

Mahube Infrastructure Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2015/115237/06)
ISIN: ZAE000290763
JSE code: MHB
("Mahube" or the "Company")



SHORT-FORM ANNOUNCEMENT: SUMMARISED AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2023

Salient features:

- Dividends received down 67.7% to R18.0 million from R55.8 million in the comparative period last year;
- Total revenue down to a negative R14.1 million in comparison to R78.9 million for the comparative period last year;
- Basic loss and headline loss of 53,7 cents per share compared to earnings and headline earnings of 118.9 cents per share in comparative period last year;
- Tangible NAV per share of R9.9 compared to R11.2 in the comparative period last year.

Investment portfolio

Mahube is an infrastructure company that offers investors exposure to infrastructure assets in Southern Africa. The vision of Mahube is to stimulate fast, inexpensive and sustainable delivery and upkeep of infrastructure on a significant scale. Mahube aims to provide investment returns that are characterised by predictable and regular cash flows generated from infrastructure assets, long-term investment into ownership and operation of assets, and blue-sky upside from providing disruptive solutions to infrastructure-related market inefficiencies. Currently Mahube has invested in and holds equity interests in two wind farms and three solar photovoltaic farms with a collective power generation capacity of approximately 400 MW. Four of the renewable energy assets were licensed during Bid Window Round 1 of the Renewable Energy Independent Power Procurement Programme in South Africa. The fifth was licensed during Bid Window Round 2. Each asset generates electricity that it sells to Eskom under a 20-year power purchase agreement.

Condensed Statement of Comprehensive Income for the year ended 28 February 2023

	28 February 2023	28 February 2022	% change
(Loss)/revenue from investments (R'000)	(14 058)	78 881	(118)
Net (loss)/ profit (R'000)	(29 607)	65 592	(145)
Basic and headline (loss)/earnings per share (cents)	(53.68)	118.93	(145)
Tangible net asset value per share	9.91	11.21	(12)

Commentary

The total revenue earned by the Company during the year was a negative amount of R14.1 million, as compared to a positive amount of R78.9 million in the prior year.

The dividend income portion of this total revenue was R18.0 million, decreasing from R55.8 million in the comparative period in the prior year. This decrease in dividend income is primarily attributable to comparatively lower dividend declared by Mahube Capital Fund, the subsidiary company resulting from:

- dividend income of R51.9 million earned by Mahube Capital Fund during the year being less than the R89.2 million earned in the comparative prior period;
- a decrease in cash available for distribution to equity holders in Mahube Capital Fund, resulting from the payment of R17.8 million towards redeeming some of the A class preference shares pursuant to contractual obligations (R7.5 million during comparative prior year) and
- a decrease in dividends received from its subsidiary company Mahube Infrastructure Investments, resulting from the payment of R11.3 million towards redeeming some of the A class preference shares pursuant to contractual obligations (no redemptions in the comparative prior year).

The negative change in fair value of the financial assets, which has decreased the total revenue by R33.1 million during the year (compared to increase of R22.2 million in comparative period of the prior year) resulted from two factors:

- the adverse change in the forecasted macroeconomic variables that make up the valuation basis; and
- the prudent but adverse revision of long-term assumptions of the amount of electricity generated by one of the wind power plant investments. The trend of wind resources that are below P50 expectation is being experienced across the wind IPP industry in the country

Operating expenses for the period increased to R15.4 million compared to R12.9 million in the comparative period last year. The increase in expenses is largely attributable to the impact of price inflation, whilst R1.65 million of the expenses is attributable to costs relating to the attempted restructure of the business of the Company.

The tangible net asset value per share of the Company decreased from R11.21 in the comparative period last year to R9.91 in the current period. The decrease is mainly the result of the impact of the dividend declared and paid by the Company after the 2022 year end, as well as the decrease in the fair value of the investments held by the Company.

The Board has resolved not to declare a further final dividend in addition to the 45 cents per share interim dividend.

Statement

This short form announcement is the responsibility of the Directors and is a summary of the information contained in the full announcement and does not contain full or complete details. Furthermore, this short-form results announcement has not been reviewed, audited or reported on by Mahube's auditors but has been extracted from the annual financial statements for the year ended 28 February 2023, which were prepared by the Financial Director, Petro Lewis CA (SA) and have been independently audited by the Company's auditors, BDO South Africa Inc. The annual financial statements and the unmodified audit opinion of the independent auditors, which includes the requisite disclosure on key audit matters, is available on the company's website at:

Annual Financial Statements: <https://mahube.africa/wp-content/uploads/2023/05/Annual-Financial-Statements.pdf>

Audit report: <https://mahube.africa/wp-content/uploads/2023/05/Mahube-Signed-Review-Report.pdf>

Availability

Any investment decisions by shareholders and/or investors should be based on the full announcement released on SENS and published as follows:

Company's website at: <https://mahube.africa/wp-content/uploads/2023/05/Mahube-year-end-results-booklet-2023.pdf>

And

JSE website: <https://senspdf.jse.co.za/documents/2023/jse/isse/mhbe/mah2023.pdf>

The full announcement is available for inspection, free of charge, during normal business hours at Mahube's business address, 3rd Floor, Penthouse 5, 4 The High Street, Melrose Arch, 2196, or can be requested per email to info@mahbue.africa

By order of the Board

31 May 2023

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