for monitoring adherence to the Code.

LEADERSHIP ROLES AND FUNCTIONS

enX has a unitary board that meets quarterly with additional meetings convened when necessary. The board comprises nine members, two being executives, three being non-executives and four being independent non-executives. Directors are briefed timeously and comprehensively in advance of these meetings and are supplied with information to enable them to discharge their responsibilities. Meetings are conducted in accordance with a formal agenda, which ensures that all substantive matters are properly addressed.

The responsibilities of the board chair, CEO, CFO, and those of non-executive directors, are clearly separated. In July 2020, Mr Baloyi was appointed as the non-executive chair, following the resignation of Mr Booysen. Given that Mr Baloyi is not considered to be independent, in line with the indicators contained in King IV, the board appointed Mr Jarana as its lead independent director on 3 September 2020.

Board chair	• Provides overall leadership to the board without limiting the principle of collective responsibility for board decisions. • Ensures that the board remains efficient, focused and able to operate as a unit. • Ensures high standard of corporate governance and ethical behaviour. • Annual appraisal of the CEO's performance. • Is appointed annually by the board.
Lead independent director	• Chairs discussions and decision-making by the board on matters where the board chair has a conflict of interest. • Acts as a sounding board for the board chair. • Acts as an intermediary between the board chair and other members of board, if necessary. • Leads the performance appraisal of the board chair.
Non-executive directors	• Draw on their experience, skills and business acumen to ensure impartial and objective viewpoints in decision-making processes and standards of conduct. • Are credible individuals of high calibre from diverse backgrounds and representative of South Africa's population.

CORPORATE GOVERNANCE (continued)

CEO	• Formulates and recommends strategies to the board. • Is responsible for the effective management and running of the company's businesses and the implementation of board approved strategies. • Provides regular update reports to the board about the group's performance and early warnings of any potential and actual disruptions. • Chairs the executive committee, leads and motivates the management team.
CFO	• Financial functions and internal control processes within the group. • Ensures sufficient funding is available and that bank covenants are adhered to.

The non-executive directors are high merit individuals who objectively contribute a wide range of industry skills, knowledge and experience to the board's decision-making process. These directors are not involved in the daily operations of the company.

All non-executive directors have unrestricted access to management at any time as well as to the group's external auditors. Further, all directors are entitled to seek independent professional advice on any matters pertaining to the group as they deem necessary and at the group's expense, provided that an approved process has been followed.

The board is ultimately responsible for directing the group towards achieving its objectives. Executing the strategy and delivering operational performance and financial results are the responsibility of the CEO and the executive management team, who work within the parameters set by the board. Management timeously reports to the board to enable them to make informed decisions. A delegation of authority is reviewed annually to ensure appropriate responsibility delegation to management while enabling the board to retain effective control.

BOARD EVALUATION

Given the changes to the board that took place during June and July 2020, a formal assessment of the board's performance was not conducted during the 2020 financial year. An assessment will be conducted during the 2021 financial year, in order to ensure that the board continues to improve its performance and effectiveness.

BOARD PROCESSES

SHARE DEALINGS AND CONFLICTS OF INTEREST

Directors are required to disclose their shareholdings, additional directorships and any potential conflicts of interest as well as any share dealings in the company's securities to the board chair and company secretary prior to any dealings taking place and announced as required by the JSE. Directors, prescribed officers and other senior management are prohibited from trading in the company's shares during a "closed period" as defined by the JSE Listing Requirements. Emails advising of the start of this period are sent to all affected persons.

The group's company secretary maintains the declarations of interest and related-party disclosures register. The directors are required to declare and update their interests at each board meeting and directors who have a conflict of interest on any matter to be discussed at meetings are required to inform the board chair and the company secretary before the meeting. Where a director has a conflict of interest the director is recused from the meeting when the matter is being discussed.

No employee, nominee or members of his or her immediate family may deal either directly or indirectly, at any time, in the securities of the company based on unpublished price-sensitive information about the company's business or affairs. The board adopted a formal policy guiding closed and prohibited period restrictions and the policy is implemented by the company secretary. Closed periods are from the end of the month of the interim and annual reporting periods to 24 hours after announcing financial and operating results for those respective periods. Directors and senior designated employees are required to instruct their portfolio or investment managers not to trade in the securities of enX without written consent. A list of people who are restricted for this purpose has been approved by the board and is revised from time to time. This includes directors or officers of subsidiaries and the company secretary. A register of directors and officers is available for inspection at the company's registered office in Elandsfontein, South Africa.

APPOINTMENTS

The appointment of new directors is considered by the entire board, according to recommendations made by the Nominations committee. These recommendations are based on identified requirements for skills and experience, combined with personal and business attributes. The board also considers race and gender equality when appointing new directors. Re-appointment of retiring directors is not automatic and is recommended by the board after consultation with the Nominations committee. The appointment process is formal and transparent.

ROTATION OF DIRECTORS

In terms of King IV and the company's MOI, one-third of the board's non-executive directors must retire from office at each annual general meeting on a rotational basis. Retiring directors may make themselves available for re-election provided that they remain eligible as required by the MOI and in compliance with the JSE Listings Requirements. In determining whether to recommend a director for re-election, the board and Nominations committee considers the director's past attendance at meetings, participation in and contributions to the activities of the board and compliance with regulatory requirements.

The following board changes occurred during the year under review:

- JS Friedman resigned as Group CFO on 30 September 2019, effective 31 March 2020.
- RA Lumb was appointed as Group CFO on 29 November 2019, effective 1 March 2020.
- E Oblowitz was appointed as independent non-executive director, effective 6 December 2019.
- AJ Phillips resigned as independent non-executive director on 12 February 2020.
- SF Booysen resigned as independent non-executive director and board chair on 22 June 2020.
- E Oblowitz resigned as independent non-executive director on 22 June 2020.
- A Joffe resigned as non-executive director on 22 June 2020.
- PS O'Flaherty resigned as non-executive director on 22 June 2020.
- ZK Matthews was appointed as independent non-executive, effective 3 July 2020.
- OA Mabandla was appointed as a non-executive, effective 3 July 2020.
- WH Chapman was appointed as a non-executive, effective 3 July 2020.
- AJ Hannington was appointed as an executive director, effective 3 July 2020 and was subsequently appointed as Group CEO, effective 13 August 2020.
- GD Neubert resigned as Group CEO, effective 13 August 2020.
- V Jarana was appointed as an independent lead non-executive director, effective 3 September 2020.

BOARD DIVERSITY

Diversity of expertise – create an experienced board with the appropriate balance of knowledge and skills in areas relevant to the group, required to govern effectively.

The board considers the following areas of expertise as relevant:

- **Leadership** – the group has an entrepreneurial flair led by experienced divisional leaders. It is important that leadership embraces this culture and ensure a cohesive team working toward the same strategy while maintaining high ethical standards.
- **Banking skills** – the group is highly geared and constantly need to engage with debt and equity markets to raise new funding, roll maturing debt and improve credit rating.
- **Finance** – interrogate the accuracy of financial information and the completeness of information is of high importance to the group.
- **Industry/operational expertise** – the group is diverse in nature and this is an area that constantly need to be re-considered by the board as the business combinations evolve.
- **Human resources** – the board aims to ensure that employees remain a key priority in all operations.
- **Environmental sustainability** – the health and safety of our employees is a key priority and ensuring that the highest standards are upheld is vital to the operations.
- **Risk and opportunity management** – this skill set is vital to ensure the longevity of the business.
- **Legal** – the board is constantly aware of the legal obligation it carries and need to be abreast of the legal framework it operates under.
- **Technology and innovation** – the industrial environment is ever-changing and becoming more technological focus.

Diversity of age – executive directors retire from their positions and from the board at the age of 63. The retirement policy, however, makes provision to extend the working relationship beyond normal retiring age. non-executive directors, over 70 years of age, retire at every AGM and are submitted for re-election, if eligible.

Average age – executive directors	58
Average age of non-executive directors	46

Diversity of tenure – periodic, staggered rotation of board members to ensure the induction of new perspectives and skill sets, while retaining valuable knowledge and continuity.

Diversity of race and gender – the board aligned its gender and race targets to the transformation plans of the group, voluntarily targeting at least a 40% female representation and a 50% black representation.

CORPORATE GOVERNANCE (continued)

COMPANY SECRETARY

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 (Pty) Ltd is an independent company secretarial and corporate governance advisory service provider and is represented by N Petrides. 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. In addition, the company secretary is considered suitably qualified to perform her duties, which include to:

- Maintain and regularly update a corporate governance manual;
- Ensure that, in accordance with pertinent laws, the proceedings and affairs of the board and its members, the company itself and, where appropriate, owners of securities in the company are properly administered;
- Ensure compliance with the JSE Listings Requirements;
- Ensure that all directors have access to her advice and services relative to the affairs of the company and their roles and responsibilities;
- Together with the chair, ensure good information flow within the board and its committees and between the board and senior management and non-executive directors; and
- Establish the annual work plan for the board and board committees.

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

LEGAL COMPLIANCE

The board is responsible for ensuring compliance with laws and regulations. A compliance assessment plan covering high risk, high impact legislation commenced during the 2020 year. The plan carried over into 2020 to cover all sites and operations. The group is not highly regulated, and the focus is primarily around legislation governing Health and Safety, employees and data protection.

No material fines or non-monetary sanctions were imposed on the group for non-compliance with any laws or regulations during the year under review, nor was the group party to any legal actions for anti-competitive behaviour or anti-competitive behaviour or anti-trust and monopoly practices during the year.

EXTERNAL AUDITORS

The ARC has nominated Deloitte & Touche for appointment as the external auditors of the company under Section 90 of the Companies Act and in accordance with the JSE Listings Requirements.

Refer to enX website for the full report.

IT GOVERNANCE

The board acknowledges its responsibility for IT governance and business continuity as part of its assumption of responsibility for risk management of the group.

Previously, an IT steering committee was established, which was responsible for monitoring IT policies, the internal control framework, ensuring independent assurance of IT internal controls, advising on IT strategy, monitoring and evaluating significant IT investments, monitoring compliance with IT laws and related codes and standards and advising the board on IT-related risks. These responsibilities have since been subsumed by the ARC, which will oversee the group's IT framework, IT security and strategy going forward.

An IT plan has been established for each segment, including the head office. The IT plan involves the determination, implementation and monitoring of current IT controls as well as the best practice controls, which will be implemented as and when needed. The effectiveness of these controls is tested by BDO as part of their internal audit work.

CORPORATE GOVERNANCE STATEMENT

APPLICATION OF THE KING REPORT ON CORPORATE GOVERNANCE

The enX board believes that its existing governance framework and culture provide a solid foundation for the implementation of King IV. Adopting King IV is a commitment to the philosophy of stakeholder inclusivity, corporate citizenship and protecting the value that we create, which is aligned with our value creation strategy. The board believes that, by ensuring that principles and practices are applied with a focus on achieving the four corporate governance outcomes i.e. ethical culture, good performance, effective control and legitimacy, the group will have a sound corporate basis to operate from and create value to all stakeholders.

The board has opted to apply the 17 King IV principles in a manner that is focused on achieving the King IV outcomes, while taking cognisance of our group size and composition, and our decentralised and entrepreneurial organisational structure. The group reviewed its current practices to ensure alignment with the King IV recommended practices associated with each principle contained in the King IV Report on Corporate Governance.

Refer to enX website for the group's King IV compliance report.

REMUNERATION REPORT

The Remuneration committee is responsible for the group's remuneration policies and ensures that these are conducive to supporting our employees to deliver the group's strategy, retaining and attracting high calibre talent, and ensuring material alignment with the expectations of shareholders.

In line with King IV principles, the board strives to remunerate fairly and responsibly. The Remuneration committee therefore considers external market remuneration surveys and the interests of shareholders when deliberating on directors' and senior management's remuneration.

In applying the agreed remuneration principles, the committee is committed to accountability, transparency and good governance, as well as ensuring that reward arrangements are linked to individual and group performance.

The committee is cognisant of the importance of attracting and retaining critical skills. It believes that the current remuneration policy makes a significant contribution towards this.

The membership, responsibilities and work of the Remuneration committee during the year is set out in the "Corporate governance report", (see pages 33 to 38).

Though this report emphasises the remuneration policies and practices applied to the CEO, CFO, executive and non-executive directors, as well as divisional CEOs who are considered to be prescribed officers, as defined by the Companies Act, we apply these principles, where possible to our wider staff complement.

The principles underlying these policies and practices are applied in determining remuneration throughout the group.

REMUNERATION POLICIES

This report forms the basis for shareholders' non-binding advisory vote at the next annual general meeting on 12 February 2021. The vote enables shareholders to express their views on the remuneration policies and their implementation. We welcome the opportunity to engage with our shareholders on this important issue and will provide feedback and engage further should at least 75% of shareholders not vote in favour of the remuneration policy or implementation report. The board will include an invitation to dissenting shareholders in the AGM results announcement to engage with the company.

The Remuneration committee seeks to ensure an appropriate balance between the fixed and performance-related elements of executive remuneration and between those aspects of the package linked to short-term financial performance and those linked to longer-term shareholder value creation.

The remuneration packages of each executive director and those of divisional CEOs are reviewed annually. These packages are aimed at encouraging and motivating sustainable performance as well as retaining employees. Long-term incentive schemes are designed to recognise their contributions and value add and play a further important role in retention.

Executive directors and divisional CEOs are not permitted to hold external directorships or office, other than those of a personal nature, without the approval of the board. They also receive no board or committee fees in addition to their normal remuneration.

The Remuneration committee used the Deloitte salary survey as a benchmark in the year for executive short- and long-term incentive plans and non-executive compensation. As a result, the remuneration policy was amended to conform to best practice. Guaranteed remuneration is generally targeted at the median percentile level based on company size.

enX's reward strategy is aimed at enabling the business to:

- Reward, recognise and give appreciation for superior performance;
- Direct employees' energies and activities towards key business goals; and
- Achieve the most effective returns (productivity) for total employee spend.

REMUNERATION POLICY IMPLEMENTATION BOARD

Non-executive directors are evaluated on their board and committee performance. The results are analysed and corrective actions taken to improve the functioning of the board, its committees and individual performance. The performance of the chair is reviewed annually by the board members prior to the re-election process.

The board conducted independent evaluation in the previous year, however, no evaluation was performed during this financial year due to the number of changes to the board of directors.

The Nomination committee conducts an in-depth review of the performance of the directors due for re-election. Based on these outcomes, the Nomination committee and the board recommend the re-election of these members for shareholder vote.

In line with King IV, non-executive directors are not awarded share options or benefits other than directors' fees. non-executive directors receive an annual retainer and an additional fee per meeting attended. The chair of the board receives only an annual retainer fee and no attendance fees. In certain circumstances the board may approve an additional discretionary advisory fee for the chairperson.

BOARD ANNUAL RETAINERS AND COMMITTEE FEES

Annual board retainer fees and committee fees are paid quarterly. The board proposed no increases in fees for the period from 1 March 2020, subject to shareholder approval. The Asset and liabilities committee, Investment committee and IT Steering Committee are no longer separate committee meetings.

NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THE YEAR ENDED 31 AUGUST 2020:

Name	**Retainer R'000**	**Committee and *ad hoc* fees R'000**	**Total 31 August 2020 R'000**	**Total 31 August 2019 R'000**
S Booysen[1]	1 189	707	1 896	1 203
P Baloyi[2]	492	772	1 264	1 034
A Joffe[1]	151	1 095	1 246	609
W Chapman[5]	45	62	107	–
L Molefe	181	740	921	640
O Mabandla[5]	45	62	107	–
B Ngonyama	181	879	1 060	119
P O'Flaherty[1]	151	447	598	603
K Matthews[5]	45	133	178	–
A Phillips[3]	90	381	471	954
E Oblowitz[4]	105	436	541	–
	2 675	5 714	8 389	5 162

[1] *Resigned effective 22 June 2020 .*

[2] *Appointed as chair, effective 3 July 2020.*

[3] *Resigned effective 12 February 2020.*

[4] *Appointed effective 6 December 2019, resigned effective 22 June 2020.*

[5] *Appointed effective 3 July 2020.*

No increases proposed in non-executive fees (R)		**Current fees**	**Proposed fees**
Board retainers	Chairperson	1 426 400	700 000
	Member	180 600	180 600
	Lead independent	329 200	329 200
Board attendance per meeting	Chair and member	30 300	30 300
Audit and risk committee per meeting	Chair	66 500	66 500
	Member	47 600	47 600
Asset and liability committee*	Chair	46 300	–
	Member	23 200	–
Remuneration/Nomination committee per meeting	Chair	43 300	43 300
	Member	29 800	29 800
IT steering committee per meeting*	Chair	43 300	–
	Member	24 400	–
Social and ethics committee per meeting	Chair	29 800	43 300
	Member	24 400	29 800
Investment committee*	Chair	46 300	–
	Member	24 400	–
Independent board retainer (*ad hoc* basis) per month	Member	21 000	–
Ad hoc meeting fees	Member	10 500	10 500

* *No longer a separate committee.*

REMUNERATION REPORT (continued)

RATIONALE FOR BOARD FEES

The rationale for proposing no increases in non-executive directors' fees is aligned to employees not receiving salary increases as a result of right-sizing of the businesses following the COVID-19 lockdown restrictions. The board will continue to review fees based on company size and responsibilities.

On the basis of the benchmark exercise for executive and non-executive directors conducted with the assistance of PwC in 2019, the committee recommends the remuneration for the chair as above, while the chair, together with the CEO, recommends the remuneration for the non-executive directors.

EXECUTIVES

enX's remuneration philosophy recognises that the group's performance depends on the quality of its people. It strives to integrate financial and non-financial rewards and benefits and is applied equitably, fairly and consistently in relation to job responsibilities, the employment market and personal performance.

The Remuneration committee reviews the remuneration packages of each executive director and those of divisional CEOs are reviewed annually.

BREAKDOWN OF EXECUTIVE REMUNERATION PACKAGES

The executive remuneration package consists of three components:

(1) Guaranteed salary;
(2) Short-term incentive; and
(3) Long-term incentive.

GUARANTEED SALARY

Guaranteed salary is benchmarked annually using the Deloitte salary survey. Executives' responsibilities are reviewed against similar company sizes. This is calculated based on turnover, on profit before taxation, number of employees and assets under management.

Executives are remunerated on a cost-to-company ("CTC") basis. As part of their package, they are entitled to a car allowance or fully-expensed company car, provident fund contribution, medical aid, death and disability insurance and reimbursement of reasonable business expenses. The provision of these benefits is considered to be comparable with executive positions in the market.

The increases applicable to the guaranteed packages vary depending on benchmarking and performance. No increases were awarded to executive directors and prescribed officers effective 1 September 2020 (2019: 5.5%).

SHORT-TERM INCENTIVE (STI)

STIs are based on achievements against 12-month targets. STIs are linked to key performance indicators, using the executive's CTC as a base. The key performance indicators are reviewed annually to ensure these appropriately incentivise executives.

Weightings applied to short-term key performance indicators in 2020 were set as follows:

Indicator %	**Weighting 2020**
Adjusted HEPS	30
ROE	20
Capital management	15
Transformation	10
Strategic targets	15
Governance/discretionary	10
Total bonus	**100**

As a consequence of the COVID-19 lockdown restrictions and the right-sizing of the operations, the minimum financial indicators were not achieved and no STI for the 2020 financial year was payable.

The group CEO and CFO can exceed 100% of annual CTC if HEPS growth and ROE achievements are exceptional. The maximum is capped at 140% to ensure alignment with shareholder wealth creation. The actual bonus that can be paid to the other executives will be capped at one year's CTC of the respective executive. Some of the performance indicators allow for stretched targets of up to 140%.

DIVISIONAL CEO'S STI

Weightings applied to short-term key performance indicators for the current divisional CEOs for 2020.

Indicator %	Weighting 2019
Financial targets (EBIT, free cash flow, ROIC)	30 – 45
Governance, transformation and risk	20
Operational volumes	0 – 15
Strategic targets	20
Discretionary	15
Total bonus	100

The divisional CEOs are considered the only prescribed officers of the group who require disclosure. As a consequence of the COVID-19 lockdown restrictions and the right-sizing of the operations, the minimum financial indicators in the majority of the businesses were not achieved and no STI for the 2020 financial year was payable. However, the minimum financial indicators in both Wag and AG Lubricants were achieved, therefore bonuses will be paid to B Hean and M Kerwan in the 2021 financial year.

The total STI awards are capped at 100% of annual CTC for divisional CEOs. Some performance targets allow for stretch targets to up to 120%.

LONG-TERM INCENTIVES (LTI)

LTI schemes approved by shareholders include:

- Share-related incentive plan; and
- Forfeiture share plan (FSP).

The SAR plan is governed by approved rules with defined performance criteria and is a cash-settled plan. In December 2019, SARs were issued at a strike price of R12, which vest three years from issuance and allows participants an additional one year to exercise from vesting date. No SARs were issued during the 2019 financial year.

CASH-SETTLED SHARE APPRECIATION RIGHTS SCHEME (SAR)

Qualifying employees and executive directors receive grants of SARs, which are conditional rights to receive cash equal to the difference between the exercise price and the grant price of a notional enX share. Vesting of the SARs is subject to performance conditions. The duration and specific nature of the performance conditions and performance period are determined by the Remuneration committee.

During 2018 the committee independently approved the terms of the cash-settled SAR. Based on best practice the terms of the 2018 issuance were changed to vest after three years. The participants have a further two years post vesting to exercise options. The vesting conditions remained 80% allocated to meeting performance conditions and 20% allocated to retention.

Detailed breakdown of the SARs granted appears in note 35 of the consolidated annual financial statements.

Date of grant	Remaining shares granted	Grant price	Final vesting date	Vesting criteria
November 2015*#	96 969	R23.90	November 2020	100% based on retention
June 2018	1 482 890	R12.34	June 2021	80% based on HEPS target 20% based on retention
December 2019	2 003 457	R12.00	December 2022	80% based on HEPS target 20% based on retention

* *The grants and strike price had been adjusted to take into effect the share consolidation at 11:1.*

The strike prices had been adjusted by 151 cents per option to take into effect the eXtract unbundling.

The group continuously review the scheme and it will be governed by a clear set of rules based on best practice.

REMUNERATION REPORT (continued)

FORFEITURE SHARE PLAN (FSP)

On 22 September 2016 shareholders approved the enX FSP for qualifying senior employees and executive directors whereby participants will receive shares, held in escrow during the vesting period. The participants have voting rights from date of grant and will receive all dividends during this period. Should a participant not be employed at date of vesting the shares will be forfeited. The approved plan set the maximum shares at 5 000 000 and per individual at 900 000 at shares in total.

On 12 December 2016, the committee granted 1.7 million shares to participants. The total allocated shares to participants in the scheme meeting the qualifying criteria as of 12 December 2019 have vested. No new FSPs have been awarded after 12 December 2016. Detailed breakdown of the FSPs granted appears in note 13 of the annual financial statements.

OTHER BENEFITS

Executives also participate in contributory retirement schemes established by the group.

Executive directors do not receive directors' fees.

REMUNERATION OF EXECUTIVE DIRECTORS AND DIVISIONAL CEOS AS PRESCRIBED OFFICERS

The table below provides an analysis of the emoluments for the year ended 31 August 2020.

Name	Salary R'000	Bonus R'000	Retirement contributions R'000	Other benefits R'000	Total 31 August 2020 R'000	Total 31 August 2019 R'000
Executives						
R Lumb*	1 630	–	–	–	1 630	–
G Neubert**	5 470	4 049	622	2 721	12 862	8 279
S Joffe***	–	–	–	–	–	6 083
JS Friedman@	1 630	–	–	–	1 630	3 000
Divisional CEOs (prescribed officers)						
J Carr	3 487	3 170	683	1 542	8 883	7 966
T Kendrew	3 878	2 085	–	385	6 348	–
B Hean	2 963	515	–	–	3 718	5 094
M Kerwan	2 657	–	–	–	2 657	–
D Viljoen	1 991	–	–	–	1 991	–

* *Appointed effective 1 March 2020.*

** *Resigned as group CEO effective 13 August 2020.*

*** *Resigned as director effective 22 June 2020.*

@ *Resigned effective 31 March 2020.*

PARTICIPATION IN ENX SAR SCHEME

Name	Grant date	Shares	Vesting date
Managers	June 2018	796 522	June 2021
	November 2015	28 709	November 2020
	December 2019	755 792	August 2020
J Carr	June 2018	215 386	December 2022
B Hean	June 2018	107 500	June 2021
	December 2019	282 256	December 2022
T Kendrew	June 2018	99 346	June 2021
	December 2019	290 926	December 2022
G Neubert	June 2018	215 167	June 2021
	December 2019	472 734	December 2022
D Viljoen	June 2018	48 968	June 2021
	December 2019	91 358	December 2022
M Kerwan	December 2019	110 391	December 2022
		3 224 129	

During the year the SARs allocated to participants who resigned lapsed.

DIRECTORS' SERVICE CONTRACTS

The non-executive directors do not have service contracts with the company. Their appointments are made in terms of the company's MOI and are initially confirmed at the first annual general meeting of shareholders following their appointment, and thereafter by rotation.

Executive directors do not have service contracts, rather contracts of employment, which can be terminated with a three to six-month notice period.

MODIFICATION TO REMUNERATION STRUCTURE IN 2020

During the 2020 financial year, the committee engaged with concerning shareholders with regards to incentive policies. The committee revisited the policies and, using the Deloitte salary survey as a guideline, a standardised normalised pay mix is being introduced across the group. This is summarised as follows:

		Maximum STI earned at		Maximum LTI earned at	
	CTC	**Target**	**Stretch**	**Target**	**Stretch**
CEO	100%	50%	100%	70%	140%
Executive team	100%	40%	80%	50%	100%
Senior management	100%	30%	60%	30%	60%

For example: the CEO can earn a maximum of 50% of his CTC at Target performance and a further 50% at the Stretch performance.

The introduction of the above will take time to embed as it is a substantial deviation from the previous methodology as previously in most instances full incentives were earned at Target performance.

Approximately 70% of the incentive will be linked to financial metrics and the balance to the achievement of KPIs that are precise, specific and measurable.

An on-target performance will be based on a combination of budgets and the achievement of as a minimum the cost of capital. The intention is that in time the STI will only be achieved if ROIC exceeds WACC.

Stretch performance targets will typically be set where both budgets and WACC are exceeded and will be linked to absolute value of the outperformance not percentage outperformance.

All STIs must be self-funding, i.e., the metric being measured must be calculated after taking into account the STI.

When executives leave the group, their exit packages will be guided by what is required in terms of law but always subject to the discretion of the Remuneration committee.

The LTI implementation framework has been modified to include fewer participants and structured to produce a desired outcome. For example, the Target performance is designed to deliver a benefit in three years-time to the CEO equal to 70% of his current cost to company and the stretch target would deliver 140%.

EMPLOYEES

The group paid salaries of R1 117 million (2019: R1 146 million). Staff received an average salary increase of 5% for 2020 and no increases were proposed for 2021. Increases per person are dependent on performance and could have been higher or lower than the average.

See segmental and business unit reviews (pages 20 to 29) and the group's sustainability report (pages 49 to 53).

APPROVAL

This remuneration report has been approved by the board of directors of enX.

Warren Chapman
Chair of the Remuneration committee

22 December 2020

05

ACTING SUSTAINABLY

VALUE ADDED STATEMENT

The value added statement depicts the performance and efforts of management, employees, and providers of capital, and indicates the value added contribution to our operations.

Total wealth created for 2020 was R1 417.0 million distributed as follows:

	Audited for the year ended 31 August 2020 R'000	Audited for the year ended 31 August 2019 R'000
Paid to employees in remuneration benefits	**1 117 342**	1 145 628
Paid to government in taxes	**29 187**	40 113
Paid to providers of capital in finance costs	**423 297**	234 295
Expenses to develop future growth	**(152 786)**	(357 148)

ENGAGING WITH STAKEHOLDERS

Stakeholder engagement has always been key to enX, and in FY20 the importance of this was heightened as the global economy responded to the threats of the COVID-19 pandemic. The group acknowledges the importance of engaging with stakeholders and keeping key our response to drivers of sustainability high on the agenda for employees, customers, suppliers, communities, and our investors and funders. Our ongoing approach towards creating sustainable stakeholder value is centred on maintaining a responsible attitude towards people and the environment.

Business relationships	Key stakeholder issues	How we engage
Shareholders	• Provision of capital • Liquidity of shares • Global recognition and credibility • Open dialogue • Growth and capital allocation	• Biannual results presentations • Financial communications available on website • Investor conferences and road shows • Annual general meeting and follow up discussions with concerned shareholders • SENS announcements
Customers	• Customer service excellence • Association with top international brands • Trained and skilled technical teams • Engaging sales network and supporting technology to manage customer orders/service requests • Ongoing investment in research and development	• Regular customer meetings at multiple tiers • Customer satisfaction and market surveys • Exhibitions at industry shows • Supplier and customers days • Proactively managing and improving B-BBEE rating to meet expectations • Quality control product checks • Dedicated sales representative network and supporting technology
Suppliers/ principals	• Maintaining and growing trusted supplier relationships • Monitoring creditor balances and ensuring sufficient stock to grow business • Fair payment terms and timely settlement • Monitoring of business plans with suppliers/principals • Quality controls, guidance, and training on products • Volume rebates and pricing support when needed	• Monthly and quarterly OEM update meetings • Annual sales target and strategy meetings with supplier principals • Proactively addressing concerns around product safety • Proactively manage potential conflict in product distribution • Obtain consent from OEM prior to material structural changes

ENGAGING WITH STAKEHOLDERS (continued)

Our people	Key stakeholder issues	How we engage
Employees and labour organisations	• Job security • Engaged employees make valuable contributions to our businesses • Consistent standards of customer experience through service and product manufacture or handling • Employee health and safety • Strict adherence of wearing protective personal equipment • Meeting our skills needs, attracting and upskilling new talent • Best practice working environments with few health and safety incidents • Productive engagement with union representatives • Addressing transformation issues and zero-tolerance on discrimination	• Employee policies • Health and safety protocols observed and provision of PPE • KPI reviews • Engagement with key unions and stakeholders to ensure stable industrial relations • Employee recognition programmes • Employee onboarding • Employee climate surveys • Adherence to ISO standards • Information sharing sessions by management • Transformation committees monitor B-BBEE scorecards
Regulatory relationships		
Government and regulatory bodies	• Promote culture of good corporate citizenship • Focus on achieving appropriate empowerment credentials • Accredited quality standards and training certifications for employees • Benefiting from youth incentives • Consistent application of environmental, health and safety practice of good corporate citizenship • Legal and regulatory compliance	• Proactive meetings with authorities • STATS SA submissions • B-BBEE scorecard • ISO accreditations • Accredited training for employees
Financial capital relationships		
Providers of debt capital	• Access to new funding to support growth • Continuous access to funding to support operations • Effective management of cash flows and working capital • Daily monitoring of cash balances • Strict adherence to credit terms and covenant levels	• Biannual post-results meetings with bank credit teams • Ongoing proactive interactions with all financial providers and rating agency • Funding roadshows • Covenants compliance disclosure to funders • Credit policies communicated to customers • Ongoing interaction with customers to understand financial status
Societal relationships		
Communities	• Attracting employees from areas we operate in • Active contribution to improve the areas we operate in • Community engagement and support of our businesses from areas we operate in	• Recruitment of employees from areas we operate in • Collective engagement in industry bodies • CSI initiatives and staff engagement within the communities we operate

CREATING SUSTAINABLE VALUE

TRANSFORMATION

Transformation remains an imperative for our business to deliver on our human capital strategy and create shareholder value.

As a group we continuously endeavour to create sustainable transformation, which includes an apprenticeship program, intern and graduate programmes, disabled learnerships, and succession plans for talent retention. The acquisition of beneficial interests in enX securities at end May 2020 included 32.44% by MCC Contracts (Pty) Ltd and 2.57% by Legae Peresec, which has improved the group's B-BBEE rating in FY21. At the close of FY20, the group was rated a level 4 B-BBEE contributor, reflecting 25/25 points for ownership.

B-BBEE SCORECARD

At an operating level, business units are committed to the monitoring and management of their B-BBEE scorecards to drive transformation. Business unit B-BBEE contribution levels at the end of FY20 are as follows:

- Eqstra – level 4 B-BBEE contributor
- Amasondo – level 3 B-BBEE contributor
- EIE SA – level 5 B-BBEE contributor
- AG Lubricants – level 4 B-BBEE contributor
- New Way Power – level 4 B-BBEE contributor
- Austro – level 4 B-BBEE contributor
- WAG – level 4 B-BBEE contributor

The B-BBEE Codes and Scorecard do not apply to Impact Handling (UK) as it operates beyond the borders of SA.

On 2 November 2020, the group was proud to be awarded a Level 3 B-BBEE rating, achieving a total of 90.61/109.00 points, verified independently. This achievement reflects the group's long standing commitment towards transformation.

The following table represents the current B-BBEE scorecard for the enX Group at the end of the financial year:

Element	**2020**	**2019**
Ownership	**25.00/25**	**12.98/25**
Management control	**7.11/19**	**5.55/19**
Skills development	**16.04/20**	**16.04/20**
Enterprise and supplier development	**31.40/40**	**31.40/40**
Socio-economic development	**5.00/5**	**5.00/5**
Overall score	**84.55/109**	**70.96/109**

EMPLOYMENT EQUITY

The group has an employment equity policy, which affirms our commitment to eliminating any discrimination and ensuring equitable treatment for all. The policy further commits enX to ensuring adequate skills development opportunities and being cognisant of employment equity in all recruitment practices. Training and upskilling are ongoing, improving our ability to promote talent from within. Senior and top management remain a challenge due to the contraction of job creation opportunities. The group has recruitment policies that are guided by employment equity plans to ensure the group meets its transformation targets.

The detailed employment equity breakdown is set out below:

	Male				**Female**				**Foreign Nationals**		
Occupational Levels	**A**	**C**	**I**	**W**	**A**	**C**	**I**	**W**	**Male**	**Female**	**Total**
Management	11	7	21	89	6	9	9	56	2	0	210
Non-management	583	131	68	269	279	70	44	144	4	0	1592
Total permanent	594	138	89	358	285	79	53	200	6	0	1802
Temporary employees	0	0	0	1	0	0	0	2	0	0	3
Grand total	594	138	89	359	285	79	53	202	6	0	1805
Percentage representation	32.9%	7.6%	4.9%	19.9%	15.8%	4.4%	2.9%	11.2%	0.3%	0.0%	100.0%
2020 EAP*	42.7%				36.2%	4.4%					
Difference	9.8%				20.4%	0.0%					

* *Economically active population.*

CREATING SUSTAINABLE VALUE (continued)

PREFERENTIAL PROCUREMENT

The group's procurement policy encourages the increased participation of black businesses in procurement activities.

ENTERPRISE DEVELOPMENT

Our long-term association with Nozala, a black female-owned enterprise, continues as an active shareholder in Amasondo Fleet Management Proprietary Limited. The entity focuses on providing fleet solutions for predominantly parastatal and government organisations.

OUR VALUES

POWER IS CREATED THROUGH SHARED KNOWLEDGE

Sharing our collective experiences, builds long term trust relationships

LISTEN, THINK, RESPOND

Understanding leads to better communication and outcomes

OWN YOUR ACTIONS

Making the business your own. Take responsibility and be accountable, no excuses

EXCELLENCE WITH URGENCY

Doing it right the first time, on time

CHALLENGE THE WAY 'ITS ALWAYS BEEN DONE'

Allowing creative ideas resulting in innovative solutions, to keep us ahead

WORK TO INSPIRE, WORK TO RESPECT

Inspiration grows our business. Trust and respect forms our foundation

HUMAN CAPITAL

In FY20, the focus on our people was elevated as the group helped employees to navigate the challenges of the lockdown and various changes to ways of work brought about by the COVID-19 pandemic. Our people are the heart of the group, and their compassion towards our stakeholders' needs during the crisis differentiates us from our competitors.

People relations are managed at an operational level with each business CEO tasked with achieving the group's objectives in the way that they see best. Where appropriate, they are assisted by internal and external payroll, human resources, and industrial relations professionals.

An employment equity policy is in place, and all employees are encouraged to bring the group's Values into their day-to-day activities. enX is an equal opportunities employer and discrimination of any form is not tolerated. There were no reported incidents of discrimination during the year. There is a disciplinary and grievance policy in place, which is communicated to all employees and outlined in their contracts of employment.

Due to the extreme economic impact of the lockdowns in South Africa, and the UK, the group's business units implemented right-sizing to ensure the sustainability of the group, which has reduced the overall headcount in the group.

The following is a summary of the group's headcount at the end of the year under review:

	2020	2019
EIE SA	**1 045**	1 128
Impact Handling (UK)	**470**	378
New Way Power	**173**	166
Austro	**66**	135
Eqstra	**379**	572
AG Lubricants	**93**	98
WAG	**42**	35
enX Group	**7**	11
Total	**2 275**	**2 523**

LABOUR RELATIONS

Employees have has the right to be a member of a union. The group maintains open lines of communication with the unions and is proactive in addressing concerns. This reflects in the zero incidence of labour unrest during the financial year.

HEALTH AND SAFETY

Our approach is to create shareholder value by having a responsible attitude towards people and the environment. The company is committed to excellence in managing these areas through our safety, health, environment, and quality (SHEQ) function. Employees throughout the organisation take personal responsibility for SHEQ and are expected to demonstrate this with their day-to-day behaviours to maintain a zero-harm environment.

LTIFR	2020	2019
Average lost time incidents per year	**1.06**	2.58
Number of lost time incidents per year	**23**	167

The following SHEQ reports came from the group's business units:

- EIE SA: 18 LTIs were recorded, with an average LTIFR of 1,04 across all operating units. A total of 37 minor injuries and 47 road traffic accidents were recorded.
- Impact Handling (UK): one LTI case recorded. A total of 7 minor injuries were reported, highlighting the successful continuation of employee safety protocols.
- New Way Power: 8 LTIs and 18 577 LTI free hours were recorded.
- Austro: recorded only one LTI case and four COVID-19 cases.
- AG Lubricants: 10 COVID-19 cases recorded. Of its 93 employees, 51 are My Health members.

- Eqstra: no recorded LTIs. Weekly health and safety Toolbox Talks are undertaken to keep employees up to date with health and safety news and information.

HUMAN CAPITAL (continued)

MANAGING THE IMPACT OF COVID-19 ON EMPLOYEES

The group was ready to deploy regulated protective measures across all operations within 72 hours of the declaration of lockdown in March 2020 in South Africa.

At the start of the lockdowns, business units introduced a range of controls and safety protocols that included rotational shift work, remote working, temperature checks, contact tracing, awareness and training, and the provision of PPE. The group spent R3.7 million on PPE and sanitisation products and services in FY20. Protocols of sanitisation of office spaces, tools and equipment has become the norm, despite easing of lockdown restrictions. The practice of social distancing and remote working to reduce risk has become embedded in all areas of operations. Employee counselling for emotional, financial, and legal stress was provided through the Ask Nelson counselling service, which saw a sharp increase in stress-related calls. In addition, at EIE SA, infrared camera systems were installed to continuously monitor temperatures and symptoms, and strict protocols are followed to curb potential outbreaks.

The group provided COVID-19 communications and Toolbox Talks for employee engagement, to ensure that sites remained as safe as possible during the pandemic. This contributed significantly to engaging employees and understanding the rapidly changing needs and expectations of customers.

SKILLS DEVELOPMENT

In the year under review, the top priority was ensuring the safety of our people through relevant training and upskilling. In response to the impact of COVID-19, a great deal of health and safety training was provided to reduce the risk to employees and customers. However, other training also focused on the use of technology for effective remote working, and core skills identified to meet the changing needs of stakeholders.

The following activities were reported by the group's business units:

- EIE SA: trained a total of 2 905 people with 26 614 hours of training completed (FY19: 27 172 hours). Three bursaries, 12 learnerships, 63 apprenticeships, and 12 internships were awarded.
- Impact Handling (UK): recorded a total of 4 773 hours of training across 877 employees. The most training that was undertaken was engineer training.
- New Way Power: 42 employees were trained in health and safety protocols. Two learnerships were completed, and two ABET training courses were undertaken but not completed due COVID-19 restrictions.
- Austro: stagnant trading conditions resulted in reduced hours on training. A total of 64 employees were trained on essential skills, with no spend in learnerships or apprenticeships in FY20.
- AG Lubricants: skills development plan was delivered according to plan, despite the lockdown conditions. A total of 59 training interventions totalling 1 592 hours, and bursaries, internships and learnerships were awarded.
- WAG: completed accredited learnership programmes by delivering a total of 1 472 hours of training.
- Eqstra: 163 employees were trained in FY19, totaling 12 209 hours. A total of 30 bursaries were awarded, three learnerships completed, and 13 interns trained.

SOCIAL CAPITAL

CORPORATE SOCIAL INVESTMENT

With the multitude of challenges facing the communities from which we recruit our employees, the group continues to support local communities through various corporate social investment (CSI) programmes. The group spent a total of R3.4 million on CSI projects this year.

Some highlights of FY20 include:

- EIE SA contributed R1 million in food allowances to employees from the most vulnerable segments of the population during the most difficult times of the pandemic lockdown. EIE SA also continued to contribute towards school and hostel fees for ten learners, the refurbishment of technical classrooms and supply of safety equipment to the Thutho-Ke-Maatla Comprehensive School (TKM), the provision of computer room hardware at the SAME Foundation; the use of forklifts to transport of food to local communities during lockdown; and the supply of face masks to Baragwanath Hospital;
- Eqstra and Amasondo continued to support the Clover Mama Afrika Project; the Theo Jackson Scholarship Fund; and support to Ebomini Primary School; and
- AG Lubricants employees supported the “How Can We Help Project Foundation”, which gathers monthly food parcels for donation to various charities.

NATURAL CAPITAL

In the environmental arena, enX strives to continue to review the efficiency of our production processes and to conserve electricity, water, and other raw materials. We are committed to conducting our business with respect to the environment and to utilise natural resources responsibly. Through the implementation of environmental management systems and employee training, we continue to effectively manage our natural capital. With our implemented remedial actions, corrective and preventative measures we aim for zero environmental harm.

2020	Electricity (kva)	Water (l)	Fuels (l)	Oils (l)
EIE SA	1 380 803	22 328	1 704 902	208 572
Impact Handling (UK)	493 886	3 781	595 576	8 458
New Way Power	327 195	4 291	154 624	37 993
Austro	89 763	1 119	138 260	–
Eqstra	1 295 448	14 358	90 991	17 162
AG Lubricants	568 807	8 866	1177 623	–
WAG	11 178	229	153 311	120

In FY20, some of the highlights include:

- EIE SA: 13% reduction in water consumption, 19% reduction in paper usage, and 16% reduction in oil usage reported;
- New Way Power: undertook processes to find new suppliers for waste and environmental management services; and
- AG Lubricants: ISO 9001:2015 and ISO 14001:2015 accreditations are in place. AGL implemented an environmental Go Green initiative, which focuses on recycling plastics and cardboard. In addition, remote working during lockdown resulted in the reduction the use of water and electricity. AG Lubricants recycles plastics and cardboard. Through Centlube we support the ROSE Foundation, which collects used oil and oil-related waste from customers. It ensures oils are disposed of responsibly.

SOCIAL AND ETHICS COMMITTEE REPORT

REFLECTIONS ON THE YEAR IN REVIEW

This year, more than ever, as we navigated the implications of the COVID-19 pandemic, across all business units in the group, care for our employees was the number one priority. To assist enX employees through the uncertainty and economic pressure created by the COVID-19 lockdowns, management demonstrated consideration and care by extending a range of support, such as providing financial support and food allowances, to PPE, trauma counselling, IT infrastructure for remote working, training, and awareness.

Sustainability issues remained high on our agenda for our employees, customers, communities, and investors. Stakeholder engagement has been a key focus area through FY20, as many of the traditional ways of work were rapidly altered, and our reliance on technology grew. This has served to accelerate the group's digital transformation as well as its people policies and engagement approach, which are all positive outcomes despite the difficulties of the year in review.

In addition, the group consistently worked towards achieving its stated sustainability targets, and particular attention was given to standardising sustainability metrics across the various business units in the group, and monitoring progress on our Social, Human and Natural Capitals, which are reflected in this report.

See Acting sustainably (pages 47 to 53)

MANDATE, COMPOSITION, AND ACTIVITIES OF THE SEC

The Social and ethics committee executes the duties assigned to it by the Companies Act and in doing so is responsible for ensuring that the company acts as a responsible corporate citizen. The committee sets the tone in respect of the board's approach to the ethical conduct of business. This includes establishing ethical guidelines for staff on engaging with stakeholders, interacting with the environment, and building the long-term sustainability of the business.

Although management is tasked with overseeing the day-to-day operational sustainability of their respective areas of business and reporting thereon to the social and ethics committee, the board remains ultimately responsible for the objectives which it has delegated to the committee.

The committee is chaired by independent non-executive director Lerato Molefe and further comprises Paul Baloyi and Oyama Mabandla. Key executives from the operations are also invited to each meeting and make contributions.

See Corporate governance (page 33)

The committee also endeavours to monitor the group's activities regarding relevant legislation and prevailing codes of best practice in respect of the following:

- Social and economic development, including the group's standing in terms of the:
  - 10 principles set out in the United Nations Global Compact Principles; and
  - OECD recommendations regarding corruption;
- Employment Equity Act;
- Broad-based Black Economic Empowerment Act;
- Good corporate citizenship, including the group's:
  - promotion of equality, prevention of unfair discrimination and reduction of corruption;
  - contribution to development of the communities in which our activities are predominantly conducted or within which our products or services are predominantly marketed; and
  - record of sponsorship, donations and charitable giving;
- Environment, health and public safety, including the impact of the group's activities and its services;
- The continual quality improvement of existing products and services and the development of new ones;
- Customer relationships, including the group's advertising, public relations and compliance with consumer protection laws; and
- Labour and employment, including the group's:
  - standing in terms of the International Labour Organisation Protocol on decent work and working conditions;
  - improving overall relationships with employees;
  - development of our employees' well-being;
  - employment relationships and our contribution towards the skills and educational development of our employees; and
  - corporate values and ethical standards and ensuring that the company takes measures to encourage adherence to these in all aspects of the business.

Management reports to the committee on matters relevant to its deliberations and the committee in turn draws relevant matters to the attention of the board and reports on them to the shareholders in the integrated report.

No human rights violations or incidents of bribery or corruption were reported. enX does not employ child labour within its operations.

Mechanisms to encourage ethical behaviour such as the Code of Ethics and Core Values were confirmed as adequate by the committee during the year.

The group continues to track its engagement with stakeholders. Through a closely monitored stakeholder matrix, key stakeholders are tracked and monitored by business unit MDs.

CONCLUSION

The SEC is of the view that the group takes its social, ethics, governance, safety, health, and environmental responsibilities seriously. Appropriate policies, plans and programmes are in place to support the group's commitment to acting as a responsible corporate citizen. The SEC is not aware of any substantive non-compliance with legislation and regulation, or non-adherence with codes of best practice relevant to the areas within the committee's mandate. The SEC has no reason to believe that any such non-compliance or non-adherence has occurred.

L Molefe
Social and ethics committee Chair

22 December 2020

06

SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATMENTS

AUDIT AND RISK COMMITTEE REPORT

for the year ended 31 August 2020

DEAR SHAREHOLDER

The Audit and risk committee ("**ARC**" or "**the committee**") has pleasure to present on behalf of the committee an overview of the activities performed during the financial year ended 31 August 2020. The ARC has reporting responsibilities to both shareholders and the board and is accountable to both.

The committee is constituted as a statutory committee of the group in terms of the Companies Act. Its operations are guided by a formal "Terms of reference" that are in line with the Companies Act and are approved by the board, as and when it is amended. The committee's activities and constitution are aligned to the King IV Report on Governance. An annual work plan is drawn up to incorporate these obligations and progress is monitored to ensure all these are fulfilled. This process is supported by the audit sub-committees in all operating segments and subsidiaries. These sub-committees meet in terms of formal mandates which deal with issues arising at the operational segment or subsidiary level and are chaired by the group CFO. These committees provide formal feedback to ARC. The committee hence acts for the company and all of its subsidiaries ("**the group**").

MEMBERSHIP

During the course of the year, the 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:

- B Ngonyama (Chairman);
- V Jarana (appointed as member 3 September 2020);
- L Molefe;
- K Matthews (appointed as member 3 July 2020 and resigned as a member 12 October 2020);
- AJ Phillips (resigned as member 12 February 2020); and
- E Oblowitz (appointed as member 6 December 2019 and resigned as a member 22 June 2020).

Shareholders voted in favour of B Ngonyama and L Molefe at the previous AGM and are requested to re-appoint the current members at the next AGM scheduled for 12 February 2021.

Meeting attendance is reported on in the integrated report.

In addition to the committee members, the CEO and CFO, outsourced internal auditor (BDO), external auditor (Deloitte & Touche) and CIO attend ARC meetings by invitation. The company secretary acts as secretary at these meetings.

Given the changes in the composition of the Board, and as a result the committee, which took place during the financial year, a formal assessment of the committee's performance and effectiveness was not undertaken. The committee is, however, satisfied that it has fulfilled its duties as contained in its terms of reference. A formal evaluation will be undertaken in the 2021 financial year.

DISCHARGE OF DUTIES FOR THE 2020 FINANCIAL YEAR

In the execution of its statutory duties and in accordance with its terms of reference, the committee effectively discharged its responsibilities and objectives as explained below during the past financial year.

OBJECTIVES AND SCOPE

The objectives of the ARC are as follows:

FINANCIAL REPORTING:

- to assist the board in discharging its duties relating to the safeguarding of assets and the operation of adequate systems and controls;
- to monitor and review accounting policies of the group and propose revisions and significant and unusual transactions, estimates and accounting judgements;
- to monitor and review the effectiveness of the internal control environment;
- to review and monitor the adequacy and effectiveness of the group's enterprise-wide risk management policies, processes and mitigating strategies;
- to ensure that the company has established appropriate financial reporting procedures and that these procedures are operating;
- to control reporting processes and the preparation of accurate reporting of the annual financial statements in compliance with the applicable legal requirements and accounting standards; and
- to monitor the integrity of the group's integrated annual reporting and to consider all factors and risks that may impact on the report.

RISK AND COMBINED ASSURANCE:

- to provide a forum for discussing business risk and control issues and to develop recommendations for consideration by the board; and
- to oversee the application of a combined assurance model to ensure a coordinated approach to all assurance activities. This is aimed for full implementation FY2021.

INTERNAL AUDIT AND INTERNAL CONTROLS:

- to oversee the activities of internal audit and monitor and review the effectiveness of the internal audit function; and
- to approve the internal audit plan and subsequent changes to the plan.

GOVERNANCE:

- to perform duties which are attributed to it by the Companies Act, the JSE and King IV;
- to monitor the governance of information technology (IT) and the effectiveness of the group's information systems (further details in the governance section); and
- to evaluate the committee's effectiveness.

AUDIT AND RISK COMMITTEE REPORT (continued)

for the year ended 31 August 2020

EXTERNAL AUDITOR:

- to nominate the appointment of the independent external auditor to shareholders;
- to review and approve the terms of engagement of the external auditor;
- to approve the external auditor's remuneration;
- to pre-approve all non-audit services in line with the formal policy on non-audit services. Fees for non-audit services amounted to R2.3 million (2019: R0.7 million);
- to assess the external auditor's independence; and
- to assess the effectiveness of the group's external audit function.

THE ARC'S CURRENT YEAR ACTIVITIES INCLUDING:

- reviewing its terms of reference and work plan to ensure compliance with the relevant provisions of the Companies Act and King IV recommendations with respect to audit committees;
- reviewing reports from both internal and external auditors concerning the effectiveness of the internal control environment, systems and processes;
- reviewing reports from both internal and external auditors detailing concerns arising from their audits and ensured appropriate responses from management;
- formulation of recommendations to the board of directors regarding corrective actions to be taken as a consequence of audit findings;
- reviewing significant judgements and unadjusted differences resulting from the audit;
- review of the company's interim results for the six months ended 29 February 2020 and annual financial statements for the year ended 31 August 2020 taking into account ongoing recommendations made by the JSE's proactive monitoring committee to public issuers. The committee ensured that appropriate actions were taken to apply the recommendations made by the JSE on those matters to the extent required. The committee and company continue to be committed and to practise the highest standards of financial disclosure. The committee has satisfied itself that appropriate financial reporting procedures are in place and operating.
- recommendation of the following publicly disclosed information for adoption by the board:
  - the integrated annual report for the year ended 31 August 2020;
  - the consolidated and separate annual financial statements for the year ended 31 August 2020;
  - the interim results for the six months ended 29 February 2020; and
  - trading statements and other SENS announcements.

The ARC is of the opinion that it met the objectives of the committee, as set out in the Companies Act, King IV, the committee's terms of reference and in accordance with its annual work plan.
The committee assesses its effectiveness every second year through the completion of a self-assessment process. No assessment had been completed for the 2020 year.

EXTERNAL AUDIT

The committee considered the effectiveness, independence and objectivity of the external auditor Deloitte & Touche and Mr SBF Carter, in their respective capacities as the company's appointed external audit firm and designated auditor and ensured that the scope of the additional services provided did not impair its independence.

The committee satisfied itself that the external auditor of the group is independent, as defined by the Companies Act.

The ARC, in consultation with executive management, agreed to an audit fee for the 2020 financial year. The fee is considered appropriate for the work conducted. Audit fees are disclosed in note 19 to the consolidated annual financial statements.

A formal procedure and policy are in place to consider the provision of non-audit services by the external auditor. This work is reviewed by the committee. In terms of the policy all fees above R1 million need to be approved by the committee. The committee receives a quarterly update of non-audit fees and is comfortable that the external auditor's independence has not been compromised by the performance of non-audit services.

The committee reviewed and approved the FY2020 external audit plan. The committee met with the designated audit partner, without management present, before meetings and was briefed throughout the year on general matters relating to the auditing and accounting that may impact enX as well of matters concerning the group and the audit process in particular. 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 2020 financial year. No matters of concern regarding the performance of the external auditor were noted by the committee.

The ARC reviewed the performance of the external auditor and nominated, for approval at the next AGM, Deloitte & Touche as the external auditor for the 2021 financial year, with Ms T Lavhengwa as the designated auditor. The amendments to the JSE Listings Requirements, effective 15 October 2017, regarding the new auditor accreditation process were also considered. Deloitte & Touche and Mr SBF Carter were first appointed designated auditor to enX for the 2017 financial year.

INTERNAL AUDIT

Internal audit is a key assurance component within enX. The internal audit function has been outsourced to BDO. BDO subscribes to the Professional Practice of Internal Auditing. The function has been set up to report independently from management and has a direct reporting line to the chair of the audit and risk committee with an administrative reporting line to the CFO. The committee considered the effectiveness of internal audit, approved its charter and the annual internal audit plan and monitored adherence of internal audit to its annual plan throughout the year. The 2020 year plan had been impacted by the outbreak of COVID-19 and a large portion of the plan had to be delayed to 2021.

The committee reviewed the performance, effectiveness and experience of the internal audit function and concluded that the internal audit function is independent, appropriately resourced and effectively fulfilled its obligations during the year.

The following functions were performed and reported on:
- Evaluating the effectiveness of internal controls over financial reporting and internal controls in general;
- Reviewing the governance of IT within the group;
- Assessing the governance of risk in line with the Combined Assurance Framework; and
- Report findings to management and the committee and monitoring the remediation of all significant deficiencies reported.

Where weaknesses in specific controls were identified by the internal auditor, management undertook to implement appropriate corrective actions and recommendations to mitigate the weakness identified. These undertakings were followed up by internal audit and reported on.

The committee met with BDO in private before meetings and on an ad-hoc basis throughout the year. Based on risk-based assurances given by BDO, the committee is of the opinion that the group's system of internal controls and risk management is effective and that the internal financial controls form a sound basis for the preparation of reliable annual financial statements.

ASSESSMENT OF INTERNAL CONTROL

Based on the assessment by the committee of the results of the formal documented reviews conducted by internal audit and other assurance providers in terms of the combined assurance model of the group's system of internal controls and risk management, including the design, implementation and effectiveness of internal financial controls and considering information and explanations given by management and discussions with both internal and external auditor on the results of the audits, nothing has come to the attention of the committee that causes it to believe that the group's systems of internal control is not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. This opinion of the committee has been recommended to the board for approval and subsequently approved by the board.

TECHNOLOGY AND INFORMATION GOVERNANCE

The board mandated the committee to provide oversight over technology and information (IT) governance. As such, the committee oversaw 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.

In order to assist the committee, in the discharge of its duties in respect of IT governance, the committee mandated the group's IT steering committee 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. The IT steering committee met twice this year under the chairmanship of Mr O'Flaherty, a non-executive director and after he had resigned, under the chair of Ms Ngonyama.

WHISTLE-BLOWING

The audit committee received quarterly updates on any tip-offs received through the whistle-blowing process. 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.

REVIEW OF CFO AND FINANCIAL FUNCTION

Mr R Lumb was appointed as CFO on 1 March 2020, following the resignation of Mr J Friedman. The ARC considered him to be appropriately experienced and competent to have fulfilled the role during the year under review in terms of the JSE Listings Requirements.

The committee also reviewed the performance, appropriateness, experience and resourcing of the group finance function and was satisfied with the overall adequacy and appropriateness of the function. The committee was further satisfied that key financial risks were adequately addressed during the year.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Significant areas requiring the use of management estimates and assumptions are detailed in note 1.18 of the accounting policies. The committee challenged these assumptions and estimates based on management presentations. These included, but were not limited to, the following areas:
- Impairment of goodwill and intangible assets; and
- The accounting treatment and financial statement disclosure surrounding the enX Fleet segment that was considered held for sale in 2019 and represented as continuing operations in 2020, following the termination of the disposal transaction.

AUDIT AND RISK COMMITTEE REPORT (continued)

for the year ended 31 August 2020

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

The ARC has reviewed the consolidated and separate annual financial statements for the year ended 31 August 2020, which comply, in all material aspects, with the requirements of the Companies Act, King IV and IFRS. The committee evaluated the significant estimates and judgements as reporting decisions. 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 consolidated and separate annual financial statements of enX for the year ended 31 August 2020, as set out on pages 14 to 80, for approval to the board. The board has subsequently approved these annual financial statements, which will be available for discussion at the forthcoming AGM.

COMMITTEE FOCUS IN 2021

While the committee will continue to operate within its terms of reference and ensure that meetings address all regular matters reserved for its consideration, the following additional key activities are expected to require the committee's attention during 2021:

- Progressing the Risk management maturity of the organisation;
- Implementation of POPIA; and
- Assessment of the operating effectiveness of internal controls to facilitate the group CEO and group CFO statement required to be made for the year ending 31 August 2021 in terms of section 3.84(k) of the JSE listing requirements.

CONCLUSION

After considering the above, the ARC is of the opinion that it has appropriately addressed its responsibilities in terms of its charter, internal controls, financial accounting controls and stakeholder reporting.

B Ngonyama
Chair of the audit and risk committee

23 November 2020
Isando

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 August 2020 R'000	As at 31 August 2019* R'000
ASSETS		
Non-current assets	**7 019 397**	7 220 053
Property, plant, equipment and right of use assets	**621 446**	425 296
Leasing assets	**6 087 417**	5 937 005
Goodwill	**92 461**	390 810
Intangible assets	**73 308**	332 674
Investment in associate	**70 916**	59 205
Unlisted investments and loans	**9 175**	12 769
Deferred taxation	**60 050**	55 956
Trade, other receivables and derivatives	**4 624**	6 338
Current assets	**3 592 610**	3 142 220
Trade, other receivables and derivatives	**1 064 879**	1 131 705
Inventories	**1 622 021**	1 547 864
Taxation receivable	**19 801**	3 915
Bank and cash balances	**885 909**	458 736
Total assets	**10 612 007**	10 362 273
EQUITY AND LIABILITIES		
Capital and reserves	**2 497 447**	2 905 754
Stated capital	**3 134 092**	3 117 031
Other reserves	**(595 867)**	(684 860)
Accumulated (loss)/profits	**(75 261)**	437 208
Equity attributable to equity holders of the parent	**2 462 964**	2 869 379
Non-controlling interests	**34 483**	36 375
Non-current liabilities	**4 159 009**	4 558 447
Interest-bearing liabilities	**3 620 250**	4 021 523
Deferred vendor consideration	**–**	2 655
Lease liabilities	**95 741**	–
Employee benefits	**5 090**	2 999
Deferred taxation	**437 928**	531 270
Current liabilities	**3 955 551**	2 898 072
Interest-bearing liabilities	**2 241 028**	1 260 520
Deferred vendor consideration	**33 895**	–
Lease liabilities	**115 675**	–
Trade, other payables, provisions and derivatives	**1 536 226**	1 554 894
Taxation payable	**23 350**	50 425
Bank overdrafts	**5 377**	32 233
Total equity and liabilities	**10 612 007**	10 362 273
Supplementary information:		
Number of shares in issue	**182 312 650**	182 312 650
Weighted number of shares in issue (net of treasury shares)	**181 017 311**	179 676 859
Net asset value per share (cents)#	**1 361**	1 597
Net tangible asset value per share (cents)	**1 280**	1 246

* *During the prior year the group entered into an agreement with Bidvest Bank to divest its ownership in Eqstra. This resulted in Eqstra being recognised as a discontinued operation in 2019. However, the divestment did not take place in the current year and therefore the statement of financial position for 2019 has been re-presented in accordance with IFRS 5.*

\# *Equity attributable to equity holders of the parent/Number of ordinary shares in issue net of treasury shares.*

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended 31 August 2020 R'000	**For the year ended 31 August 2019* R'000**
Revenue	**7 206 109**	7 790 851
Net operating expenses	**(5 411 346)**	(5 882 332)
Profit from operations before depreciation and amortisation	**1 794 763**	1 908 519
Depreciation and amortisation	**(1 429 536)**	(1 146 962)
Profit/(loss) on disposal of property, plant and equipment	**6 410**	(1 468)
Share-based payment (expense)/credit	**(2 547)**	6 579
Foreign exchange gains/(losses)	**12 660**	(9 493)
Operating profit	**381 750**	757 175
Impairment of goodwill and intangible assets	**(543 080)**	(166 395)
Adjustment on deferred vendor loan	**(30 688)**	–
(Loss)/profit before interest and taxation	**(192 018)**	590 780
Net finance costs	**(409 352)**	(406 480)
Interest received	**13 945**	7 231
Interest expense	**(423 297)**	(413 711)
Share of profits from associate	**11 711**	4 965
(Loss)/profit before taxation	**(589 659)**	189 265
Taxation	**76 729**	(80 614)
(Loss)/profit after taxation	**(512 930)**	108 651
Attributable to:		
Equity holders of the parent	**(512 469)**	105 811
Non-controlling interests	**(461)**	2 840
Net (loss)/profit after taxation ("PAT")	**(512 930)**	108 651
Other comprehensive income net of taxation:		
(Loss)/profit after taxation	**(512 930)**	108 651
Items that may be reclassified subsequently to profit or loss:		
– Foreign currency translation reserve	**102 941**	(8 190)
Total comprehensive (loss)/income	**(409 989)**	100 461
Attributable to:		
Equity holders of the parent	**(409 528)**	97 621
Non-controlling interests	**(461)**	2 840
Total comprehensive (loss)/income	**(409 989)**	100 461
(Loss)/profit per share		
Basic (loss)/earnings per share (cents)	**(283.1)**	58.9
Diluted (loss)/earnings per share (cents)**	**(283.1)**	58.3
Headline (loss)/earnings per share (cents)	**(20.1)**	141.0

* *During the prior year the group entered into an agreement with Bidvest Bank to divest its ownership in Eqstra. This resulted in Eqstra being recognised as a discontinued operation in 2019. However, the divestment did not take place in the current year and therefore the statement of profit or loss and other comprehensive income for 2019 has been re-presented in accordance with IFRS 5.*

** *The dilutionary instruments in issue have an anti-dilutionary effect in the current year.*

HEADLINE EARNINGS AND EBIT RECONCILIATIONS

	For the year ended 31 August 2020 R'000	For the year ended 31 August 2019 R'000
(Loss)/profit after taxation attributable to equity holders of the parent	**(512 469)**	105 811
Adjusted for:		
(Profit)/loss on disposal of property, plant and equipment	**(6 410)**	1 468
Impairment of goodwill, intangible assets and property	**544 111**	166 395
Taxation effect on adjustments	**(61 642)**	(20 359)
Headline (loss)/earnings attributable to ordinary shareholders	**(36 410)**	253 315
EBIT RECONCILIATION*		
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	**1 828 552**	1 914 562
Depreciation and amortisation	**(1 446 802)**	(1 157 387)
Operating profit	**381 750**	757 175
Impairment of goodwill and intangible assets	**(543 080)**	(166 395)
Adjustment on deferred vendor loan	**(30 688)**	–
(Loss)/earnings before interest and taxation (EBIT)	**(192 018)**	590 780

* *This reconciliation is unaudited.*

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	For the year ended 31 August 2020 R'000	For the year ended 31 August 2019 R'000
Stated capital	**3 134 092**	3 117 031
Balance at beginning of the year	**3 117 031**	3 103 455
Increase through the issue of shares	**–**	12 138
Transfer from treasury shares to issued shares	**17 061**	1 438
Other reserves	**(595 867)**	(684 860)
Balance at beginning of the year	**(684 860)**	(681 952)
Foreign currency translation reserve	**102 941**	(8 190)
Share-based payment expense	**(13 948)**	5 282
Accumulated (loss)/profits	**(75 261)**	437 208
Balance at beginning of the year	**437 208**	335 715
Adjustment to the opening balance arising from the initial application of IFRS 9 and 15 (net of taxation)	**–**	12 695
Balance as at 1 September	**437 208**	348 410
Total comprehensive (loss)/income for the year	**(512 469)**	105 811
Acquisition of minority interest in subsidiary	**–**	(17 013)
Non-controlling interest	**34 483**	36 375
Balance at beginning of the year	**36 375**	36 002
Acquisition of minority interest in subsidiary	**–**	(32)
Total comprehensive (loss)/income for the year	**(461)**	2 840
Dividends paid to minority shareholders	**(1 431)**	(2 435)
Total shareholders' interests	**2 497 447**	2 905 754

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the year ended 31 August 2020 R'000	For the year ended 31 August 2019 R'000
Cash flows from operating activities	**1 995 525**	1 736 384
Cash generated from operations before working capital movements	**1 860 593**	1 908 585
Working capital movements	**610 280**	296 421
Interest received	**13 945**	7 231
Interest paid	**(417 032)**	(399 374)
Taxation paid	**(72 261)**	(76 479)
Cash flows from investing activities	**(1 771 570)**	(2 267 615)
Capital expenditure	**(1 789 159)**	(2 157 149)
Proceeds on disposal of assets	**15 300**	5 047
Business combinations	**–**	(112 404)
Cash outflow from unlisted investments and loans	**2 289**	(3 109)
Cash flows from financing activities	**243 311**	546 754
Proceeds from interest-bearing liabilities	**693 550**	1 036 868
Repayment of interest-bearing liabilities	**(395 927)**	(476 475)
Deferred vendor consideration paid	**–**	(11 204)
Repayment of lease liability	**(52 881)**	–
Dividends paid to minority shareholders	**(1 431)**	(2 435)
Net increase in cash and cash equivalents	**467 266**	15 523
Effects of exchange rate changes on cash and cash equivalents	**(13 237)**	4 384
Cash and cash equivalents at beginning of the year	**426 503**	406 596
Cash and cash equivalents at end of the year	**880 532**	426 503

SUMMARISED CONSOLIDATED SEGMENTAL ANALYSIS

	Equipment		Fleet[3]	
	For the year ended 31 August 2020 R'000	For the year ended 31 August 2019 R'000	For the year ended 31 August 2020 R'000	For the year ended 31 August 2019 R'000
Revenue[1]	**3 721 188**	4 045 741	**1 859 651**	2 063 548
– South Africa	**2 270 242**	2 708 677	**1 699 154**	1 838 594
– Rest of World	**1 448 496**	1 334 258	**137 246**	198 844
– Intercompany	**2 450**	2 806	**23 251**	26 110
EBITDA(2)	**1 060 700**	1 108 655	**742 456**	856 564
Depreciation and amortisation[4]	**(808 160)**	(686 733)	**(594 558)**	(427 535)
Earnings/(loss) before interest and taxation[5]	**252 540**	421 922	**147 898**	429 029
– South Africa	**159 915**	319 817	**114 776**	394 706
– Rest of World	**92 625**	102 105	**33 122**	34 323
Net finance costs	**(222 373)**	(200 321)	**(177 122)**	(191 918)
Interest received	**1 446**	1 335	**17 081**	15 604
Interest expense	**(223 819)**	(201 656)	**(194 203)**	(207 522)
Share of profits from associate	**–**	–	**–**	–
Profit/(loss) before taxation	**30 167**	221 601	**(29 224)**	237 111
Total assets	**5 864 824**	5 374 840	**3 116 518**	3 280 383
– Goodwill and intangible assets	**87 931**	66 070	**20 773**	18 313
– Leasing assets	**3 351 653**	3 043 620	**2 731 600**	2 893 386
– Investment in associate	**–**	–	**–**	–
– Inventories	**1 158 887**	1 161 216	**26 787**	36 377
– Trade, other receivables and derivative financial assets	**567 216**	632 034	**175 782**	206 023
– Other assets	**699 137**	471 900	**161 576**	126 284
Total liabilities	**4 491 506**	4 088 070	**2 382 940**	2 506 286
– Interest-bearing liabilities and overdraft	**3 408 566**	2 965 854	**1 779 350**	1 954 759
– Deferred vendor consideration	**–**	–	**–**	–
– Trade, other payables, provisions and derivatives	**768 252**	903 296	**332 703**	263 492
– Other liabilities	**314 688**	218 919	**270 887**	288 035
Capital expenditure net of proceeds	**991 503**	1 035 154	**772 380**	1 108 145
Number of employees	**1 754**	1 830	**379**	531
GEOGRAPHICAL SEGMENTATION				
Total assets	**5 864 824**	5 374 840	**3 116 518**	3 280 383
– South Africa	**3 521 093**	3 563 585	**2 659 772**	2 834 497
– Rest of World	**2 343 731**	1 811 255	**456 746**	445 886
Total liabilities	**4 491 506**	4 088 070	**2 382 940**	2 506 286
– South Africa	**2 650 009**	2 648 867	**2 204 326**	2 330 173
– Rest of World	**1 841 497**	1 439 203	**178 614**	176 113

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[1] No single customer exceeds 10% of group revenue.

[2] Excludes intercompany management fees.

[3] During the prior year the group entered into an agreement with Bidvest Bank to divest its ownership in Eqstra. This resulted in Eqstra being recognised as a discontinued operation in 2019. Therefore the statement of financial position and the statement of profit or loss and other comprehensive income for 2019 has been re-presented in accordance with IFRS 5. The comparative numbers in the segment have also been re-represented to include Eqstra.

[4] Total depreciation and amortisation includes depreciation disclosed as part of cost of sales.

[5] Earnings/(loss) before interest and taxation include impairments of goodwill, intangible assets and property of R544.1 million (2019: R166.4 million). In addition, (loss)/earnings before interest and taxation includes an adjustment on deferred vendor consideration of R30.7 million.

Petrochemicals		Group, financing and consolidation		Total	
For the year ended 31 August 2020 R'000	For the year ended 31 August 2019 R'000	For the year ended 31 August 2020 R'000	For the year ended 31 August 2019 R'000	For the year ended 31 August 2020 R'000	For the year ended 31 August 2019 R'000
1 674 032	1 713 959	**(48 762)**	(32 397)	**7 206 109**	7 790 851
1 505 131	1 552 197	**–**	(1)	**5 474 527**	6 099 467
146 870	159 958	**–**	–	**1 732 612**	1 693 060
22 031	1 804	**(48 762)**	(32 396)	**(1 030)**	(1 676)
93 160	(20 054)	**(641 532)**	(196 998)	**1 254 784**	1 748 167
(16 670)	(12 851)	**(27 414)**	(30 268)	**(1 446 802)**	(1 157 387)
76 490	(32 905)	**(668 946)**	(227 266)	**(192 018)**	590 780
62 135	(40 811)	**(668 946)**	(227 266)	**(332 119)**	446 445
14 355	7 906	**–**	–	**140 101**	144 335
(23 510)	(29 151)	**13 653**	14 910	**(409 352)**	(406 480)
2 914	3 053	**(7 496)**	(12 761)	**13 945**	7 231
(26 424)	(32 204)	**21 149**	27 671	**(423 297)**	(413 711)
11 711	4 965	**–**	–	**11 711**	4 965
64 691	(57 091)	**(655 293)**	(212 356)	**(589 659)**	189 265
1 055 791	877 745	**574 874**	829 305	**10 612 007**	10 362 273
1 842	2 950	**55 223**	636 151	**165 769**	723 484
–	–	**4 164**	(1)	**6 087 417**	5 937 005
70 916	59 205	**–**	–	**70 916**	59 205
436 347	350 272	**–**	(1)	**1 622 021**	1 547 864
316 489	298 015	**10 016**	1 971	**1 069 503**	1 138 043
230 197	167 303	**505 471**	191 185	**1 596 381**	956 672
734 154	623 729	**505 960**	238 434	**8 114 560**	7 456 519
251 783	249 506	**426 956**	144 157	**5 866 655**	5 314 276
33 895	2 655	**–**	–	**33 895**	2 655
424 989	369 170	**8 762**	18 546	**1 534 706**	1 554 504
23 487	2 399	**70 242**	75 731	**679 304**	585 084
13 560	10 025	**11 716**	3 825	**1 789 159**	2 157 149
135	131	**7**	10	**2 275**	2 502
1 055 791	877 745	**574 874**	829 305	**10 612 007**	10 362 273
1 007 104	821 471	**574 874**	829 305	**7 762 843**	8 048 858
48 687	56 274	**–**	–	**2 849 164**	2 313 415
734 154	623 729	**505 960**	238 434	**8 114 560**	7 456 519
724 693	593 469	**505 960**	238 434	**6 084 988**	5 810 943
9 461	30 260	**–**	–	**2 029 572**	1 645 576

AUDIT REPORT

enX's independent auditor, Deloitte & Touche, has issued its opinion on the consolidated and separate financial statements for the year ended 31 August 2020. The audit was conducted in accordance with International Standards on Auditing. Deloitte & Touche has issued an unmodified opinion. A copy of the independent auditor's report together with a copy of the audited consolidated and separate financial statements is available for inspection on the enX website as well as at enX's registered office during normal business hours from 23 November 2020. Shareholders are advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of that report together with the consolidated and separate audited consolidated financial statements as at 31 August 2020

The summarised preliminary consolidated financial statements have been derived from and are consistent in all material respects with the consolidated financial statements for the year ended 31 August 2020 but are not audited. The directors take full responsibility for the preparation of these summarised preliminary consolidated financial results and confirm that the financial information has been correctly extracted from the underlying audited consolidated financial statements. Any reference to future financial information included in this announcement has not been audited or reported on by the auditor.

The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office

Information included in the preliminary report is extracted from audited information, but is not itself audited.

NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

1. Basis of preparation

The summarised preliminary consolidated financial statements for the year ended 31 August 2020 have been prepared in accordance with the requirements of the JSE Listings Requirements applicable to summarised preliminary reports and the requirements of the Companies Act, No. 71 of 2008 of South Africa applicable to summarised financial statements and contain the information required by IAS 34: Interim Financial Reporting.

This report as well as the group's consolidated annual financial statement were compiled under the supervision of R Lumb CA(SA), CFO of enX.

The accounting policies applied in the preparation of the consolidated financial statements (from which these summarised results are derived) are, in terms of IFRS, and are consistent with the accounting policies applied in the preparation of the previous consolidated financial statements except for the changes due to the adoption of IRFS 16 and IFRIC 23 in the current year. For the full impact of the adoption of these accounting policies please refer to the 2020 annual financial statements. There was no IFRS 16 impact on retained earnings as the group has made use of the practical expedient available on transition to IFRS 16. The group has also adopted IFRIC 23 for the first time in the current year, based on the assessment undertaken no material uncertainty exists around the treatment of income tax within the group.

2. Capital risk management

In line with the group policy to reinvest for growth, no cash dividend has been declared for the current and prior year.

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 capital structure. 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 together with loans from shareholders. 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 long-term cost of debt assumptions. 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 and interest cover. In order to maintain or adjust the capital structure, in the absence of significant investment opportunities, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

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.

3. Assets held for sale and liabilities associated with assets held for sale – Eqstra

During the prior year the group entered into an agreement with Bidvest Bank to divest its ownership in Eqstra. This resulted in Eqstra being recognised as a discontinued operation in 2019. However, the disinvestment to Bidvest Bank did not take place during the current year and as a result the consolidated statement of financial position and the consolidated statement of profit or loss and other comprehensive income for 2019 has been re-presented in accordance with IFRS 5.

	For the year ended 31 August 2020 R'000	For the year ended 31 August 2019 R'000
4. Interest-bearing liabilities		
Medium Term Note Programme	**917 934**	1 041 380
Bank debt and overdraft – South Africa	**3 542 443**	3 097 335
Bank debt and overdraft – Rest of world	**1 406 278**	1 175 561
Deferred vendor consideration	**33 895**	2 655
	5 900 550	5 316 931
Comprising:		
Non-current	**3 620 250**	4 024 178
Current	**2 280 300**	1 292 753
	5 900 550	5 316 931

	For the year ended 31 August 2020 R'000	For the year ended 31 August 2019 R'000
5. Net finance costs		
Interest received – other	**13 945**	7 231
Interest expense	**(414 776)**	(412 674)
Deemed interest expense	**(552)**	(1 037)
Interest on lease liability	**(7 969)**	–
	(409 352)	(406 480)

	For the year ended 31 August 2020 R'000	For the year ended 31 August 2019 R'000
6. Revenue		
Revenue recognised at a point in time		
Sale of capital goods	**1 139 452**	1 501 322
Sale of goods, consumables and parts	**1 947 902**	2 014 577
Sale of used goods	**540 097**	671 466
Total revenue recognised at a point in time	**3 627 451**	4 187 365
Revenue transferred over time		
Leasing rentals	**2 423 696**	2 315 542
Maintenance and service revenue	**1 012 413**	1 111 114
Value added products	**126 089**	148 347
Other revenue	**16 460**	28 483
Total revenue transferred over time	**3 578 658**	3 603 486
Total revenue	**7 206 109**	7 790 851

NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

7. 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 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.

Level 3 – Valuations based on unobservable inputs include:

Financial instruments are valued using significant 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 very insignificant to the group.

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

31 August 2020	Level 2 R'000	Level 3 R'000	Fair value R'000
Financial assets			
Unlisted investments and loans	–	9 175	9 175
Designated as fair value through profit and loss			
– Derivative financial assets	2 372	–	2 372
	2 372	9 175	11 547
Financial liabilities			
Designated as fair value through profit and loss			
– Derivative financial liabilities	1 520	–	1 520
	1 520	–	1 520

8. Impact of the adoption of IFRS 16 Leases

The impact of adopting IFRS 16 on the opening consolidated statement of financial position 1 September 2019 is disclosed below. There was no impact on retained earnings as the group has made use of the practical expedient available on transition to IFRS 16.

	31 August 2019 R'000	Impact of adoption of IFRS16 R'000	1 September 2019 R'000
Assets			
Non-current assets			
Property, plant and equipment	425 296	238 582	663 878
Liabilities			
Non-current liabilities			
Other non-current liabilities	–	71 198	71 198
Current liabilities			
Other current liabilities	–	167 384	167 384

9. Lease liabilities arising on adoption of IFRS 16

	For the year ended 31 August 2020 R'000
Movement summary	
Lease liabilities arising on adoption of IFRS 16	**238 582**
Additions	**25 715**
Interest expense	**7 969**
Repayments	**(60 850)**
Closing balance of lease liabilities	**211 416**
Disclosed as:	
Non-current liabilities	**95 741**
Current liabilities	**115 675**
	211 416

10. Going concern and subsequent events

Funding and liquidity

Liquidity in all our businesses has been resilient during the lockdown. It is testament to the ability of our businesses to scale back capital expenditures, reduce orders, collect debtors and drawdown on inventory levels to release cash.

During September 2020, Impact Handling (UK) renewed its funding arrangements which now mature in August 2023 with an option to extend.

As a result of the termination of the Eqstra transaction, enX has been in a process of engaging with its lenders regarding the refinance of the South African leasing businesses' bank term facilities and the debt capital market programme. At the date of signature of the financial statements, agreements with bank lenders have been concluded whereby, subject to the fulfilment of customary conditions precedent, both the EIE SA and Eqstra businesses will raise their own independent funding facilities and all existing bank borrowings will be repaid and debt capital market instruments redeemed.

The South African trading businesses will retain their own dedicated credit facilities. The composition of the facilities will however change on or about 1 December 2020. We intend to early repay the term loan of R50 million and reduce the facility limit of our revolving credit facility by R30 million to R45 million. Our general banking facility of R150 million and indirect facilities of R80 million will remain in place providing the businesses with liquidity to trade. Furthermore, the maturity date of the revolving credit facility will be extended to 31 August 2022.

Based on our assessment of the prospects and cash flows for each business as at the date of signing we believe that credit facilities discussed above provide sufficient liquidity for the businesses to continue trading at pre-lockdown levels.

Apart from the above, there have been no other material events subsequent to year-end that have been taken into account in the financial statements.

07

SHAREHOLDER INFORMATION

SHAREHOLDER PROFILES

	Number of shares
Issued ordinary shares on 1 September 2019	182 312 650
Issued during the year	–
Issued ordinary shares as at 31 August 2020	**182 312 650**
Shares held in treasury by subsidiary companies	**(968 566)**
Issued ordinary shares, net of treasury shares, at 31 August 2019	**181 344 084**
Weighted average number of shares in issue, net of treasury shares, at 31 August 2020	**181 017 311**

Public/non-public shareholders	Number of shareholders	%	Number of shares	%
Non-public shareholders	15	0.9	102 361 711	56.2
Directors, prescribed officers and managers of the group	12	0.7	8 702 122	4.8
Beneficial shareholders holding more than 10%	3	0.2	93 659 589	51.4
Public shareholders	1 773	99.1	79 950 939	43.8
	1 788	**100.0**	**182 312 650**	**100.0**
Shareholder spread				
1 – 1 000 shares	1 405	78.6	218 438	0.1
1 001 – 10 000 shares	236	13.2	820 702	0.5
10 001 – 100 000 shares	81	4.5	3 169 808	1.7
100 001 – 1 000 000 shares	61	3.4	68 353 373	37.5
1 000 001 shares and above	5	0.3	109 755 329	60.2
	1 788	**100.0**	**182 312 650**	**100.0**
Beneficial shareholders holding 5% or more				
MCC Contracts (Pty) Ltd			61 305 360	33.6
PSG Group Ltd			19 710 126	10.8
Prudential Investment Managers (Pty) Ltd			13 261 807	7.3
Samvenice Trading 1 (Pty) Ltd			12 785 271	7.0
Satrix			12 644 103	6.9
CoroCapital (Pty) Ltd			11 493 288	6.3
Old Mutual Group			9 656 368	5.3
Fund managers holding 5% or more				
Prudential Investment Managers			27 321 545	15.0
PSG Asset Management			19 743 126	10.8
CoroCapital			11 567 084	6.3
			11 493 288	6.3
Geographical spread				
South Africa			180 864 034	99.2
United States			1 282 710	0.7
Other foreign			165 906	0.1
			182 312 650	**100.0**
Distribution of shareholders				
Private companies, corporations and trusts			66 459 209	36.5
Collective investment schemes			47 800 137	26.2
Scrip lending			42 646 858	23.4
Managed and hedge funds			11 915 024	6.5
Retail shareholders			10 296 665	5.5
Stockbrokers, nominees and custodians			1 718 917	0.9
Other			1 475 840	0.8
			182 312 650	**100.0**
B-BBEE shareholding				
MCC Contracts (Pty) Ltd			61 305 360	33.6
Samvenice Trading 1 (Pty) Ltd			12 785 271	7.0
Legae Peresec			4 710 035	2.3

SHAREHOLDER PROFILES (continued)

DIRECTORS' ORDINARY SHAREHOLDING

	Direct beneficial shareholding	Indirect beneficial shareholding	Total shareholding	% shareholding
Balance 31 August 2019	**882 279**	**14 119 118**	**15 001 397**	**8.31**
A Joffe^	110 000	1 366 442	1 467 442	0.8
P O'Flaherty[$]	–	3 196 318	3 196 318	1.8
P Baloyi[#]	–	5 753 372	5 753 372	3.2
J Friedman[%]	463 162	196 764	659 926	0.4
G Neubert*	233 014	245 433	478 447	0.3
Balance 31 August 2020	**–**	**22 498 446**	**22 498 446**	**12.4**
W Chapman[@]	–	9 490 983	9 490 983	5.2
O Mabandla[~]	–	1 157 229	1 157 229	0.6
A Hannington[+]	–	646 880	646 880	0.4
P Baloyi[#]	–	11 203 354	11 203 354	6.2

* *GD Neubert's shares includes the enX shares indirectly beneficially held pursuant to the enX Forfeitable Share Scheme. These vested during 2020. He resigned as group CEO on 13 August 2020. He remains CEO of the EIE business.*

^ *A Joffe has an indirect beneficial interest enX shares via his shareholding in CoroCapital. He resigned as director on 22 June 2020.*

% *JS Friedman resigned as director on 31 March 2020.*

$ *PS O'Flaherty indirectly holds shares by virtue of a 25% shareholding in CapLeverage. He resigned on 22 June 2020 as director.*

PC Baloyi holds shares indirectly by virtue of a 45% shareholding in CapLeverage as well as a 9% shareholding in MCC.

@ *W Chapman appointed as director on 3 July 2020, indirectly holds shares by virtue of a 15% shareholding in MCC.*

~ *O Mabandla appointed as director on 3 July 2020, indirectly holds shares by virtue of a 2% shareholding in MCC.*

\+ *A Hannington appointed as director on 3 July 2020, indirectly holds shares by virtue of a 1% shareholding in MCC.*

There have been no changes to directors' interest since year-end to date of publication.

LETTER TO SHAREHOLDERS

Dear shareholder,

On behalf of the board of directors ("the board"), you are invited to attend the annual general meeting (meeting) of enX Group Limited ("enX" or "the company") which will be held on Friday, 19 March 2021 at 10:00 at Ninth Floor, Katherine Towers, 1 Park Lane, Sandton, Gauteng.

In line with enX's focus on sustainability and commitment towards creating a greener environment, the integrated report, which includes the consolidated annual financial statements and governance reports will not be mailed to shareholders. Instead, these documents may be viewed on the company's website www.enxgroup.co.za or can be requested from the company secretary at enx@acorim.co.za or telephonically on +27 11 966 2000.

The board recognises the importance of its shareholders' presence at the meeting. This is an opportunity for you to meet and engage with members of the board regarding the company's performance for the year ended 31 August 2020 and to participate in discussions relating to items included in this meeting notice. The chairpersons of the various board committees, senior members of management as well as the company's external auditors will be present to respond to questions from shareholders.

The date on which you must be registered as a shareholder in the company's register for the purposes of being entitled to attend and vote at the meeting is Friday, 12 March 2021 (record date). The last day to trade in enX shares in order to be eligible to vote at the meeting is therefore Tuesday, 9 March 2021. Only shareholders who are physically present at the meeting or represented by a valid proxy or letter of representation will be entitled to vote on any matter put to a vote of shareholders. If you are unable to attend the meeting, you are welcome to forward any questions you would like to address to the members of the board to the company secretary at enx@acorim.co.za and they will be answered on the day of the meeting. All questions should be sent by Thursday, 11 March 2021.

Yours sincerely

PC Baloyi
Chairman

22 December 2020

SHAREHOLDERS' DIARY

Financial year-end	31 August
Audited 2020 results released	23 November 2020
2020 Annual integrated report posted on the company website	22 December 2020
Annual general meeting	19 March 2021
Interim results announcement	May 2021

NOTICE OF ANNUAL GENERAL MEETING

enX Group Limited

(Incorporated in the Republic of South Africa)
(Registration number: 2001/029771/06)
JSE share code: ENX
ISIN: ZAE000222253
("**enX**" or "**the company**")

Notice is hereby given that the annual general meeting of shareholders of enX will be held at 10:00 on Friday, 19 March 2021 at Ninth Floor, Katherine Towers, 1 Park Lane, Sandton, Gauteng for the following purposes:

1. To present the audited annual financial statements of the company and the group for the year ended 31 August 2020 (including the reports of the directors, the audit and risk committee and of the independent auditors).
2. To present the social and ethics committee report.
3. To consider any matters raised by shareholders.
4. To transact such other business as may be transacted at an annual general meeting of a company including the re-appointment of the auditors and the re-election of retiring directors.
5. To consider and, if deemed fit, to pass, with or without modification, the special and ordinary resolutions set out below, in the manner required by the Companies Act, No. 71 of 2008 (as amended) (the "**Companies Act**").

IMPORTANT DATES TO NOTE:

Record date for receipt of notice purposes	Friday, 11 December 2020
Notice of meeting posted to shareholders, on or before	Tuesday, 22 December 2020
Integrated report and group annual financial statements available on www.enxgroup.co.za, on or before	Tuesday, 22 December 2020
Last day to trade in order to be eligible to participate in and vote at the annual general meeting	Tuesday, 9 March 2021
Record date for voting purposes ("**voting record date**")	Friday, 12 March 2021
For administrative purposes, forms of proxy to be lodged by	Wednesday, 17 March 2021
Annual general meeting to be held at 10:00 on (proxy forms may also be handed to the Chairman of the annual general meeting at anytime during the annual general meeting)	Friday, 19 March 2021
Results of annual general meeting released on SENS	Friday, 19 March 2021

ATTENDANCE

If you are a registered shareholder (i.e. a shareholder who has not dematerialised his/her shares or has dematerialised his/her shares with "own name" registration) as at the end of the record date to attend and vote at the meeting of the company, you may attend the meeting in person.

Alternatively, you may appoint a proxy or two or more proxies (who need not be a shareholder/s of the company) to represent you at the meeting. Any appointment of a proxy/ies may be affected by using the attached form of proxy and, in order for the proxy to be affected and valid, the form of proxy must be completed and delivered in accordance with the instructions contained therein. Alternatively, the form of proxy may be handed to the Chair of the meeting or to the transfer secretaries at the meeting, at any time prior to its commencement, or prior to voting on any resolutions proposed at the meeting.

Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the meeting should the shareholder subsequently decided to do so.

If you are a beneficial shareholder and not a registered shareholder (i.e. a shareholder who has dematerialised his/her shares without "own name" registration) as at the record date to attend and vote at the meeting of the company:

- And wish to attend the meeting, you may obtain the necessary letter of representation to represent the registered holder in respect of your shares from your Central Securities Depository Participant ("CDSP") or broker;
- And do not wish to attend the meeting but would like your vote to be recorded at the meeting, you should contact the registered holder in respect of your shares through your CSDP or broker and furnish them with your voting instructions; and
- You must not complete the attached form of proxy.

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a meeting. In this regard, all shareholders recorded in the registers of the company on the voting record date will be required to provide identification satisfactory to the Chairman of the annual general meeting. Forms of identification include valid identity documents, driver's licenses and passports.

QUORUM

A quorum for the purposes of considering the resolutions below shall consist of three shareholders of the company personally present or represented by a proxy (and if the shareholder is a body corporate, the representative of the body corporate) and entitled to vote at the annual general meeting. In addition, a quorum shall comprise 25% of all voting rights entitled to be exercised by shareholders in respect of the resolutions below.

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa), for the purposes of being entitled to attend, participate in and vote at the annual general meeting is Friday, 12 March 2021.

VOTING AND PROXIES LEVEL

A shareholder of the company entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, vote and speak in his/her stead.

On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the company present in person or represented by proxy shall have one vote for every share held in the company by such shareholder.

A form of proxy is attached for the convenience of any shareholder holding certificated shares who cannot attend the annual general meeting. Forms of proxy may also be obtained on request from the company's registered office or the transfer secretary of the company. For administrative purposes, the completed forms of proxy should be deposited at or posted to the office of the transfer secretaries of the company, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa (PO Box 61051, Marshalltown, 2107) or via email to proxy@computershare.co.za to be received 48 hours prior to the annual general meeting. Alternatively, the form of proxy may be handed to the Chairman of the annual general meeting or the transfer secretary at any time prior to the commencement of the annual general meeting or prior to voting on any resolution proposed at the annual general meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting should the member subsequently decide to do so.

Attached to the form of proxy is an extract of section 58 of the Companies Act, to which shareholders are referred.

enX does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the meeting or any business to be concluded thereat.

TELEPHONIC PARTICIPATION

Shareholders or their proxies may participate in the meeting by way of telephone conference call. Shareholders or their proxies who wish to participate in the annual general meeting via the teleconference facility will be required to advise the company thereof by no later than 09:00 on Friday, 12 March 2021 by submitting, by email to the company secretary at enx@acorim.co.za, for the attention of Natasha Petrides, relevant contact details including email address, cellular number and landline, as well as full details of the shareholder's title to the shares issued by the company and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shareholders), and (in the case of dematerialised shareholders) written confirmation from the shareholder's CSDP confirming the shareholder's title to the dematerialised shares. Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the annual general meeting.

Shareholders who wish to participate in the annual general meeting by way of telephone conference call must note that they will not be able to vote during the annual general meeting. Such shareholders, should they wish to have their vote counted at the annual general meeting, must, to the extent applicable: (i) complete the form of proxy or (ii) contact their CSDP or broker, in both instances, as set out above.

PRESENTATION OF AUDITED ANNUAL FINANCIAL STATEMENTS

To present the audited financial statements of the company and the group for the year ended 31 August 2020, including the directors' report, the report of the audit and risk committee and the report of the independent auditors, in terms of section 30(3) of the Companies Act.

The annual financial statements of the company and the group are available on the company's website www.enxgroup.co.za, or can be requested from the company secretary at enx@acorim.co.za or telephonically on +27 11 966 2000.

PRESENT THE SOCIAL AND ETHICS COMMITTEE REPORT

To present the social and ethics committee report of the company and the group for the year ended 31 August 2020, in terms of Regulation 43 of the Companies Act.

The social and ethics committee report of the company and the group is included in the integrated report for the year ended 31 August 2020 and is available on the company's website www.enxgroup.co.za, or can be requested from the company secretary at enx@acorim.co.za or telephonically on +27 11 966 2000.

NOTICE OF ANNUAL GENERAL MEETING

(continued)

SPECIAL RESOLUTIONS

To consider and, if deemed fit, to pass, with or without modification, all of the special resolutions relating to business set out below.

The minimum percentage of voting rights required for each of the special resolutions set out below to be adopted is at least 75% (seventy-five percent) of the voting rights exercised on each of the resolutions by shareholders present or represented by proxy at the annual general meeting.

SPECIAL RESOLUTION NUMBER 1: GENERAL AUTHORITY FOR A REPURCHASE OF SHARES ISSUED BY THE COMPANY

"Resolved that in terms of paragraph 5.67(B)(b), read with paragraph 5.72 of the JSE Listings Requirements, the company or any of its subsidiaries be and are hereby authorised by way of a renewable general authority pursuant, *inter alia* to sections 46 and 48 of the Companies Act, until this authority lapses at the next annual general meeting of the company, unless it is then renewed at the next annual general meeting of the company and provided that this authority shall not extend beyond 15 months from date of passing this special resolution, for the company or any subsidiary of the company to acquire shares of the company on the following basis:

1. Repurchases of shares must be effected through the order book operated by the JSE trading system, and done without any prior understanding or arrangement between the company and the counterparty;
2. At any point in time, the company may only appoint one agent to effect repurchases on its behalf;
3. The company (or any subsidiary) must be authorised thereto by its memorandum of incorporation;
4. The number of shares which may be acquired pursuant to this authority in any financial year (which commenced on 1 September 2020) may not in the aggregate exceed 20% (twenty percent) (or 10% (ten percent) where such acquisitions are effected by a subsidiary) of the company's share capital as at the date of this notice of annual general meeting;
5. Repurchases of shares may not be made at a price more than 10% (ten percent) above the weighted average of the market value on the JSE of the shares in question for the 5 (five) business days immediately preceding the repurchase;
6. Repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the JSE Listings Requirements) unless a repurchase programme (where the dates and quantities of shares to be repurchased during the prohibited period are fixed) is in place and has been submitted to the JSE in writing prior to the commencement of the prohibited period;
7. After the company has acquired shares which constitute, on a cumulative basis, 3% (three percent) of the number of shares in issue (at the time that authority from shareholders for the repurchase is granted), the company shall publish an announcement containing full details of such repurchases; and
8. The board of directors of the company must resolve that the repurchase is authorised, the company and its subsidiaries have passed the solvency and liquidity test, as set out in section 4 of the Companies Act, and since that test was performed, there have been no material changes to the financial position of the company."

In accordance with the JSE Listings Requirements, the directors record that:

Although there is no immediate intention to effect a repurchase of the company's shares, the directors would utilise the general authority to repurchase shares as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action.

The directors undertake that, after considering the maximum number of securities which may be repurchased and the price at which the repurchases may take place pursuant to the general repurchase authority, for a period of 12 months after the date of notice of this annual general meeting:

- The company and the group will be able to pay their debts in the ordinary course of business;
- The consolidated assets of the company and of the group fairly valued in accordance with International Financial Reporting Standards, will exceed the consolidated liabilities of the company and of the group fairly valued in accordance with International Financial Reporting Standards; and
- The working capital, share capital and reserves of the company and of the group will be adequate for ordinary business purposes.

The following additional information, some of which may appear elsewhere in the annual financial statements ("AFS"), published on the enX website, is provided in terms of paragraph 11.26 of the JSE Listings Requirements for purposes of this general authority:

- Stated capital of the company – page 42 (of the group AFS)
- Major beneficial shareholder – page 81 (of the group AFS)
- Reserves of the company – page 42 (of the group AFS)

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names appear on pages 8 and 9 of the integrated annual report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required in terms of the Companies Act and the JSE Listings Requirements.

MATERIAL CHANGES

Other than the facts and developments reported on in the annual report, there have been no material changes in the trading or financial position of the company and its subsidiaries since the date of signature of the audit report for the year ended 31 August 2020 and up to the date of this notice.

REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER 1

The reason for special resolution number 1 is to afford directors of the company or a subsidiary of the company general authority to effect a repurchase of the company's shares on the JSE, subject to compliance with the JSE Listings Requirements.

SPECIAL RESOLUTION NUMBER 2: APPROVAL OF DIRECTORS' FEES FOR THEIR SERVICES AS DIRECTORS AND COMMITTEE MEMBERS

"Resolved that the fees per financial year payable by the company to the non-executive directors for their services as directors and committee members (in terms of section 66 of the Companies Act)" be and are hereby approved until the next annual general meeting of the company, provided it shall not extend beyond 15 (fifteen) months.

Proposed fees

	Current fees R	Proposed fee R
Annual retainers for board members		
– Chairman	1 426 400	700 000
– Lead independent director	329 200	329 200
– Non-executive directors	180 600	180 600
Attendance fees per meeting		
Board meetings		
– Chairman	–	30 300
– Non-executive directors	30 000	30 300
Audit and risk committee		
– Chairman	66 500	66 500
– Non-executive directors	47 600	47 600
Remuneration/Nominations committee		
– Chairman	43 300	43 300
– Non-executive directors	29 800	29 800
Assets and liabilities committee*		
– Chairman	46 300	–
– Non-executive directors	23 300	–
Investment committee*		
– Chairman	46 300	–
– Non-executive directors	23 200	–
Social and ethics committee		
– Chairman	29 800	43 300
– Non-executive directors	24 400	29 800
IT steering committee*		
– Chairman	43 300	–
– Non-executive directors	24 400	–
***Ad hoc* fee monthly retainer**	21 000	–
***Ad hoc* committee fee**	10 500	10 500
***Ad hoc* advisory fee per hour**	–	–

* *No longer a separate committee.*

NOTICE OF ANNUAL GENERAL MEETING

(continued)

REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER 2

To obtain shareholder approval by way of a special resolution in accordance with section 66 of the Companies Act for the payment by the company of fees to each of the non-executive directors of the company for services as a non-executive director and as committee members in the amounts set out under special resolution number 2. The above remuneration excludes VAT, which will be added by the directors in terms of the current VAT legislation in South Africa, if applicable.

SPECIAL RESOLUTION NUMBER 3: FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED COMPANIES IN TERMS OF SECTION 45 OF THE COMPANIES ACT

"Resolved that, to the extent required by the Companies Act, the board of directors of the company may, subject to compliance with the requirements of the company's memorandum of incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance in terms of section 45 of the Companies Act by way of loans, guarantees, the provisions of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the company for any purpose or in connection with any matter, such authority to endure for a period of two years or until its renewal at the annual general meeting of the company to be held in respect of the ensuing financial year and further provided that inasmuch as the company's provision of financial assistance will at any time and all times be in excess of one-tenth of 1% of the company's net worth, the company hereby provides notice to its shareholders of the fact."

REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER 3

The company would like the ability to continue to provide financial assistance, if necessary, in accordance with section 45 of the Companies Act. This authority is necessary for the company to provide financial assistance in appropriate circumstances. Under the Companies Act, the company will, however, require the special resolution referred to above to be adopted, provided that the board of directors of the company are satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and, immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act. In the circumstances and in order to, *inter alia*, ensure that the company's subsidiaries and other related and inter-related companies and corporations have access to financing and/or financial backing from the company (as opposed to banks), it is necessary to obtain the approval of shareholders, as set out in special resolution number 3.

Therefore, the reason for, and effect of, special resolution number 3 is to permit the company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act) to the entities referred to in special resolution number 3 above.

Notice in terms of section 45(5) of the Companies Act in respect of special resolution number 3

Notice is hereby given to shareholders of the company in terms of section 45(5) of the Companies Act of a resolution adopted by the board authorising the company to provide such direct or indirect financial assistance as specified in the special resolution above:

a. by the time that this notice of annual general meeting is delivered to shareholders of the company, the board will have adopted a resolution ("**section 45 board resolution**") authorising the company to provide, at any time and from time to time during the period of two years commencing on the date on which the special resolution is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related companies or corporations of the company and/or to any one or more members of any such related or inter-related company or corporation and/or to any one or more persons related to any such company or corporation;

b. the section 45 board resolution will be effective only if and to the extent that the special resolution under the heading "**special resolution number 3**" is adopted by the shareholders of the company, and the provision of any such direct or indirect financial assistance by the company, pursuant to such resolution, will always be subject to the board being satisfied that: (i) immediately after providing such financial assistance, the company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the company as referred to in section 45(3)(b)(ii) of the Companies Act; and

c. inasmuch as the section 45 board resolution contemplates that such financial assistance will in the aggregate exceed one-tenth of 1% of the company's net worth at the date of adoption of such resolution, the company hereby provides notice of the section 45 board resolution to shareholders of the company.

SPECIAL RESOLUTION NUMBER 4: FINANCIAL ASSISTANCE IN TERMS OF SECTION 44 OF THE COMPANIES ACT

"Resolved that, to the extent required by the Companies Act, the board of directors of the company may, subject to compliance with the requirements of the company's memorandum of incorporation, the Companies Act, each as presently constituted and as amended from time to time, for a period of two years from the passing hereof, authorise the company to provide direct or indirect financial assistance as contemplated in section 44 of the Companies Act, by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries, and/or any other company or corporation that is or becomes related or inter-related to the company for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by the company or a related or inter-related company as contemplated in terms of section 44 of the Companies Act."

REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER 4

The reason for, and effect of, special resolution number 4 is to permit the company in advance to provide financial assistance (within the meaning attributed to that term in section 44 of the Companies Act) to the entities referred to in special resolution number 4 above. This predominantly relate to being able to provide intergroup guarantees in terms of funding structures.

ORDINARY RESOLUTIONS

To consider and, if deemed fit, to pass, with or without modification, all of the ordinary resolutions relating to business set out below.

Save for ordinary resolution number 8, the minimum percentage of voting rights required for each of the ordinary resolutions set out below to be adopted is more than 50% (fifty percent) of the voting rights exercised on each of the resolutions by shareholders present or represented by proxy at the Annual General Meeting.

In terms of the JSE Listings Requirements, ordinary resolution number 8 must be approved by a 75% (seventy-five percent) majority of the votes cast in favour of the resolution by shareholders present or represented by proxy at the annual general meeting.

Confirmation of executive and non-executive directors appointed during the year and re-election of directors retiring in accordance with the memorandum of incorporation.

In accordance with the company's memorandum of incorporation one-third of the non-executive directors are subject to retirement by rotation and re-election by shareholders at least once every three years. It is company policy that those non-executive directors who reached the age of 70 years or older retire at every annual general meeting and are submitted for re-election if eligible.

At this meeting and in accordance with these requirements:

- Mr RA Lumb was appointed as executive director during the year and is eligible for election.
- Mr AJ Hannington was appointed as executive director during the year and is eligible for election.
- Mr ZK Matthews was appointed as independent non-executive director and is eligible for election.
- Mr OA Mabandla was appointed as independent non-executive director and is eligible for election.
- Mr WH Chapman was appointed as non-executive director and is eligible for election.
- Mr V Jarana was appointed as lead independent non-executive director and is eligible for election.

ORDINARY RESOLUTION NUMBER 1: CONFIRMATION OF RA LUMB AS A DIRECTOR OF THE COMPANY

"Resolved that RA Lumb, who was appointed as an executive director during the year and being eligible for election, be and is hereby elected as a director of the company with effect from 1 March 2020."

The nominations committee has considered RA Lumb's performance and contribution to the company and recommends that his appointment as a director of the company is confirmed by shareholders.

A brief *curriculum vitae* for RA Lumb is set out on page 8 of the integrated annual report.

NOTICE OF ANNUAL GENERAL MEETING

(continued)

ORDINARY RESOLUTION NUMBER 2: CONFIRMATION OF AJ HANNINGTON AS A DIRECTOR OF THE COMPANY

"Resolved that AJ Hannington, who was appointed as an independent executive director during the year and being eligible, be and is hereby elected as a director of the company with effect from 3 July 2020."

The nominations committee has considered AJ Hannington's performance and contribution to the company and recommends that her appointment as a director of the company is confirmed by shareholders.

A brief *curriculum vitae* for AJ Hannington is set out on page 8 of the integrated annual report.

ORDINARY RESOLUTION NUMBER 3: CONFIRMATION OF ZK MATTHEWS AS A DIRECTOR OF THE COMPANY

"Resolved that ZK Matthews, who was appointed as an independent non-executive director during the year and being eligible, be and is hereby elected as a director of the company with effect from 3 July 2020."

The nominations committee has considered ZK Matthews's skills and expertise and recommends that his appointment as a non-executive director of the company is confirmed by shareholders.

A brief *curriculum vitae* for ZK Matthews is set out on page 9 of the integrated annual report.

ORDINARY RESOLUTION NUMBER 4: CONFIRMATION OF OA MABANDLA AS A DIRECTOR OF THE COMPANY

"Resolved that OA Mabandla who was appointed as an independent non-executive director during the year and being eligible, be and is hereby elected as a director of the company with effect from 3 July 2020."

The nominations committee has considered OA Mabandla's skills and expertise and recommends that his appointment as a non-executive director of the company is confirmed by shareholders.

A brief *curriculum vitae* of OA Mabandla is set out on page 9 of the integrated annual report.

ORDINARY RESOLUTION NUMBER 5: CONFIRMATION OF WH CHAPMAN AS A DIRECTOR OF THE COMPANY

"Resolved that WH Chapman, who was appointed as a non-executive director during the year, be and is hereby elected as a director of the company with effect from 3 July 2020."

The nominations committee has considered WH Chapman's skills and expertise and recommends that his appointment as a non-executive director of the company is confirmed by shareholders.

A brief *curriculum vitae* of WH Chapman is set out on page 9 of the integrated annual report.

ORDINARY RESOLUTION NUMBER 6: CONFIRMATION OF V JARANA AS A DIRECTOR OF THE COMPANY

"Resolved that V Jarana, who was appointed as an independent non-executive director during the year, be and is hereby elected as a director of the company with effect from 3 September 2020."

The nominations committee has considered V Jarana's skills and expertise and recommends that his appointment as a non-executive director of the company is confirmed by shareholders.

A brief *curriculum vitae* for V Jarana is set out on page 8 of the integrated annual report.

ORDINARY RESOLUTION NUMBER 7: RE-APPOINTMENT OF INDEPENDENT EXTERNAL AUDITORS

"Resolved that Deloitte & Touche (with T Lavhengwa being the designated audit partner) be and is hereby re-appointed as the group's external auditor from the conclusion of this annual general meeting."

In accordance with paragraph 3.84(g) of the JSE Listings Requirements the Audit and risk committee has assessed the suitability of Deloitte & Touche and of T Lavhengwa for re-appointment and appointment respectively, as the company's independent external auditors and designated individual auditor for the 2020 financial year. In conducting this assessment, the committee considered documentary support provided by Deloitte & Touche. They similarly considered the independence, continuity, experience and technical expertise of the Deloitte & Touche team in arriving at their decision.

ORDINARY RESOLUTION NUMBER 8: GENERAL AUTHORITY TO ISSUE OF SHARES FOR CASH

"Resolved that, subject to the restrictions set out below, the directors be and are hereby authorised pursuant, *inter alia*, to the provisions of the Companies Act and the JSE Listings Requirements, until this authority lapses at the next annual general meeting of the company, unless it is then renewed at the next annual general meeting of the company, provided that it shall not extend beyond 15 (fifteen) months, to allot and issue ordinary shares for cash on the following basis:

1. The allotment and issue of the shares must be made to persons qualifying as public shareholders and not to related parties as defined in the JSE Listings Requirements;
2. The shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
3. The total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 18 231 265 shares, being 10% of the company's issued shares as at the date of notice of this annual general meeting. Accordingly, any shares issued under this authority prior to this authority lapsing shall be deducted from the 18 231 265 shares the company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority;
4. In the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
5. The maximum discount at which ordinary shares may be issued is 10% (ten percent) of the weighted average traded price on the JSE of those shares over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the company and the party/(ies) subscribing for the shares; and
6. After the company has issued shares for cash which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue (including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 (thirty) days prior to the date that the price of the issue is agreed in writing between the company and the party/ies subscribing for the shares and an explanation, including supporting documentation (if any), of the intended use of the funds."

ORDINARY RESOLUTION NUMBER 9: TO PLACE UNISSUED ORDINARY SHARES UNDER THE CONTROL OF THE DIRECTORS

"Resolved that the authorised and unissued ordinary share capital of the company be and is hereby placed under the control of the directors of the company which directors are, subject to the JSE Listings Requirements and the provisions of the Companies Act, authorised to allot and issue and otherwise dispose of all or part thereof at their discretion any of such shares at such time or times, to such person or persons, company or companies and upon such terms and conditions as they may determine, such authority to remain in force until the next annual general meeting of the company."

NOTICE OF ANNUAL GENERAL MEETING

(continued)

ORDINARY RESOLUTION NUMBER 10: APPOINTMENT/RE-APPOINTMENT OF MEMBERS OF THE AUDIT AND RISK COMMITTEE

"Resolved that the following directors be appointed or reappointed as the case may be, each by way of a separate vote as members of the audit and risk committee with effect from the end of this annual general meeting in terms of section 94(2) of the Companies Act. The members as proposed by the board of directors are:

10.1 B Ngonyama (Chair);
10.2 J Varana; and
10.3 L Molefe.

all of whom are independent non-executive directors."

The passing of ordinary resolution 10.2 is subject to the passing of ordinary resolution 6.

ORDINARY RESOLUTION NUMBER 11: ADVISORY ENDORSEMENT OF THE REMUNERATION POLICY

"Resolved that, in accordance with the principles of the King IV report on governance, and through a non-binding advisory vote, the company's remuneration policy, as further detailed on pages 40 to 45 of the integrated annual report, be and is hereby approved."

ORDINARY RESOLUTION NUMBER 12: ADVISORY ENDORSEMENT OF THE REMUNERATION IMPLEMENTATION REPORT

"Resolved that, through a non-binding advisory vote, the company's remuneration implementation report as set out on pages 40 and 45 of the integrated annual report, be and is hereby approved."

King IV recommends that the remuneration policy of the company and the implementation thereof be tabled for separate non-binding advisory votes by shareholders at each annual general meeting of the company. This enables shareholders to express their views on the remuneration policy adopted by the company and the manner in which same is implemented. Ordinary resolutions 11 and 12 are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences relating to existing remuneration arrangements. The board will, however, take the outcome of these votes into consideration when considering amendments to the company's remuneration policy.

In the event that either the remuneration policy or the implementation thereof is voted against by 25% or more of the votes exercised at the meeting, the company will in its voting results announcement, pursuant to the JSE Listings Requirements, extend an invitation to dissenting shareholders to engage with the company. The manner and timing of such engagement will be specified in the SENS announcement following the meeting.

ORDINARY RESOLUTION NUMBER 13: SIGNATURE OF DOCUMENTATION

"Resolved that any director or the company secretary be and is hereby authorised to sign all such documentation and do all such things as may be necessary for, or incidental to the implementation of the resolutions set out in the notice convening the annual general meeting at which this resolution is to be considered and approved, and which are passed by the members in accordance with and subject to the terms thereof."

By order of the board

Acorim (Pty) Ltd, represented by N Petrides

22 December 2020

Registered address:
11 Gross Street, Tunney Industrial, Isando,
Gauteng
PostNet Suite X86, Private Bag X7,
Aston Manor, 1630

Transfer secretaries:
Computershare Investor Services
Proprietary Limited
Rosebank Towers, 15 Biermann Avenue,
Rosebank, 2196, South Africa
Private Bag X9000, Saxonwold, 2132
South Africa

FORM OF PROXY

enX Group Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2001/029771/06)
JSE share code: ENX
ISIN: ZAE000222253
("**enX**" or "**the company**")

Where appropriate and applicable the terms defined in the notice of annual general meeting to which this form of proxy is attached and forms part of bear the same meaning in this form of proxy.

For use by the holders of the company's certificated ordinary shares (certificated shareholders) and/or dematerialised ordinary shares held through a Central Securities Depository Participant ("**CSDP**") or broker who have selected "own-name" registration (own-name dematerialised shareholders) at the annual general meeting of the company to be held at 10:00 on Friday, 19 March 2021 at Ninth Floor, Katherine Towers, 1 Park Lane, Sandton, Gauteng, or at any adjournment thereof if required. Additional forms of proxy are available upon request from the company's registered office or from the transfer secretaries of the company.

Not for use by holders of the company's dematerialised ordinary shares who have not selected "own-name" registration. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the annual general meeting and request that they be issued with the necessary authorisation to do so or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the annual general meeting in order for the CSDP or broker to vote in accordance with their instructions at the annual general meeting.

I/We (Name in block letters)

of (Address)

being the registered holder of ☐ ordinary shares in the capital of the company, hereby appoint:

1. or failing him/her,
2. or failing him/her,
3. the Chairman of the annual general meeting, as my/our proxy to act for me/us on my/our behalf at the annual general meeting, or any adjournment thereof, which will be held for the purpose of considering and, if deemed fit, passing with or without modification, the ordinary and special resolutions as detailed in the notice of annual general meeting, and to vote for and/or against such resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name(s), in accordance with the following instructions:

		Number of votes		
		In favour	Against	Abstain
To pass special resolutions				
1.	General authority to effect share repurchases			
2.	Approval of non-executive directors' fees for their services			
3.	Authority for financial assistance to related and inter-related companies in terms of section 45 of the Companies Act			
4.	Authority for financial assistance to related and inter-related companies in terms of section 44 of the Companies Act			
To pass ordinary resolutions				
1.	Confirmation of RA Lumb as director			
2.	Confirmation of AJ Hannington as director			
3.	Confirmation of ZK Matthews as director			
4.	Confirmation of OA Mabandla as director			
5.	Confirmation of WH Chapman as director			
6.	Conformation of V Jarana as director			
7.	Re-appointment of Deloitte & Touche as auditors (Partner: T Lavhengwa)			
8.	General authority to issue shares for cash			
9.	To place unissued shares under the control of the directors			
10.	Appointment/re-appointment of audit and risk committee members			
10.1	B Ngonyama as member (Chair)			
10.2	V Jarana as member			
10.3	LN Molefe as member			
11.	Advisory endorsement of the remuneration policy			
12.	Advisory endorsement of the implementation of remuneration report			
13.	To authorise signature of the documents			

Indicate instructions to proxy in the spaces provided above.
Unless otherwise instructed, my proxy may vote as he/she thinks fit.

Signed this day of 2021

Signature Assisted by (if applicable)

A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a member of the company. Each shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that shareholder at the annual general meeting.

For administrative purposes, forms of proxy should be deposited at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa or posted to Private Bag X9000, Saxonwold, 2132 or e-mailed to proxy@computershare.co.za so as to arrive by 10:00 on Wednesday, 17 March 2021. Alternatively, the form of proxy may be handed to the Chairman of the annual general meeting or the transfer secretary at the annual general meeting at any time prior to the commencement of the annual general meeting or prior to voting on any resolution proposed at the annual general meeting.

Please read the notes on the reverse side hereof.

NOTES TO THE FORM OF PROXY

1. **This form of proxy is only to be completed by those ordinary shareholders who are:**
   (a) holding ordinary shares in certificated form; or
   (b) recorded in the sub-register in electronic form in their "own-name", on the date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited, in order to vote at the annual general meeting, being Friday, 12 March 2021 and who wish to appoint another person to represent them at the annual general meeting.
2. Certificated shareholders wishing to attend the annual general meeting have to ensure beforehand with the transfer secretaries of the company (being Computershare Investor Services Proprietary Limited) that their shares are registered in their name.
3. Beneficial shareholders whose shares are not registered in their "own-name", but in the name of another, for example, a nominee, may not complete a form of proxy, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instruction on voting the shareholder's shares, or obtaining a proxy to attend, speak and, on a poll, vote at the annual general meeting.
4. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space, with or without deleting "the Chairman of the annual general meeting". The person whose name stands first on this form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
5. A shareholder's instructions to the proxy must be indicated by means of a tick or a cross in the appropriate box provided. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the company, insert the number of shares in respect of which you desire to vote. If: (i) a shareholder fails to comply with the above; or (ii) gives contrary instructions in relation to any matter; or any additional resolution(s) which are properly put before the meeting; or (iii) the resolution listed in the form of proxy is modified or amended, the shareholder will be deemed to authorise the Chairman of the annual general meeting, if the Chairman is the authorised proxy, to vote in favour of the resolutions at the annual general meeting, or any other proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit, in respect of all the shareholder's votes exercisable thereat. If, however, the shareholder has provided further written instructions which accompany this form of proxy and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in (i) to (iii) above, then the proxy shall comply with those instructions.
6. For administrative purposes, the forms of proxy should be lodged at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa or posted to Private Bag X9000, Saxonwold, 2132 or e-mailed to proxy@computershare.co.za so as to be received 48 hours prior to the meeting, or handed in prior to the commencement of the meeting or prior to voting on any proposed resolution. Alternatively, the form of proxy may be handed to the Chairman of the annual general meeting or the transfer secretary at the annual general meeting at any time prior to the commencement of the annual general meeting.
7. The completion and lodgement of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

   In addition to the aforegoing, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy, and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as at the later of the date stated in the revocation instrument, if any; or the date on which the revocation instrument was delivered in the required manner.
8. The Chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes, provided that, in respect of acceptances, the Chairman is satisfied as to the manner in which the shareholder(s) concerned wish(es) to vote.
9. Any alteration to this form of proxy, other than a deletion of alternatives, must be initialled by the signatory/ies.
10. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company or Computershare Investor Services Proprietary Limited or waived by the Chairman of the annual general meeting.
11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by Computershare Investor Services Proprietary Limited.
12. Where there are joint holders of shares:
   12.1 any one holder may sign this form of proxy; and
   12.2 the vote of the senior (for that purpose seniority will be determined by the order in which the names of shareholders appear in the register of members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint holder(s) of shares.
13. If duly authorised, companies and other corporate bodies who are shareholders of the company having shares registered in their own name may, instead of completing this form of proxy, appoint a representative to represent them and exercise all of their rights at the annual general meeting by giving written notice of the appointment of that representative. This notice will not be effective at the annual general meeting unless it is accompanied by a duly certified copy of the resolution or other authority in terms of which that representative is appointed and is received at Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa to reach the company preferably by no later than 48 hours prior to the meeting. Alternatively, the form of proxy may be handed to the Chairman of the annual general meeting or the transfer secretary at the annual general meeting at any time prior to the commencement of the annual general meeting.
14. This form of proxy may be used at any adjournment or postponement of the annual general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
15. The aforegoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, 2008 (the "Companies Act"), as required in terms of that section. In addition, an extract from the Companies Act reflecting the provisions of section 58 of the Companies Act, is attached to this form.

Extract from the Companies Act

"58. Shareholder right to be represented by proxy

1. At any time, a shareholder of a company may appoint any individual, including an individual who is not a shareholder of that company, as a proxy to:
    (a) participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder; or
    (b) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60.
2. A proxy appointment:
    (a) must be in writing, dated and signed by the shareholder; and
    (b) remains valid for:
        (i) one year after the date on which it was signed; or
        (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4)
    (c) or expires earlier as contemplated in subsection (8)(d).
3. Except to the extent that the memorandum of incorporation of a company provides otherwise:
    (a) a shareholder of that company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;
    (b) a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
    (c) a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.
4. Irrespective of the form of instrument used to appoint a proxy:
    (a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
    (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and
    (c) if the appointment is revocable, a shareholder may revoke the proxy appointment by:
        (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
        (ii) delivering a copy of the revocation instrument to the proxy, and to the company.
5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:
    (a) the date stated in the revocation instrument, if any; or
    (b) the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii).
6. If the instrument appointing a proxy or proxies has been delivered to a company, as long as that appointment remains in effect, any notice that is required by this Act or the company's memorandum of incorporation to be delivered by the company to the shareholder must be delivered by the company to:
    (a) the shareholder; or
    (b) the proxy or proxies, if the shareholder has:
        (i) directed the company to do so, in writing; and
        (ii) paid any reasonable fee charged by the company for doing so.
7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the memorandum of incorporation, or the instrument appointing the proxy, provides otherwise.
8. If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy:
    (a) the invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
    (b) the invitation, or form of instrument supplied by the company for the purpose of appointing a proxy, must:
        (i) bear a reasonably prominent summary of the rights established by this section;
        (ii) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by the shareholder; and
        (iii) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;
    (c) the company must not require that the proxy appointment be made irrevocable; and
    (d) the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to subsection (5).
9. Subsection (8)(b) and (d) do not apply if the company merely supplies a generally available standard form of proxy appointment on request by a shareholder."

DEFINITIONS

“600SA”	600SA Holdings Proprietary Limited, registration number 1968/000066/07, wholly-owned subsidiary of enX Leasing within enX Equipment segment
“ACBF”	African Capacity Building Foundation
“AGM”	Annual general meeting
“AGL”	African Group Lubricants Proprietary Limited, a wholly-owned subsidiary of enX Trading within the Petrochemicals segment
“AWCA”	African Women Chartered Accountants
“Austro” or **“Wood”**	Austro Proprietary Limited, a wholly-owned subsidiary of enX Trading within the enX Equipment segment
“B-BBEE”	Broad-Based Black Economic Empowerment
“BDO”	BDO Advisory Services Proprietary Limited
“BOPP” films	Biaxially Oriented Polypropylene Films
“the board”	The board of directors of enX Group Limited
“CapLeverage”	CapLeverage Proprietary Limited, registration number 2012/104071/07, a shareholder of enX
“CA(SA)”	Chartered Accountant (South Africa)
“CAT”	Refers to the “Caterpillar” brand and its associated products
“Centlube”	Centlube Proprietary Limited, a wholly-owned subsidiary of enX Trading within the Petrochemicals segment
“CEO”	Chief Executive Officer
“CFO” or **“FD”**	Chief Financial Officer
“Code”	Code of Ethics
“the Companies Act”	South African Companies Act, No 71 of 2008 (as amended)
“COVID-19”	In the report refers to a new strain of the coronavirus that caused a global health crisis. This pandemic continues to impact most businesses negatively. The impact of COVID-19 continues to be felt across the world and in every country in which enX continues to operate. In most cases in the report we only refer to COVID-19 to capture the impact.
“CRM”	Customer Relationship Management
“CSI”	Corporate Social Investment
“Deloitte” or **“external auditors”**	Deloitte & Touche, represented by designated partner S Carter
“DBSA”	Development Bank of Southern Africa
“Eqstra” or “EFML”	Eqstra Fleet Management and Logistics business, including enX Corporation Limited a wholly-owned subsidiary within the enX Fleet segment
“EIE” or **“EIE Group”**	Eqstra Industrial Equipment business, including wholly-owned subsidiaries Saficon, 600SA, EIE Group Proprietary Limited and Impact within the enX Equipment segment
“EMS”	Environmental Management System
“enX” or **“the company”**	enX Group Limited, registration number 2001/029771/06, a JSE listed entity
“enX Equipment”	A segment within enX, comprising EIE Group, Power and Wood, which distributes, rents, leases and provides value add services to materials handling equipment, woodworking machinery and generators
“enX Fleet”	A segment within enX, comprising Eqstra, which provides passenger and commercial vehicle fleet management solutions, leasing and value add services
“enX Group” or **“the group”**	enX Group Limited and all its subsidiary companies

“enX Leasing”	enX Leasing Investments Proprietary Limited, a wholly-owned subsidiary of enX. This entity wholly owns Fleet and EIE
“enX Petrochemicals” or “Petrochemicals”	A segment within enX, comprising WAI and Centlube which distributes plastics polymer and natural rubber and lubricants respectively
“enX Trading”	enX Trading Investments Proprietary Limited, registration number 2012/001052/07, a wholly-owned subsidiary of enX. This entity wholly owns Power, Wood and enX Petrochemicals
“ERM Framework”	Enterprise-wide risk framework
“ERP”	Enterprise resource planning
“eXtract”	eXtract Group Limited, formally Eqstra Holdings Limited, registration number 1998/011672/06
“Genmatics”	Genmatics, a division of New Way Power in the group’s Power segment, which provides temporary power in the form of diesel generators, acquired by the group in September 2015
“ICASA”	Independent Communications Authority of South Africa
“Impact” or **“Impact Handling”**	Impact Fork Trucks LLC, registration number 2250150, registered in the UK
“IT”	Information technology
“John Deere”	John Deere S.A.S, manufacturer of industrial engines
“JSE”	JSE Limited, incorporating the JSE Securities Exchange – the main bourse in South Africa
“King IV Report” or **“King IV”** or **“King Report”**	King Report on Corporate Governance for South Africa, 2016
“KPI”	Key performance indicators
“kWh”	Kilowatt hour
“LTI”	Long-term incentive
“LTIFR”	Lost Time Injury Frequency Rate
“MOI”	Memorandum of Incorporation
“New Way Power”	New Way Power Proprietary Limited, a wholly-owned subsidiary of enX in the group’s Equipment segment, which is involved in private power sales comprising the manufacture, supply, installation and maintenance of diesel generators and related components such as industrial engines, marine engines, alternators, switchgear and components
“OEM”	Original equipment manufacturer
“PCI”	Passenger, Commercial, Industrial lubricants
“Power”	Comprises New Way Power, Genmatics and PowerO^2 businesses
“PowerO^2”	PowerO^2 Proprietary Limited, a wholly-owned subsidiary of enX in the group’s Power segment, which distributes industrial engines, marine engines, and components
“PPE”	Personal protective equipment
“the previous year” or **“the prior year”**	The year ended 31 August 2019
“PwC”	PricewaterhouseCoopers
“QMS”	Quality Management System
“Quest”	Microsoft AX ERP system, in-house developed Integrated Fleet Management Solution for EFML
“SAICA”	South African Institute of Chartered Accountants
“SA”	Republic of South Africa

DEFINITIONS (continued)

“SADC”	Southern Africa Development Community region
“SARS”	South African Revenue Services
“SENS”	News dissemination service of the JSE
“SHEQ”	Safety, health, environment and quality
“SME” or “SMEs”	Small and medium enterprise/s
“STI”	Short-term incentive
“Toyota”	Toyota Industrial Corporation and Toyota Tsusho Corporation
“UK”	United Kingdom, made up of England, Scotland, Wales and Northern Ireland
“UPS”	Uninterrupted Power Supply
“VAPs”	Value added products
“WACC”	Weighted average cost of capital
“West African Group” or **“West African International”** or **“WAI”**	West African International Proprietary Limited a wholly-owned subsidiary of enX Trading within the Petrochemicals segment
“the year” or **“the year under review”** or **“the current year”**	The year ended 31 August 2020
“Zestcor”	Zestcor Eleven Proprietary Limited, registration number 1998/004139/07, a 37% associate of enX

Financial definitions	
“ARC”	Audit and risk committee of enX
“AFS”	Annual financial statements
“CDSP”	Central Securities Depository Participant
“CGU”	Cash-generating unit
“CTC”	Cost to company
Depreciation, amortisation and impairments	include depreciation, amortisation, impairments and profits on disposals of property, plant, equipment, right of use assets, leasing assets, investment properties and intangible assets.
“EBIT”	Earnings before interest and taxation
“EBITDA”	Earnings before interest, taxation, depreciation and amortisation
“EPS”	Earnings per share
“FSP”	Forfeiture share plan
“FY2020”	The financial year ended 31 August 2020
“FY2019”	The financial year ended 31 August 2019
“FY2018”	The financial year ended 31 August 2018
“FY2017”	The financial year ended 31 August 2017
“FY2016”	The financial year ended 31 August 2016
“HEPS” or **“HLPS**	Headline earnings/(loss) per share
“IFRS”	International Financial Reporting Standards
Impairment of goodwill and other intangible assets	is included under non-operating items in profit or loss;
“LPS”	Loss per share

“NAPS”	Net asset value per share is the equity attributable to the owners of enX divided by the total ordinary shares in issue net of treasury shares;
“NAV”	Net asset value
“Net debt”	Includes total interest-bearing debt (excluding the lease liabilities in terms of IFRS 16) less cash resources;
“Net capital expenditure”	Includes expansion and net replacement expenditure of property, plant, equipment, investment properties, intangible assets and leasing assets;
“Net working capital”	Consists of inventories, trade and other receivables, derivative instruments, provisions and trade and other payables;
Non-trading items	relate to the impairment of goodwill, other intangible assets (distribution rights) and investments in associates and joint ventures and profit or loss on the sale of investment in subsidiaries;
“NTAV”	Net tangible asset value
“Operating assets”	are all assets less loans receivable, taxation assets, cash and cash equivalents and assets classified as held-for-sale;
“Operating liabilities”	are all liabilities less all interest-bearing debt, taxation liabilities and liabilities directly associated with assets classified as held-for-sale;
“PBT”	Profit before taxation
“ROE”	Return on equity
“ROIC”	Return on invested capital
“R’000”	South African rands, where the values in financial statements have been rounded off to the nearest thousand rand
“SAR”	Share appreciation rights scheme
“SEC”	Social and ethics committee
“Tangible net asset value per share”	is the equity attributable to the owners of enX less goodwill and other intangible assets(net of deferred tax) divided by the total ordinary shares in issue net of treasury shares;
“VAT”	Value added tax

NOTES

ADMINISTRATION

NAME AND REGISTRATION NUMBER

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

REGISTERED OFFICE AND BUSINESS ADDRESS

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SPONSOR

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EXTERNAL AUDITORS

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S Magwa Crescent, Waterfall City
Waterfall
Private Bag X6, Gallo Manor, 2052
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TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
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PO Box 61051, Marshalltown, 2107
Tel: +27 11 370 5000

DATE OF INCORPORATION

12 December 2001

DATE OF LISTING

1 February 2007

TIP-OFFS ETHICS LINE

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Free fax: +27 800 007788
Email: enx@tip-offs.com

EXECUTIVE DIRECTORS

AJ Hannington (CEO)
RA Lumb (CFO)

NON-EXECUTIVE DIRECTORS

PC Baloyi (Chairman)
WH Chapman
V Jarana*
OA Mabandla
ZK Matthews*
LN Molefe*
B Ngonyama*

** Independent*

AUDIT AND RISK COMMITTEE

B Ngonyama* (Chair)
V Jarana*
LN Molefe*

REMUNERATION AND NOMINATION COMMITTEE

WH Chapman (Chair Remuneration)
PC Baloyi (Chair Nomination)
V Jarana
ZK Matthews
B Ngonyama*

SOCIAL AND ETHICS COMMITTEE

LN Molefe* (Chair)
PC Baloyi
OA Mabandla*

COMPANY SECRETARY

Acorim Proprietary Limited, represented by Ms Natasha Petrides

WEBSITE

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