CITY OF JOHANNESBURG

INVESTOR ROADSHOW

Financial Year 2024 / 25

Joburg

a world class African city

www.joburg.org.za

www.joburg.org.za

Agenda

1. Introduction and Objective
2. Political Overview
3. Strategic Overview
4. Financial Overview
5. Treasury Overview

Introduction and Objective Presentation to Investors by Deputy Executive Mayor: Cllr Loyiso Masuku

June 2026

Johannesburg, a City At Work…

Johannesburg as South Africa’s Economic Engine

Economic Significance

Johannesburg drives South Africa’s economy as a hub for finance, industry, and multinational corporations.

Diverse Economic Sectors

Key sectors include finance, logistics, manufacturing, ICT, tourism, and green economy fostering resilience.

Urbanisation and Infrastructure Demand

Growing population drives demand for housing, transport, utilities, and social infrastructure investments.

Business-Friendly Environment

City leadership promotes collaboration, infrastructure renewal, and financial discipline to attract investors.

Johannesburg, a City At Work...

Vision: Investing Today to Secure Tomorrow

Long-term Investment Focus

Johannesburg shifts from short-term crisis management to investment-led sustainable development for lasting impact.

Infrastructure as Economic Enabler

Reliable utilities and transport reduce business risks and boost productivity, framing infrastructure as strategic investment.

Partnership and Collaboration

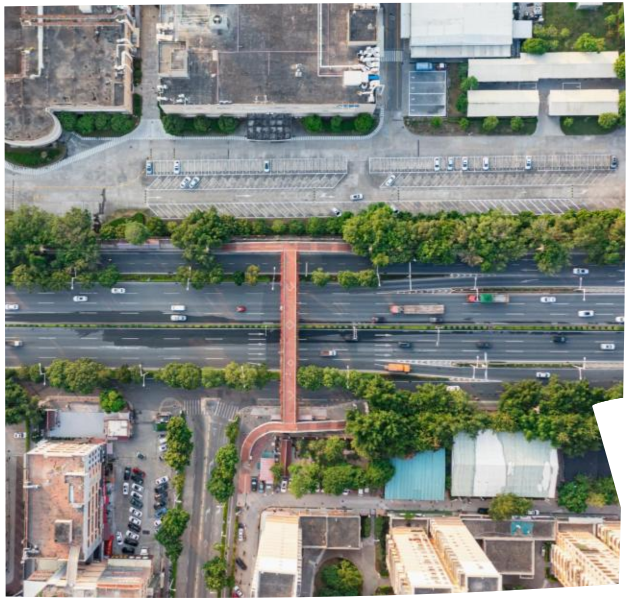
Public-private partnerships and innovative financing accelerate infrastructure delivery and share risks effectively.

Inclusive and Resilient Growth

Investment-driven growth aims to create jobs, improve urban life, and align with ESG priorities for sustainability.

Johannesburg, a City At Work…

Prioritising Infrastructure Renewal and Expansion



Comprehensive Infrastructure Investment

Johannesburg allocates significant resources to renew and expand key infrastructure like electricity, water, roads, and waste management.

Focus on Electricity Infrastructure

Reliable electricity underpins economic activity, with investments aimed at reducing outages and supporting growth.

Water and Sanitation Upgrades

Projects target capacity and efficiency to meet urban demand while ensuring environmental sustainability.

Transport and Waste Management Priorities

Improved roads, stormwater systems, and waste management reduce costs and enhance urban resilience.

Johannesburg, a City At Work…

Reforming Metro Trading Services

Addressing Operational Challenges

Metro Trading Services face inefficiencies, governance weaknesses, and infrastructure backlogs needing urgent reform.

Governance and Accountability

Improving governance structures and clarifying accountability enhances management capacity and investor confidence.

Revenue Collection Improvement

Enhancing billing efficiency and cost recovery creates financial viability to sustain and grow services.

Private Sector Participation

Reforms enable stable partnerships with private investors, fostering sustainable and advanced investment models.

Political context Presentation to Investors by Executive Mayor: Cllr Sello Dada Morero June 2026

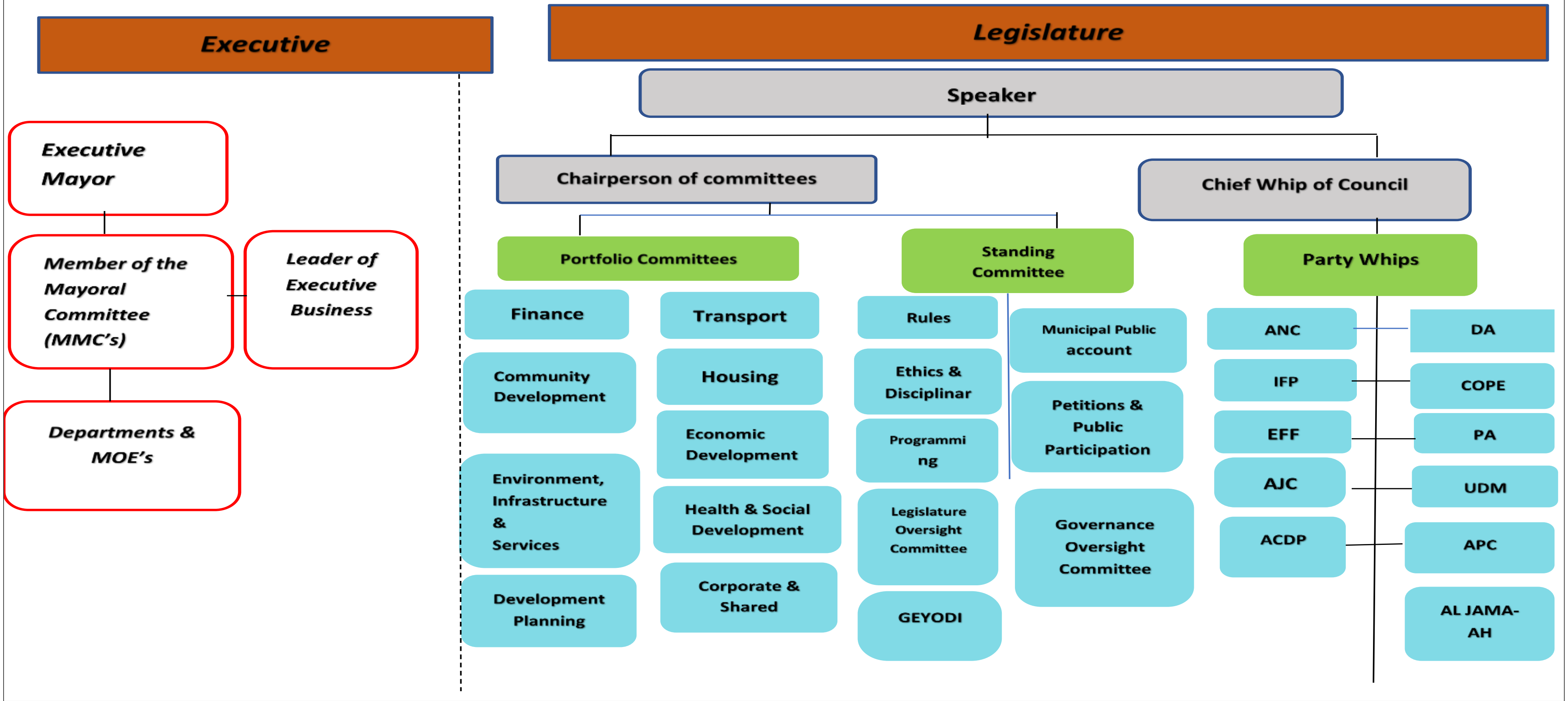
Political context – Current Council Composition

In the 2024/25 financial year, the City of Johannesburg was governed by the **Government of Local Unity (GLU)** comprising of :

- National Congress (ANC),
- Economic Freedom Fighters (EFF),
- African Independent Congress (AIC),
- Patriotic Alliance (PA),
- AL JAMA-AH,
- United Democratic Movement (UDM),
- Congress of The People (COPE),
- African Heart Congress (AHC),
- United Independent Movement (UIM),
- African People’s Convention (APC),
- GOOD Party,
- African Transformation Movement (ATM),
- Pan African Congress (PAC)

Political Context - Governance of the City

INSTITUTIONAL STRUCTURE OF COUNCIL AND SEPERATION OF EXECUTIVE AND LEGISLATIVE POWERS



We Are Still Guided By The Growth And Development Strategy (GD2040

- The Joburg 2040 Growth and Development Strategy (GDS) serves as the City's long-term strategic guide, shaping all planning efforts.
- Historically aspirational, the GDS now requires active implementation to transform Johannesburg into the city envisioned for 2040.
- It is a key decision-making tool, continuously refined to ensure progress.
- The latest GDS draft introduces a structured roadmap with phased milestones and SMART goals to link vision with action.
- It champions outcomes-led planning and strategy-driven budgeting, positioning the IDP as the execution arm for medium-term activities.
- Departmental and entity business plans detail the resources needed to operationalise the GDS, ensuring alignment between strategic intent and day-to-day governance.

Outcome 1: Improved quality of life and development-driven resilience for all.

The City envisages a future that presents significantly improved human and social development realities, through targeted focus on poverty reduction, food security, development initiatives that enable self-sustainability, improved health and life expectancy, and real social inclusivity. By 2040, the City aims to achieve substantially enhanced quality of life for all, with this outcome supported by the establishment of development-driven resilience.

Outcome 2: Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy.

The City plans to lead in the establishment of sustainable and eco-efficient infrastructure solutions (e.g., housing, eco-mobility, energy, water, waste, sanitation and information and communications technology), to create a landscape that is liveable, environmentally resilient, sustainable, and supportive of low-carbon economy initiatives.

Outcome 3: An inclusive, job-intensive, resilient, competitive, and smart economy that harnesses the potential of citizens.

The City of Johannesburg will focus on supporting the creation an even more competitive, 'smart' and resilient city economy, when measured in relation to national, continent, and global performance. The City will promote economic growth and sustainability through the meaningful mobilisation of all who work and live here, and through collaborating with others to build job-intensive long-term growth and prosperity, from which all can benefit.

Outcome 4: A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated, and globally competitive Gauteng City Region.

The City envisages a future where it will focus on driving a caring, responsive, efficient, and progressive service delivery and developmental approach within the GCR and within its own metropolitan space, to enable both to reach their full potential as integrated and vibrant spaces.

Furthermore, each outcome is driven by several strategic outputs. The GDS outputs represent intervention areas where the City plans to intervene now in order to achieve our desired long-term outcomes.

We Are Aware Of Our Operating Environment...

⚠ Challenges We Are Tackling

Irregular & Wasteful Spending

Unauthorised expenditure (UIFW) must stop — accountability will be enforced

Billing & Revenue Collection

Billing accuracy must improve so the City can fund your services

Supply Chain Compliance

Procurement must be fair and transparent — no special treatment

Ageing Infrastructure

Water, energy & roads are under pressure from rapid urbanisation

✓ Key Priorities for Residents

Fix & Invest in Infrastructure

Roads, water, electricity — upgraded and maintained consistently

Community Participation

Your voice matters — the City commits to listening and responding

Spatial Justice & Inclusion

Growth must benefit every resident, especially the poor & vulnerable

Youth & Economic Opportunity

Jobs and growth must reach those who need it most — especially our youth

"You are entitled to a municipality that meets its obligations — and this administration is committed to that standard." — Cllr Morero

What Have We Achieved...

Our Achievements

Global Recognition

- Hosted both the Urban 20 (U20) and G20 — a first for Africa
- Only African city with this dual mandate
- Shaped global talks on climate, cities & economic growth

Sound governance

- Received an Unqualified Audit Opinion from the Auditor-General
- Proof of strong financial discipline and sound governance
- Baseline met — now striving for a full Clean Audit

Clear Plans for Delivery

- Joburg 2040 Growth & Development Strategy guides the City
- Integrated Development Plan (IDP) sets our goals
- SDBIP tracks progress — openly and honestly

Strategic Overview Presentation to Investors
by City Manager: Dr Floyd Brink
June 2026

Johannesburg in Context: The Economic Engine

From a gold-mining settlement to a continental market.

Founded in 1886, Johannesburg grew within a generation into South Africa's largest city and its prime economic centre. It remains the country's principal destination for people seeking work and opportunity.

Its government has moved from a segregated apartheid system to a democratic, representative order. The city is now coalition-governed, with the strategic focus on infrastructure, the reduction of social and economic inequality, and sustainable development.

LARGEST

#1 Metro

by population in South Africa

EST. 1886

Gold city

now a finance & services hub

PROVINCIAL WEIGHT

44.8%

of Gauteng GDP by 2028 (forecast)

GOVERNANCE

Coalition

focus on infrastructure & equity

For investors, Johannesburg is the single most significant municipal market in South Africa — the scale of its economy and population sets the ceiling for regional opportunity.

A City of Scale and Constant Movement

5.8m
residents — the largest metro population in South Africa

37%
of Gauteng's population; 9% of South Africa's

2.28m
households — up from 1.4m in 2011

Where new residents come from

Migration into Johannesburg, by origin

- 55% Elsewhere in Gauteng
- 33% Other SA provinces
- 13% Another country

Population composition (2023)

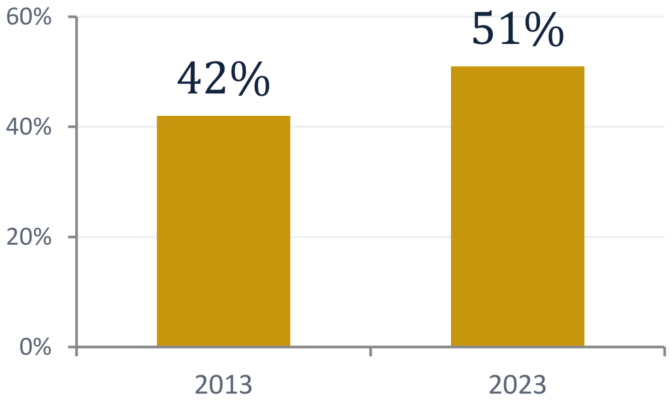
- Black African 80%
- White 9%
- Coloured 5%
- Indian/Asian 5%

Migration is the engine of growth. Most arrivals come for work and services. The benefits — economic, cultural and social plurality — are real, but each new household adds to an already-stretched resource base. Planning for scale and movement is therefore a permanent condition of governing Johannesburg, not a temporary challenge.

The Development Deficit Is Widening

Share of residents below the poverty line

City of Johannesburg · 2013 vs 2023



+9 points in a decade

More than half of Johannesburg now lives below the poverty line.

The rise from 42% to 51% is not a statistical artefact. It is the product of rapid in-migration meeting slow economic and job growth — more residents competing for an economy that is not expanding fast enough to absorb them.

Poverty is also spatially concentrated: it is highest among black African residents and most severe in Region G, where it reaches 68%. The headline city figure conceals far deeper distress at the margins.

68%

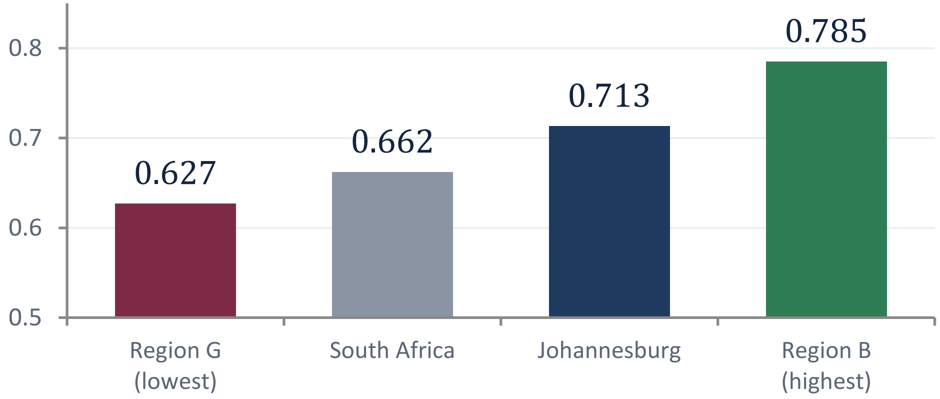
poverty rate in Region G —
the city's sharpest concentration

The policy answer is multi-faceted: skills and education, job creation, social protection, and equitable access to services and infrastructure.

Human Development Is Real — and Deeply Uneven

The Human Development Index combines a long and healthy life, knowledge, and a decent standard of living on a scale of 0 to 1. Johannesburg outperforms the national average — but the city-wide figure masks a wide internal gap between its best- and worst-served regions.

HDI: city vs nation, and the internal range



0.158

the HDI gap between Region B (0.785) and Region G (0.627) — within one city

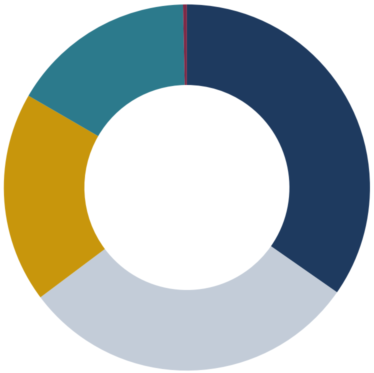
One city, two trajectories.

Johannesburg's 0.713 sits comfortably above South Africa's 0.662. But a resident's life chances depend heavily on where in the city they live. Closing this regional gap — not lifting the average alone — is the sharper development priority, and it directs where investment in services and infrastructure must concentrate.

A Tertiary-Led Economy With a Jobs Problem

Gross Value Added by sector

Share of Johannesburg's economy



- **34.7%** Finance R325bn
- **18.6%** Community services
- **16.3%** Manufacturing
- **30.1%** Other sectors
- **0.34%** Agriculture R3.2bn

Output is concentrated; opportunity is not.

32.5%
overall unemployment
(Q1 2024)

46.97%
youth unemployment —
rising and stubborn

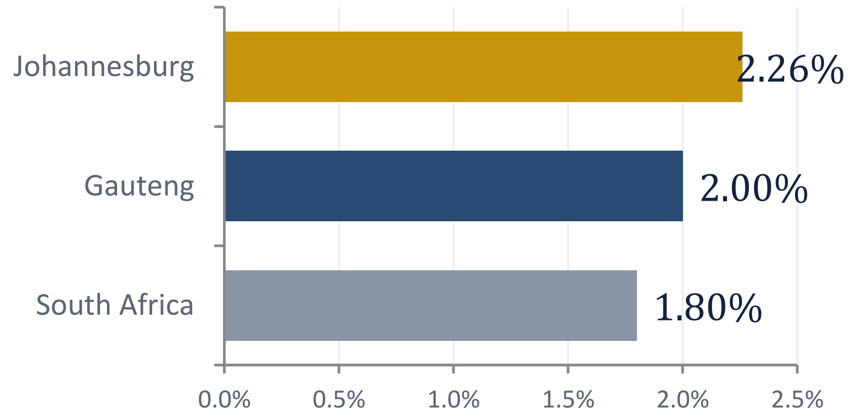
The finance sector alone produces R325 billion — over a third of the city's output. Together with community services and manufacturing, the tertiary economy dominates and marks Johannesburg's areas of competitive strength.

But that same high-skill tilt is the problem. An economy built on finance and ICT rewards skilled labour and offers little to the low-skilled majority — which is why youth unemployment runs near 47% even in the country's richest city.

The Growth Outlook: Outpacing the Region

Even under strain, Johannesburg is forecast to grow faster than both its province and the country — extending its economic lead through to 2028.

Average annual growth, 2023–2028 (forecast)



R784bn

projected GDP by 2028
(constant 2010 prices)

44.8%

of Gauteng's total GDP —
the leading regional economy

What We Have Secured: Service Coverage

Basic-service coverage in Johannesburg is comparatively high, and every backlog fell in 2024 against 2023. Housing remains the largest structural gap.

Households served (%)

Bars indexed to 100% coverage

Remaining backlog (households)

Service	Backlog	Households
Housing (formal)	17.7%	406,047
Electricity	7.8%	179,623
Refuse removal	13.0%	296,754
Sanitation	4.2%	95,450
Water	0.7%	15,450

Direction of travel: all backlogs fell in 2024. Housing — 406,047 households — is the priority gap the delivery programme targets next.

How We Responded: Infrastructure at Scale

Delivery in FY2024/25 — the city's productive answer to rising demand and falling backlogs.

WATER SUPPLY

1,700 ML/day

Supplied via 12,528 km of pipelines, 111 reservoirs and 31 pump stations.

ELECTRICITY

3,522 homes

Newly connected to mains supply; 2,686 electricity plants restored to service.

HOUSING

43,000 units

Southern Farms Mega City Project commenced (10-year); 1,881 title deeds issued.

ROADS

112.58 km

Resurfaced, with gravel roads upgraded and stormwater channels improved citywide.

PUBLIC TRANSPORT

68 new buses

Rea Vaya BRT refurbished; Phase 1C(a) linking CBD, Alexandra & Sandton in progress.

WASTE MANAGEMENT

27.1% diverted

2.63m tons managed; 90% of illegal dumping spots cleared; Level 2 cleanliness.

Safety, Connectivity and Community Outcomes

COMMUNITY SAFETY

6,700+
Arrests — reckless driving, DUI, violent crime, firearms & stolen property

465
Stolen vehicles recovered, incl. 85 firearms & 700+ rounds of ammunition

7,609
Buildings inspected (EMS) — target 6,260, exceeded by 22%

1,578
Liquor outlets inspected against a target of 850 — nearly double

SMART CITY

1,574,979
User connections delivered — against a target of 120,000

419 TB
Free Wi-Fi data used at Rea Vaya BRT stations

R33.1bn
Estimated cost saving for residents on connectivity

25+
Smart-city initiatives implemented across the metro

HEALTH & COMMUNITY

4,545,302
Visitor arrivals to Johannesburg during the year

R183.8m
Economic impact from MICE tourism activities

30,642
Learners reached through health-awareness programmes

6,316
Pamphlets on HIV/AIDS, teen pregnancy & substance abuse

IN CONCLUSION · OUR STORY

Scale gives Johannesburg its significance. The development deficit is real and openly stated. The response — infrastructure at scale, falling backlogs, measurable outcomes — is the basis for confidence. Six priorities carry that forward into 2025/26.

01 Improve service-delivery performance

02 Strengthen financial sustainability

03 Stabilise critical infrastructure

04 Improve audit outcomes

05 Ensure governance supports delivery

06 Build a more capable, accountable city

Financial Overview Presentation to Investors
by Group Chief Financial Officer: Tebogo Moraka
June 2026

Operating Environment | FY 2024/25

Improved Financial Performance

Net surplus of R1.6B (2024: R226M). Revenue grew 10% while expenditure growth was contained to 8%. Operating budget: R76.4B revenue vs R75.7B expenditure.

Constrained Economic Environment

Household income under pressure from job losses and declining incomes. Collection rate of 85.9% (2024: 86.7%) slightly below budget of 86%. Project Lokisa launched to bolster collections.

Energy & Infrastructure Challenges

Customer migration to alternative energy continues to suppress electricity revenue. Non-technical electricity losses of 21% (R4B). Water NRW at 44.79% (R3.8B), an improvement from 46.18% in 2024.

Financial Snapshot | FY 2024/25

R81.1B
Total Revenue
5% above budget; +10% on FY2024

R79.9B
Total Expenditure
6% above budget; +8% on FY2024

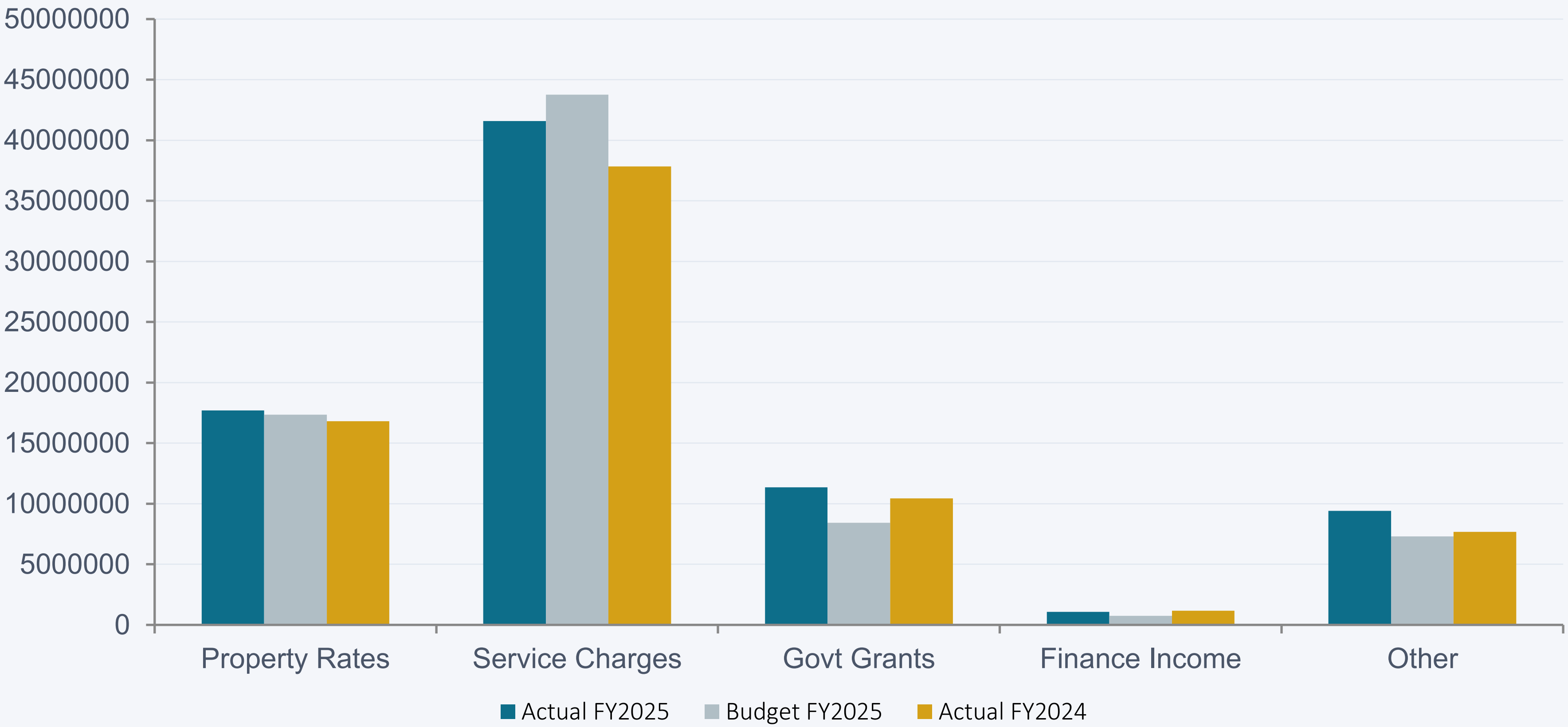
R1.6B
Net Surplus
vs R226M in FY2024

R8.6B
Capital Expenditure
111% of R7.7B budget (GRAP 13)

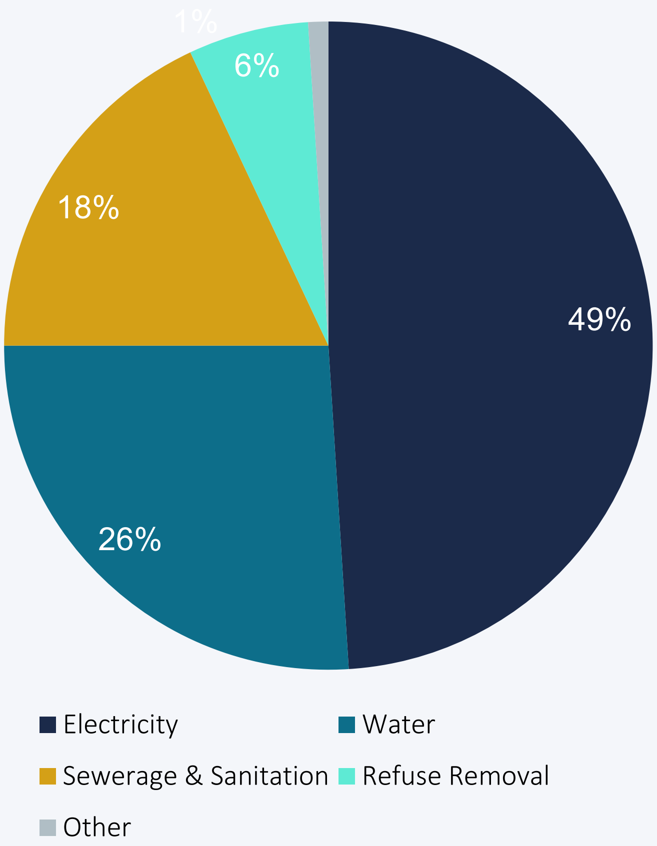
R4.0B
Cash & Equivalents
up from R2.2B in FY2024

85.9%
Revenue Collection
vs 86.7% in FY2024; budget: 86%

Revenue Analysis | Actual vs Budget vs Prior Year (R'000)



Service Charges & Revenue Commentary | FY 2024/25



Revenue Commentary

Overall Revenue: R81.1B (+10% YoY)

Exceeded budget by 5%. Service charges and property rates account for 73% of revenue (2024: 77%) — declining share reflects ongoing service charge pressures.

Electricity – below budget

Revenue underperformed due to declining units sold as customers migrate to alternative energy (solar), plus under-realisation from planned initiatives.

Water – below budget

Water Demand Management (WDM) initiatives reduced consumption through efficiency and conservation, resulting in lower volumes billed than projected.

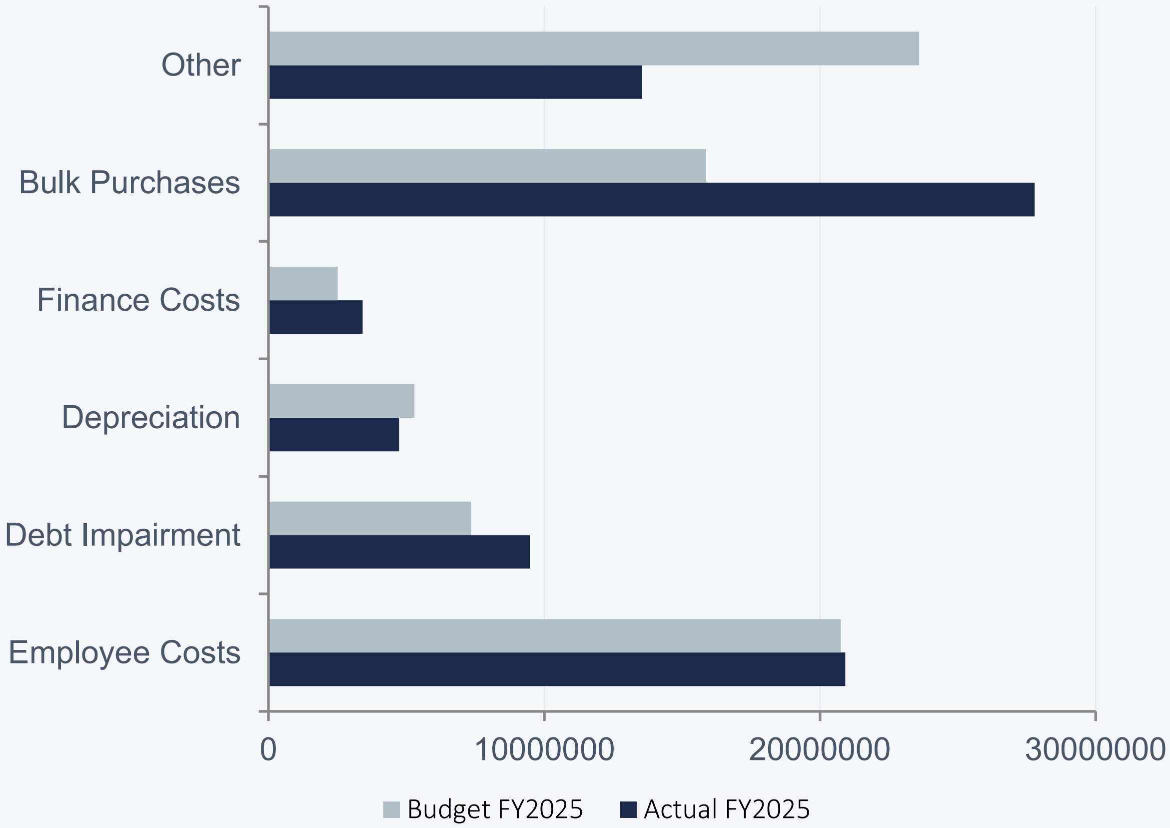
Property Rates: R17.7B (+5% YoY)

Exceeded budget by 2%. Growth driven by 3.8% tariff increase and market value changes captured through supplementary valuation rolls.

Govt Grants: R11.4B (+9% YoY)

Exceeded budget by 35%, mainly from higher-than-budgeted capital transfers and conditional grant inflows.

Expenditure Analysis | FY 2024/25 (R'000)



Budget Variances

Bulk Purchases **+75%**

Higher Eskom tariffs + increased units purchased. R4.7B above budget.

Finance Costs **+36%**

Interest on R2.5B short-term loan facility secured in year.

Debt Impairment **+29%**

Collections below expectations; rising indigent customer base.

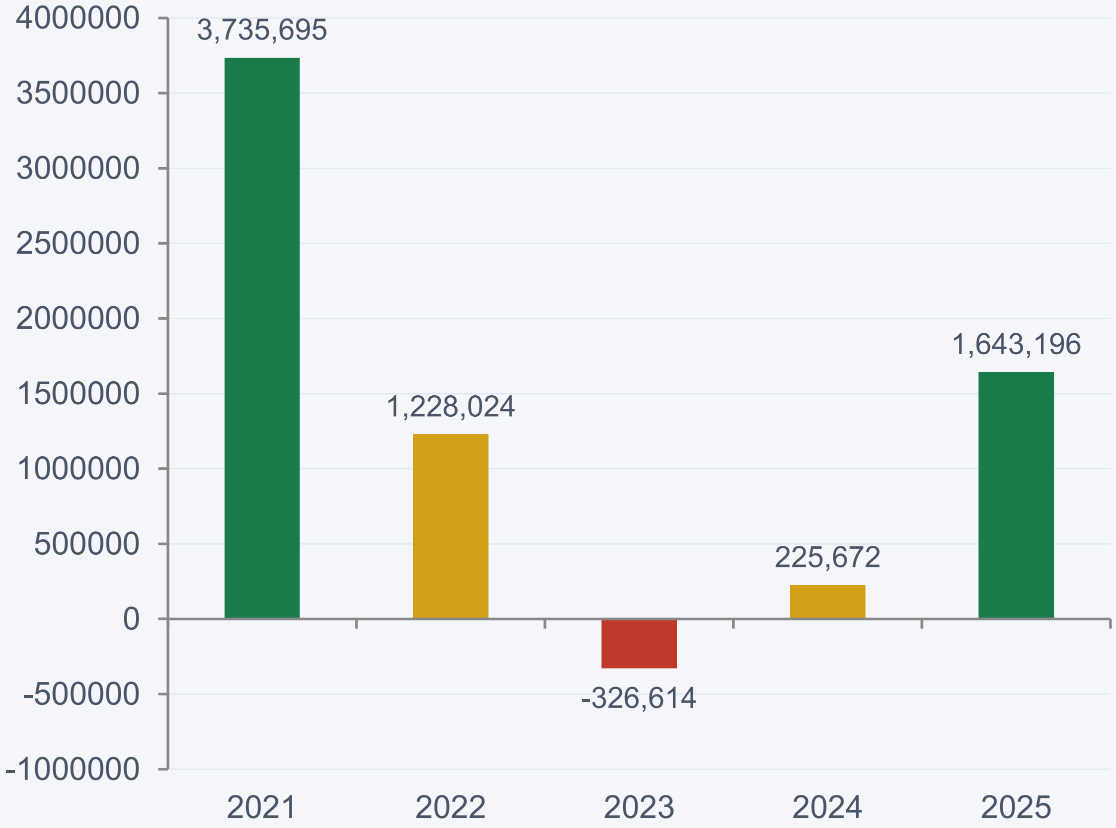
Employee Costs **+1%**

Broadly in line with budget.

Depreciation **-11%**

Lower-than-anticipated asset capitalisation and acquisitions.

5-Year Surplus / Deficit Trend | 2021 – 2025 (R'000)



Recovery Story

- FY2023 recorded an unprecedented loss of R327M, the lowest of a 5-year downward trend.
- FY2024 returned to surplus (R226M) as the City stabilised revenues.
- FY2025 delivers a strong R1.6B net surplus — revenue grew 10% while expenditure grew only 8%.
- The improvement reflects Project Lokisa's early impact on collections and tighter expenditure control.
- Bulk purchase overruns (Eskom) and rising finance costs remain the key expenditure risk.

Statement of Financial Position | 30 June 2025 (R'000)

	Jun-25 Actual	Jun-24 Actual	Growth	% of Total (2025)
				NET ASSETS & LIABILITIES
Net Assets	58 987 895	57 344 699	+3%	49%
Non-current Liabilities	30 508 390	26 610 917	+15%	26%
Current Liabilities	30 059 871	27 320 062	+10%	25%
Total	**119 556 156**	**111 275 678**	**+7%**	**100%**
				ASSETS
Non-current Assets	97 514 579	93 226 492	+5%	82%
Current Assets	22 041 577	18 049 186	+22%	18%
Total	**119 556 156**	**111 275 678**	**+7%**	**100%**

R88.2B
PPE
+5% YoY

R12.2B
Consumer Debtors
net of impairment

R4.0B
Cash & Equivalents
up from R2.2B

R25.4B
Payables
exchange transactions

R22.8B
Loans & Borrowings
current & non-current

Financial Ratios | 4-Year Performance vs Targets

Ratio	Target	FY2025	FY2024	FY2023	FY2022	Status
Debt / Revenue	≤ 45%	**32%**	34%	35%	39%	✓ On target
Repairs & Maintenance % of PPE	8%	**4%**	5%	4%	5%	✗ Off target
Cash Coverage (months)	1–3 months	**0**	0	1	1	✗ Off target
Current Ratio	1.5–2:1	**0.73**	0.61	0.80	0.90	✗ Off target
Net Operating Surplus Margin	> 0%	**1%**	-2%	-2%	2%	✓ On target
Remuneration % of Opex	25–40%	**26%**	26%	27%	26%	✓ On target
Interest Expense % of Opex	≤ 8%	**4%**	4%	4%	4%	✓ On target
Solvency (Assets/Liabilities)	≥ 2:1	**1.97**	2.10	2.24	2.30	✗ Off target

Governance | Audit Opinion & Credit Rating

⚠

Unqualified – Group Consolidated

The parent municipality received a qualified opinion on two matters — **sundry debtors and general expenses** — following an extended audit process that escalated to a Level 2 dispute with AGSA.

These matters are not material to the Group consolidated statements, which retained an unqualified opinion. The audit delay resulted in JSE non-compliance and suspension of listed debt instruments.

Ba3

Moody's – Under Review for Downgrade

GCR – Rating Watch Negative | April 2026

- JSE suspended City's debt instruments — failure to publish audited AFS by end-March 2026 deadline.
- Moody's cites increased liquidity/refinancing risk and weaker governance signalling.
- Short-term rating (NP) affirmed; outlook previously stable.
- Moody's acknowledges strong underlying financial performance and diversified economic base.
- Both agencies expected to reconsider after submission of annual report by 31 May 2026.

Infrastructure Losses | Electricity & Water FY 2024/25

Electricity Losses (City Power)

Technical Losses

9% | R1.7B

2024: R1.5B – energy lost in transmission as heat

Non-Technical Losses

21% | R4.0B

2024: R3.4B (21%) – theft, meter bypass, billing errors

Interventions: Automated meter management (AMR), meter replacement, illegal connection audits, anonymous theft hotline, stand-by-stand GV roll reconciliation.

Water Losses (Joburg Water)

Non-Revenue Water (NRW)

44.79% | R3.8B

Improved from 46.18% (R3.9B) in 2024

Physical Losses

23.72% | R2.0B

2024: 24.83% (R2.1B) – leaks in distribution infra

Commercial Losses

9.22% | R790M

2024: 9.66% (R812M) – illegal connections, meter errors

Unbilled Auth. Consumption

11.85% | R1.0B

Informal settlements + deemed consumption areas

Note 10 | Consumer Debtors

Year ended 30 June 2025

Gross Balance & Impairment (Group – R'000)

Category	Gross 2025	Impairment	Net 2025	Net 2024
Rates	17 428 329	(13 137 742)	**4 290 587**	3 301 571
Electricity	11 403 654	(8 552 524)	**2 851 130**	2 503 226
Water	36 234 447	(32 587 207)	**3 647 240**	3 981 419
Refuse	6 422 909	(5 087 604)	**1 335 305**	1 294 620
City Cleaning Levy	325 882	(253 467)	**72 415**	62 297
TOTAL	**71 815 221**	**(59 618 544)**	**12 196 677**	**11 143 133**

⚠ Impairment coverage: 83% of gross book | Impairment grew R9.1B (18%) year-on-year

Key Observations

Debt over 365 days – dominant risk

R42.5B (Group) of gross debt is >365 days overdue, representing 59% of the total book. This debt is substantially impaired.

Water: largest exposure

Water gross debtors of R36.2B carry an impairment of R32.6B (90%), leaving only R3.6B net. Year-on-year the >365-day bucket grew from R21.5B to R25.9B.

Residential debtors

Gross R44.6B; impaired R39.2B (88%). Past due and impaired residential debt >365 days stands at R25.8B.

Industrial/Commercial

Gross R25.2B; impaired R19.8B (79%). Net collectible R5.4B, up from R4.7B in 2024.

Credit control measures

City employs disconnections, attorney panels, credit bureau enrichment and high-value debtor site visits to manage collections.

Note 15 | Property, Plant & Equipment

Year ended 30 June 2025

R88.1B
Group Carrying Value
up from R84.9B (2024)

R51.5B
CJMM Carrying Value
up from R50.3B (2024)

R7.6B
Additions (Group)
Capex invested in year

R206M
Impairment (Group)
vs R233M prior year

R14.1B
Work in Progress
Group – up from R10.4B

Major Asset Classes – Group (R'000)

Asset Class	Carrying Value 2025	Carrying Value 2024
Infrastructure	**26 532 705**	25 291 188
Land	**9 489 243**	9 454 267
Plant & Machinery	**19 904 287**	18 968 689
Water Network	**7 592 188**	7 194 696
Buildings	**14 643 940**	14 285 373
Wastewater Network	**4 827 266**	4 680 441
TOTAL (All Classes)	**88 143 488**	**84 910 870**

Key PPE Disclosures

⚠ Projects halted
R1.44B (Group) of assets where construction has been halted – due to budget constraints, contractor disputes and investigations. Impairment on these: R126M current + R85M prior years.

🔄 Slow-completing projects
R11.35B (Group) taking significantly longer than expected to complete. Major categories: Infrastructure R6.6B, Buildings R3.2B, Community R697M.

📉 Impairment losses
Group impairment of R206M recognised in 2025 on Infrastructure (R119M), Specialised Vehicles (R16M), Community Assets (R11M) and Buildings (R3M).

🔑 No assets pledged as security
The Group confirms that no items of PPE are pledged as security for any borrowings.

Note 71 | Going Concern Assessment

Year ended 30 June 2025

Management Conclusion: Going concern assumption is APPROPRIATE – assets exceed liabilities by R59.2B; medium-term budget projects sustained surpluses.

Key Financial Ratios (Note 71)

Ratio	Group	CJMM
Debt / Revenue	**29%**	**60%**
Cash/Cost Coverage	**17.4 days**	**29 days**
Current Ratio	**0.75**	**1.22**
Solvency Ratio	**1.98**	**1.90**
Capital Cost	10%	11%
Interest / Expense	**4%**	**9%**
Debtor Collection Days	79 days	79 days

Supporting Factors & Concerns

✓ Positive cash flows forecast

2025/26–2027/28 MTREF anticipates operating surpluses. Unaudited AFS reflects operating surplus for current year.

✓ Government support secured

DORA-legislated national and provincial grants. National Treasury Trading Reforms being implemented.

✓ Debt capacity available

Borrowings/Revenue at 29% (Group) vs 45% ceiling – the City retains headroom to access long-term funding.

⚠ Current ratio below 1.0

Group current ratio of 0.75 indicates short-term liquidity pressure; CJMM at 1.22 is within acceptable range.

Notes 48 & 49 | Unauthorised, Fruitless & Wasteful Expenditure

Note 49 – Unauthorised Expenditure (R'000)

	Group 2025	Group 2024	CJMM 2025
Opening (restated)	13 025 062	9 639 679	4 396 259
New – current year	**9 116 267**	8 976 417	**2 376 050**
Written off	(18 459 717)	(5 679 075)	(6 422 156)
CLOSING BALANCE	**3 681 612**	**12 937 021**	**350 153**

Largest UE by Entity – 2025 (R'000)

City Power	**4 684 188**
Group Finance (CJMM)	**1 278 437**
JOSHCO	**703 454**

UE Status: 24 matters (R6.4B) regularised by Council | 4 matters (R464M) under investigation | 3 matters (R53.8M) pending MPAC

Note 52 | Irregular Expenditure

Year ended 30 June 2025

Note 52 – Irregular Expenditure (R'000)

	Group 2025	Group 2024	CJMM 2025
Opening (restated)	10 237 477	11 349 611	7 923 219
New – current year	**3 017 152**	3 509 889	**1 993 335**
Prior year identified in-year	672 366	262 256	376 095
Written off – current year	(4 415 010)	(4 993 295)	(2 897 258)
Written off – prior year	(231 716)	(76 870)	-
CLOSING BALANCE	**9 280 268**	**10 051 591**	**7 395 391**

Investigation & Resolution Status

344 matters (R2.9B) finalised & regularised by Council

4 matters (R548.7M) submitted to MPAC for consideration

209 matters (R3.9B) completed – pending MPAC submission

1 741 matters (R2.3B) under investigation (incl. matters from 2011)

Largest Irregular Expenditure Incidents – 2025 (R'000)

CJMM	Prior year contract identified as irregular	**1 673 262**
CJMM	Prior year irregular identified in current year	**376 095**
CJMM	Contracts identified as irregular – current year	**320 073**
PIKITUP	Illegal dumping – bidders incorrectly included on panel	**163 610**
JPC	Non-compliance Circular 62 of MFMA (leases)	**163 193**
City Power	Labour contracts (×2 awards)	**160 973**
JOSHCO	Prior year irregular identified in current year	**151 033**
City Power	Fleet contract – irregular award	**123 982**
City Power	Award not made to qualifying supplier	**102 446**
JRA	TTR & SLA non-compliance	**62 343**
PIKITUP	Yellow plant hire – prior year discovered in-year	**30 828**
JCPZ	Fleet + horticultural – competitive bidding failures	**66 285**

IE Status: 344 matters (R2.9B) regularised by Council | 4 matters (R548.7M) submitted to MPAC | 209 matters (R3.9B) pending MPAC | 1 741 matters (R2.3B) under investigation

Conclusion & Way Forward

Challenges

- Cash coverage at zero months — well below 1–3 month norm
- Current ratio 0.73 — below target; liquidity remains constrained
- Solvency at 1.97 — slipped below 2:1 target for first time
- Bulk purchase overruns (Eskom): R4.7B above budget

Achievements

- Net surplus of R1.6B — a R1.4B improvement on FY2024
- Revenue grew 10%; expenditure contained to 8% growth
- Cash reserves up from R2.2B to R4.0B
- Debt/Revenue at 32% — well below 45% ceiling
- UIFW balances reduced 44% (R23.7B → R13.3B) via write-offs
- Successfully redeemed R9.9billion in the last 16 years

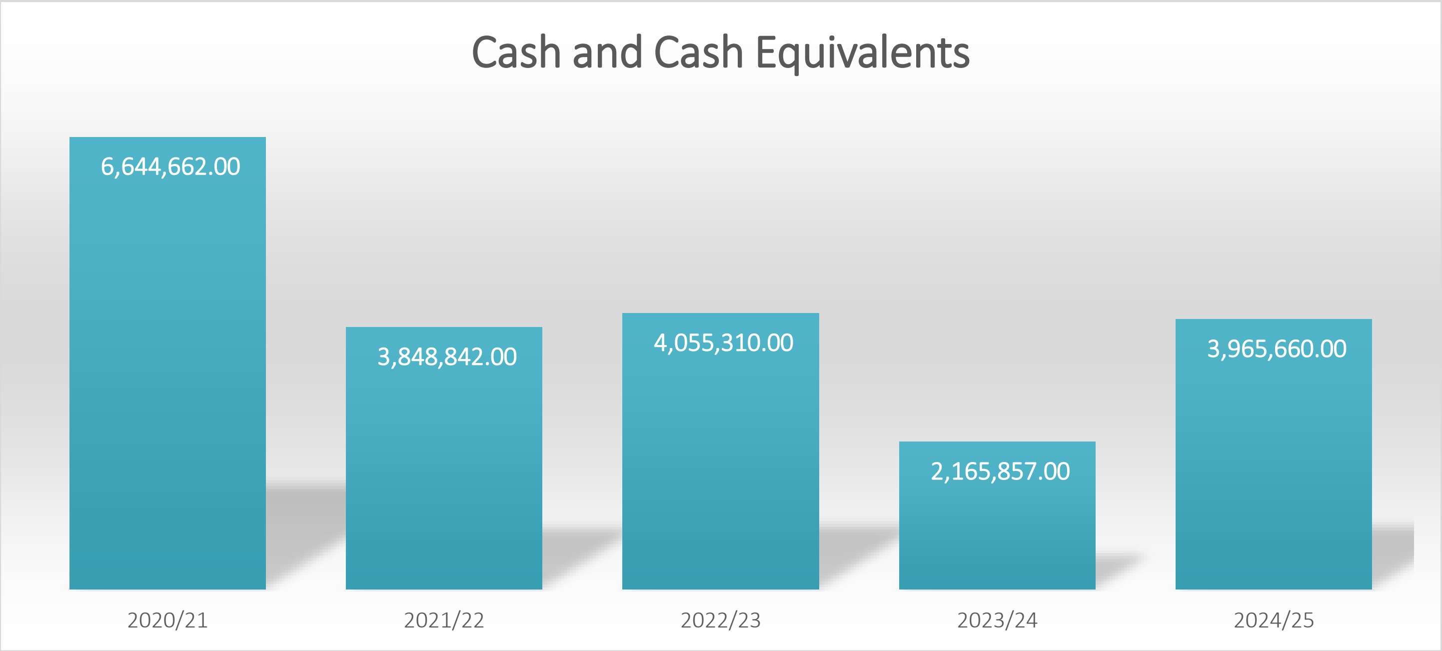
Priority Actions

- Rebuild cash reserves — target 1–3 month coverage
- Full implementation of Project Lokisa for collections
- Reduce electricity non-technical losses (21%) and water NRW (44.8%)
- Sustained R&M investment under Infrastructure Asset Management Plan

"We remain resolute in our commitment to strengthening the City's financial position for the benefit of future generations." – Tebogo Moraka, GCFO

Treasury Operations Presentation to Investors
by
Acting Group Head: Treasury, Financial Strategy and Planning
Mabandla Sibisi
June 2026

Improved Liquidity Position



- The City’s focus has been on building adequate cash reserves to fund service delivery programmes through a rigorous cash management strategy that enables agility in managing cash flow.
- The City remains committed to prudent financial management.

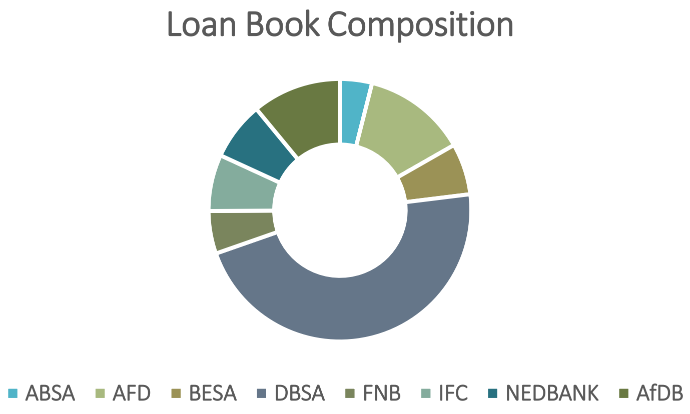
Loan Portfolio – 30 June 2025

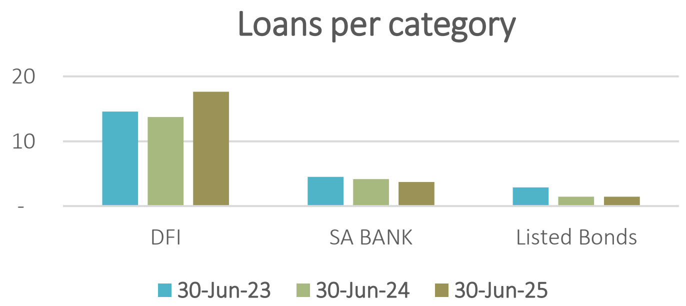
- The total loan book as at 30 June 2025 was valued at R 22.8 billion
- New borrowing from AFDB of R 2.5 billion was received in June 2025 .

- Total debt servicing cost R3.6 billion for 2024/ 2025 financial year:
- Capital redeemed R 1.4 billion
- Interest Accrued – R 2.2 billion

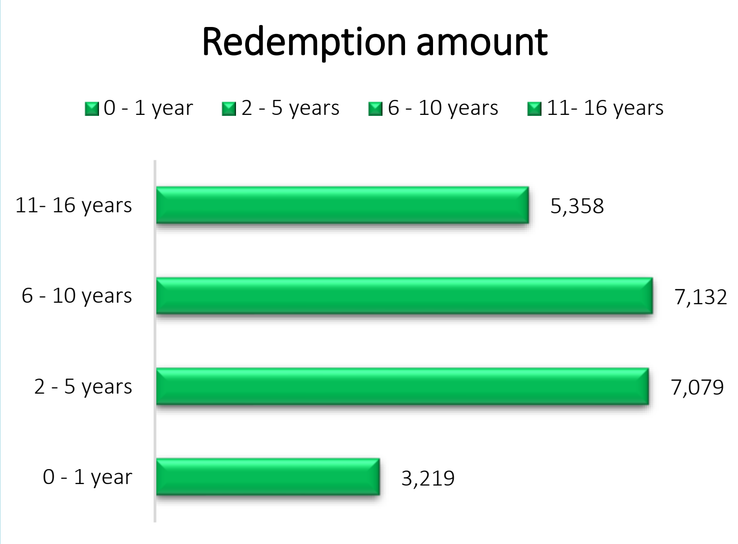
- The city utilised short term facilities in the 2025FY of R2.8 billion. The facilities were repaid during the financial year.

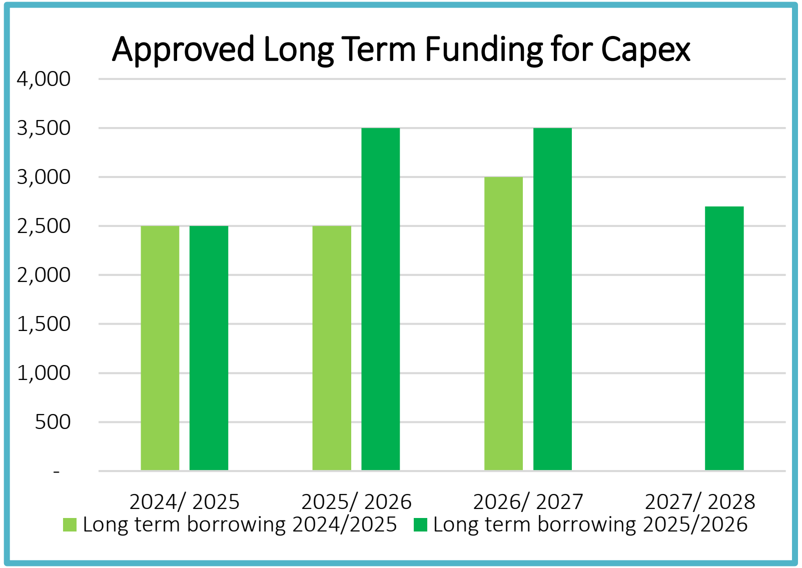
- The composition of the loan book consist of mainly :
- DFI, SA Banks and JSE listed bonds.
- DBSA remains the biggest lender for the City.





Loan Portfolio – 30 June 2025





- The current maturity profile spans 15 years i.e the last liability will be redeemed in 2040
- R3.2 bn in capital will be settled on loans and bonds in 2025/26. (R 1.6 bn will be repaid from the sinking fund)
- Approx. 76% of the Loan Book will be redeemed within the next ten years
- Budgeted additional borrowings to the tune of R10 bn from 2026/27 to 2028/29 per the medium-term budget.

Credit Rating

City of Johannesburg's Rating by Moody's Investors Services (April 2026)

Global Scale:

Ba3 , Possible Downgrade

National Scale:

Long- term A1 (ZA)

Short-term P-1.za

City of Johannesburg's Rating by Global Credit Rating Co (April 2026)

National scale long and short-term issuer ratings of A(ZA) and A1(ZA) on Rating Watch Negative

Redemption Management

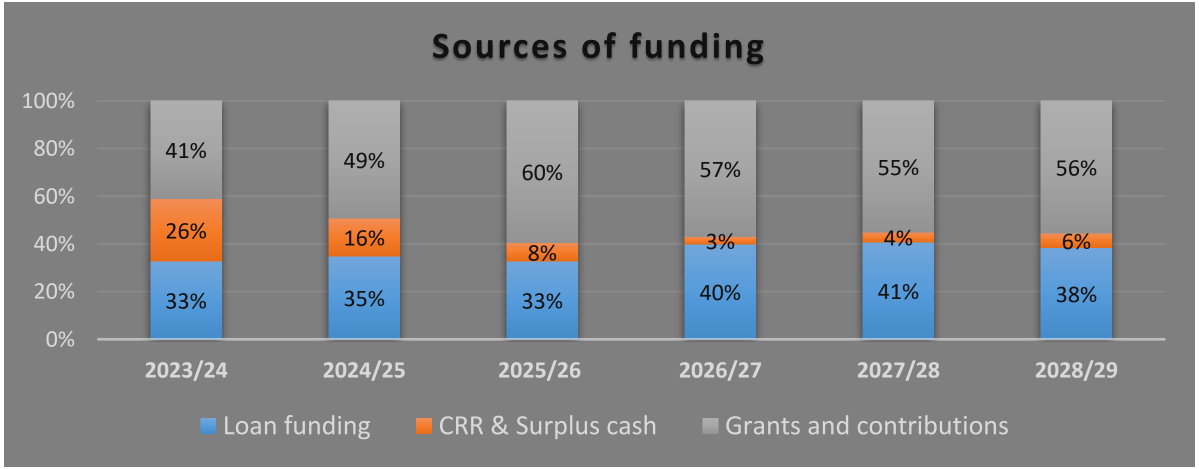
Municipal bonds and loans against sinking fund

- The City's sinking fund remains in place to assist with the redemption of the City's bonds when they become due
- Contributions to the sinking funds are revised annually to ensure the City is sufficiently contributing to cover all the bullet loans
- As at 31 May 2026, the fund was valued at R2billion, following the successful redemption of R1.458 million in June 2024

Loan description	Issue date	Maturity date	Nominal
COJ08	22-Jun-16	22-Jun-26	1 440 000
DBSA 103968-1	31-Mar-11	30-Jun-26	250 000
DBSA 12007973-1	19-Feb-16	30-Apr-36	1 500 000
DBSA 12007973-2	26-Feb-16	30-Apr-36	1 000 000
Total			**4 190 000**

Medium Term Budget 2026/27 – 2028/29

Funding Source	2023/24	2024/2525	2025/26	2026/27	2027/28	2028/29
Loan funding	2,500,000	2,700,000	2,774,557	3,500,00	3,284,108	3,225,000
CRR & Surplus cash	2,000,000	1,220,100	650,000	278,081	350,000	500,000
Grants and contributions	3,142,206	3,813,317	4,999,831	4,997,911	4,450,744	4,662,282
Total	**7,642,206**	**7,733,417**	**8,394,388**	**8,775,992**	**8,084,852**	**8,387,282**




Joburg
a world class African city
@CityofJoburgZA
@CityofJoburg
@cityofjoburg
City of Joburg
youtube.com/@CityOfJoburgZA
@CityofJoburg
City of Johannesburg
ErnestMu@joburg.org.za