

HULISANI LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2015/363903/06)

Share code: HUL

ISIN: ZAE000212072

("Hulisani" or "the Group" or "the Company")



HULISANI GROUP RESULTS AND DIVIDEND DECLARATION FOR THE YEAR ENDED 28 FEBRUARY 2021

The financial year under review was characterised by our focus on keeping costs under control and optimising the balance sheet. Our assets have continued to demonstrate strong performance and are cash generative. In difficult trading circumstances, we are pleased to continue to report positive cash flow from our investments in line with our business strategy. We are therefore pleased to report an improvement in our earnings for the year ended 28 February 2021.

1. SALIENT FEATURES

Revenue decreased by 10% to R62.4 million, from R69.4 million in the prior corresponding period.

Operating profit of R24.1 million was recorded in the current period, from an operating loss of R21.1 million in the prior corresponding period, an increase of 214%.

Earnings per share increased by 139% to 23 cents per share, from a loss per share of 59 cents per share in the prior corresponding period.

Headline loss per share decreased by 90% to 6 cents, from a headline loss per share of 59 cents in the prior corresponding period.

A maiden ordinary dividend of 6 cents per share has been declared. This is in line with our strategy to generate better shareholder returns.

2. FINANCIAL REVIEW

Revenue at group level consists of sales of electricity at Hulisani's subsidiary investment, RustMo1 Solar Farm (Pty) Ltd, and the profit share earned from the convertible loan with Legend Power Solutions (Pty) Ltd ("LPS"). The 10% decrease in revenue related mainly to an interruption in production, related to the soiling and cleaning of solar panels.

Operating expenses for the period were R71.5m (2020: R73.6m), a decrease of 3%, which is in line with the strategy to contain costs. The full impact of these cost saving initiatives will however only be seen in the next financial year.

The valuation process of Hulisani's investments involves an element of judgement and various estimates. Inputs which are factored into the valuation process include various discount rates and projected cashflows from the underlying investments. Valuations for GRI Wind Steel

South Africa Proprietary Limited (“**GRI**”) and LPS were conducted during the current period and a fair value gain of R18.9m was recognised as a result.

During the year the Group was able to reverse the R14.3m accumulated impairment relating to the investment in Kouga Wind Farm (RF) Proprietary Limited (“**Kouga**”), which is accounted for as an equity investment. A reduction in interest rates improved projected cash flows in Kouga, which resulted in an increase in the carrying value of the investment.

The Group derives its share of profits from its 6.67% investment in Kouga. There was a decrease in share of profits from Kouga, as the Group recognised R4.9m in the current period (2020: R7.6m) as a result of a decreased energy yield. The decline in profitability is due to the current year wind resource being lower than the expected generation profile, however the generation profile since inception of the project is cumulatively in line with the basis as applied in the financial forecast upon which the impairment assessment was performed.

Our other assets continue to generate better than projected profits and remain cash generative. In difficult trading circumstances, we are pleased to continue to report positive cashflow.

3. DECLARATION OF CASH DIVIDEND

Shareholders are hereby advised that the board of directors of the Company has approved and declared a final gross dividend of 6.00000 cents per ordinary share, from income reserves, for the year ended 28 February 2021.

The dividend is subject to a local dividend tax rate of 20%, resulting in a net dividend of 4.80000 cents per ordinary share, unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate of dividend tax in terms of an applicable double-taxation agreement.

As at the date of this announcement, the Company has 50 000 020 ordinary shares of no par value in issue.

The Company’s income tax reference number is 9030/263/24/9.

SALIENT DATES AND TIMES

Shareholders are hereby advised of the following salient dates and times for the payment of the dividend:

Last day to trade cum dividend	Tuesday, 8 June 2021
Securities commence trading ex dividend	Wednesday, 9 June 2021
Record date for purposes of determining the registered holders of ordinary shares to participate in the dividend at close of business on	Friday, 11 June 2021
Payment date	Monday, 14 June 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 9 June 2021 and Friday, 11 June 2021, both dates inclusive.

4. OUTLOOK

Over the last 12 months we have successfully executed our focus on stabilising the core business. We have contained costs while ensuring that we have sufficient capacity to manage a larger portfolio of projects in the longer-term. This has enabled us to declare a maiden dividend, returning cash to shareholders.

We remain committed to revenue growth, cost containment and improving long-term shareholder returns and as such, we anticipate further cost savings and increased efficiencies in the next 12 months. This, together with our strong cash generating investments will better position us to benefit from governments increased focus on renewable energy generation in the long term, and the opportunities that are presented to Independent Power Producers (“IPPs”) through ageing infrastructure.

In our view, these initiatives will create a new and exciting growth trajectory for Hulisani, and we look forward to another successful year ahead.

5. SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the Company. It contains only a summary of the information in the full announcement (“**Full Announcement**”) and does not contain full or complete details. The Full Earnings Announcement can be found at:

<https://senspdf.jse.co.za/documents/2021/JSE/ISSE/HULE/FY21.pdf>

Copies of the Full Earnings Announcement is also available for viewing on the Company’s website at <https://hulisani.co.za/investment-opportunities-hulisani> or may be requested in person, at the Company’s registered office or the office of the sponsor, at no charge, during office hours.

Any investment decisions by investors and/or shareholders should be based on consideration of the Full Announcement, as a whole.

The annual results have been audited by the Company’s auditors, BDO South Africa Inc. who expressed an unmodified audit opinion thereon. The full auditor’s report includes details of key audit matters. This auditor’s report is available, along with the annual financial statements, on the Company’s website at <https://hulisani.co.za/investment-opportunities-hulisani>.

Johannesburg

21 May 2021

Sponsor

PSG Capital



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