

## **HULISANI LIMITED**

Incorporated in the Republic of South Africa  
(Registration number: 2015/363903/06)  
Share code: HUL ISIN: ZAE000212072  
(“Hulisani” or “the Group”)

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### **TRADING STATEMENT**

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In terms of the JSE Limited Listings Requirements, a listed company is required to publish a trading statement as soon as it becomes reasonably certain that the financial results for the next period to be reported on will differ by 20% or more from the financial results for the previous corresponding period.

The Company hereby advises that a reasonable degree of certainty exists that for the 6 month period ended 31 August 2018:

- headline loss per share will be between 40.90 cents and 43.10 cents, representing an increase of between 272% and 292% compared to the headline loss per share of 11 cents reported for the 6 month period ended 31 August 2017; and
- loss per share will be between 41.90 cents and 44.10 cents, representing an increase of between 281% and 301% compared to the loss per share of 11 cents reported for the 6 month period ended 31 August 2017.

Key contributors to the increase in the loss over the comparative prior year period are the following:

- Share of losses from GRI Wind Steel South Africa (“GRI”), the only operational manufacturer of Wind Towers in South Africa, in which the Company holds 25%. GRI has made losses as a result of the two year delay in the recently signed 27 Power Purchase Agreements (PPAs). The previous reporting period included losses for two months (the acquisition was made in July 2017) whereas the current reporting period includes six months of losses. In addition, Hulisani’s full shareholding of 25% is accounted for in the current period, whereas only a 12,5% share of losses was accounted for in the previous comparative period. This holding is made up of a 12.5% equity investment (accounted for as a loss in the previous period) as well as a further 12.5% holding through a preference share, which was reclassified as an Investment in Associate at year end. While accounting for a much larger holding has resulted in a greater loss reported for the six months under review, GRI Wind Steel has secured significant orders to manufacture wind towers with the potential for an increase in orders since the recent signing of 27 PPAs by ESKOM. The income from the signed contracts will only reflect in subsequent periods.
- Increase in staff complement relative to the comparative prior year period. This follows Hulisani’s evolution from operating as a SPAC, which necessitated additional resources and building of capacity during the period under review. The additional resources and capacity are necessary for the proper and sustainable operation of the Company in the long term.

The Board notes a significant break from a long period of delays and uncertainty in the South African energy market as evidenced by the recent signing of PPAs by ESKOM and the release of the IRP update and believes this will provide greater momentum to the energy sector.

Hulisani maintains a positive outlook on the energy sector, which is supported by a healthy current project pipeline of projects.

The financial information on which this trading statement is based has not been reviewed or reported on by the auditor of the Company. The interim results for the period ended 31 August 2018 are expected to be published on or about 31 October 2018.

Johannesburg  
19 October 2018

Sponsor  
PSG Capital



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