

2022

INTEGRATED
ANNUAL REPORT



**BUILDING
COMMUNITY WEALTH**

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Mahube is pleased to present its 2022 Integrated Annual Report to all its stakeholders. Our Integrated Annual Report is an expression of our commitment to transparency and open engagements with our stakeholders.

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ABOUT THIS REPORT

WE ARE PLEASED TO PRESENT OUR 2022 INTEGRATED ANNUAL REPORT

Mahube Infrastructure Ltd ("Mahube" or the "Company") is pleased to present its 2022 Integrated Annual Report to all its stakeholders. Our Integrated Annual Report is an expression of our commitment to transparency and open engagements with our stakeholders. Our aim is to enhance our stakeholders' understanding of how we have addressed past issues, how we are dealing with current and future challenges and how we are leveraging our resources and relationships to create sustainable value in the short, medium and long term. We trust that this report will enable you to make knowledgeable and confident decisions when it comes to your relationship with us.

REPORTING PERIOD

This report is produced and published annually, covering the financial year from 1 March 2021 to 28 February 2022 ("FY2022"). Any material events after this date and up to the Board approval date of 30 June 2022 have also been included.

MATERIAL ISSUES

The report discloses the Company's approach to sustainability and identifies and explains the material issues facing the Company, their impact and the Company's response thereto. The Board has considered matters viewed as material to the functioning of Mahube and its stakeholders.

These are determined through Board and Board Committees' discussions, market research, engagement with our stakeholders,

continuous risk assessments and the review of prevailing trends in our sector and the economy.

The issues we have identified as material in terms of the impact on Mahube's long-term sustainability include the capital and ability to raise future investment capital and the scale of the current asset portfolio.

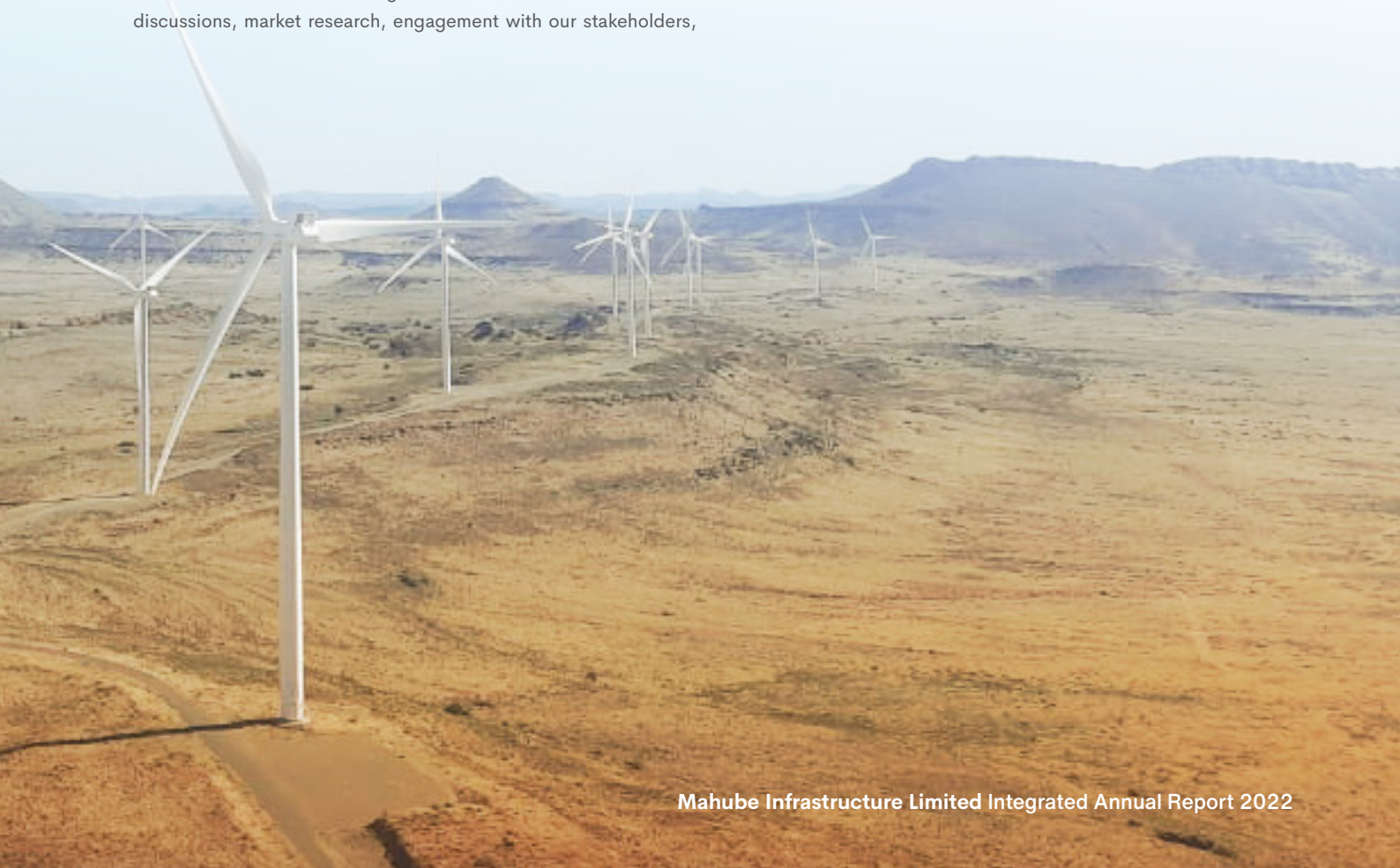
These material issues are addressed throughout this Integrated Annual Report. Sustainability issues that are not considered material to our operations are not discussed in this report. We believe that this approach should provide clarity for stakeholders to evaluate Mahube's ability to create and unlock sustainable value over the short, medium and long term.

BASIS OF PREPARATION

This Integrated Annual Report has been prepared in terms of:

- Companies Act of South Africa, No 71 of 2008, as amended ("Companies Act");
- JSE Listings Requirements;
- King Code of Governance of Corporate Principles for South Africa™ ("King IV™"); and
- Consideration of certain principles contained in the International Integrated Reporting Council's Integrated Reporting Framework.

The King IV™ Application Register detailing the application of the King IV™ principles is available on the Company's website www.mahube.africa.



INTEGRATED REPORTING

Mahube aims to adopt the guidelines outlined in the International Integrated Reporting Council's Framework as appropriate. In line with the framework, the Integrated Annual Report includes all such information about matters that materially affect the Company's ability to create and sustain value over the short, medium and long term. Comparative historical information is presented, where relevant, as an insight into future plans.

ASSURANCE

This Integrated Annual Report has been reviewed and approved by the Board of Directors. The Integrated Annual Report has been signed on behalf of the Board by the Chairperson of the Board, Khalipha Eddie Mbalo, and the Chief Executive Officer ("CEO"), Gontse Moseneke.

The Annual Financial Statements have been prepared by Petro Lewis CA(SA), the Financial Director ("FD").

Our combined assurance model relies on review by management, as well as internal and external assurance. The Audit and Risk Committee and the Board depend on combined assurance in assessing the adequacy of internal controls and risk management processes.

The Annual Financial Statements have been audited by the independent auditors, BDO South Africa Incorporated, who issued an unqualified opinion.

FORWARD-LOOKING STATEMENTS

This Integrated Annual Report includes forward-looking statements that involve inherent risks and uncertainties. If one or more of these risks materialise, or should the underlying assumptions prove incorrect, actual results may be different from those anticipated.

Forward-looking statements apply only as of the date on which they are made. Mahube does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.



For additional contact details, please see the inside back cover.

Mahube welcomes feedback and any suggestions for the Company's future reports.

Please forward any comments to:

Tel: +27 11 684 1230

Email: info@mahube.africa

STATEMENT OF RESPONSIBILITY

The Board acknowledges its responsibility to ensure the integrity of this Integrated Annual Report. The Directors confirm that they have collectively assessed the content of the Integrated Annual Report and believe that it addresses material issues and is a fair representation of the performance of the Company. The Board has therefore approved the 2022 Integrated Annual Report on 30 June 2022.

Khalipha Eddie Mbalo
Independent
Non-Executive
Chairperson

Gontse Moseneke
CEO



Dorper Wind Farm

ABOUT MAHUBE

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WHO WE ARE

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.

OUR HISTORY

Mahube was listed on the Main Board of the JSE Limited in Johannesburg in 2015, as a Special Purpose Acquisition Company. Trading as GAIA Infrastructure Capital Limited at the time, the Company raised R550 million upon listing and most of these funds were deployed in 2016 during the acquisition of its first viable asset, an interest in the Dorper Wind Farm.

The 100 MW plant in the Eastern Cape province, South Africa has been in operation since 2014 and has a 20-year Power Purchase Agreement ("PPA") with Eskom. The Company earned its first investment income from this asset in early 2017, which enabled it to declare and pay its maiden dividend distribution of 63.5 cents per share in the same year.

Since its founding, Mahube has invested in four more infrastructure assets in the renewable energy sector in South Africa – one Wind Farm and three solar PV farms – and, together, all the energy assets were licensed by South Africa's Department of Energy Renewable Energy Independent Power Producer Procurement Programme.

In November 2020 the Company transformed from GAIA Infrastructure Capital Limited to Mahube Infrastructure Limited. Mahube is a Setswana word commonly derived from the phrase "Mahube a naka tsa kgomo", which refers to the dawn of a new day. This moment in history encapsulated our renewed focus towards maximising shareholder value from various emerging infrastructure investment opportunities.

WHY INFRASTRUCTURE

According to an article republished in 2018 by the World Economic Forum, Africa's urban population is expected to nearly triple by 2050 to 1.34 billion people.

This extreme rate of urbanisation is creating significant infrastructure deficits that impede the provision of basic services in these burgeoning urban centres. Private capital has historically played a marginal role in financing infrastructure, owing to political instability and lack of regulatory clarity. These conditions have been improving in recent years and are creating a climate where the private sector ought to be able to confidently make meaningful contribution towards closing the infrastructure deficits.

In addition, a natural solution to moderating the rate of urbanisation is to stimulate economic activities and opportunities in the rural areas. Investment in some of the infrastructure that is required to support urban living is typically located in rural areas, where it can and should have the positive impact of accelerating rural economic activity, development and prosperity.

Importantly, the scale of the infrastructure needs is such that there should be predictable inflation-linked attractive financial returns for private capital to earn without overburdening the economies and society with excessive charges.

INVESTMENT THESIS

We aim 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

Blue-sky upside from providing disruptive solutions to infrastructure-related market inefficiencies



CORPORATE SOCIAL RESPONSIBILITY

As a corporate citizen, we approach our responsibility to society with diligence and utmost good faith. We believe that through our corporate actions and decisions, we can impact society positively. The consequences of this positive impact on society is that it supports an atmosphere of social stability and prosperity, which results in sustained good performance of our businesses and Mahube's investments in these businesses.

Our efforts in community development are predominantly channelled through the businesses that we own. The corporate and social responsibility activities of these businesses can be accessed through our website on: <https://mahube.africa/about/#csr>.

INVESTMENT POLICY

Minimum investment of R50 million per investment

Large-scale infrastructure assets in energy, transportation, water and sanitation

Commercially operative or near operation (within six months of commercial operation)

Target ROI of CPI +6% (before costs) over the offtake agreement/concession

Visible ESG policy appreciation

Low investment risk and inflation-linked, predictable long-term cash generation profiles

Acceptable third-party credit risk exposure

Equity/financial instruments investment with same profile

Pursue value-adding asset management and directorship roles to optimise the potential of all underlying assets

SHAREHOLDER APPROVALS

All transactions concluded in accordance with the Investment Policy will be regarded as being in the ordinary course of business, unless circumstances dictate otherwise.

Shareholder approval will consequently not be required for non-related-party transactions (including for the avoidance of doubt the enforcement of provisions in agreements relating to such transactions) of any size to the extent that such transactions entered in the ordinary course of business of Mahube.



INVESTMENT CASE

Infrastructure company with investment exposure to large infrastructure assets in key sectors:
energy; transportation; water and sanitation

Currently invested in two wind power plants and three solar power plants with low operating and financial risk

Invested assets are generating earnings that are uncorrelated to the equities markets

Pipeline of attractive opportunities, that align with the investment policy

Experienced and competent Board of Directors

ESG considerations in investment policy

Shareholder approval will be required for related-party transactions in accordance with the thresholds and requirements for such approvals contained in the JSE Listings Requirements, irrespective of whether such transactions are in the ordinary course of business or not.

The JSE Listings Requirements pertaining to shareholder approvals and communications will apply to all transaction and specifically, if any transaction is categorised as a reverse takeover in terms of the Listings Requirements.

OUR ASSETS

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 Producer 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. They are also key ventures for the economic development of rural communities in the Eastern Cape, Northern Cape and Free State provinces, with the construction phases of the Solar Farms alone creating more than three million man hours of job opportunities.





Mahube's Investment Policy is to invest in large-scale infrastructure assets in Southern Africa's energy, transport and water and sanitation sectors.

NOBLESFONTEIN WIND FARM

The Noblesfontein Wind Farm is located on Farm Noblesfontein, approximately 35 km south of the small Northern Cape town of Victoria West. The Wind Farm, which became operational in July 2014 following a construction period of 16 months, produces 73.8 MW of clean renewable energy through 41 Vestas V100 (80 m hub height) wind turbine generators that can each produce up to 1.8 MW. The total expected annual electricity generated is 221 GWh, and the government-guaranteed Power Purchase Agreement with Eskom for this asset runs until June 2034.

DORPER WIND FARM

Located between the Molteno and Sterkstroom communities in the Eastern Cape, the Dorper Wind Farm has been feeding 100 MW of clean, renewable energy into Eskom's electricity grid since August 2014. The government-guaranteed Power Purchase Agreement with Eskom for this asset runs until July 2034.

JASPER SOLAR PV

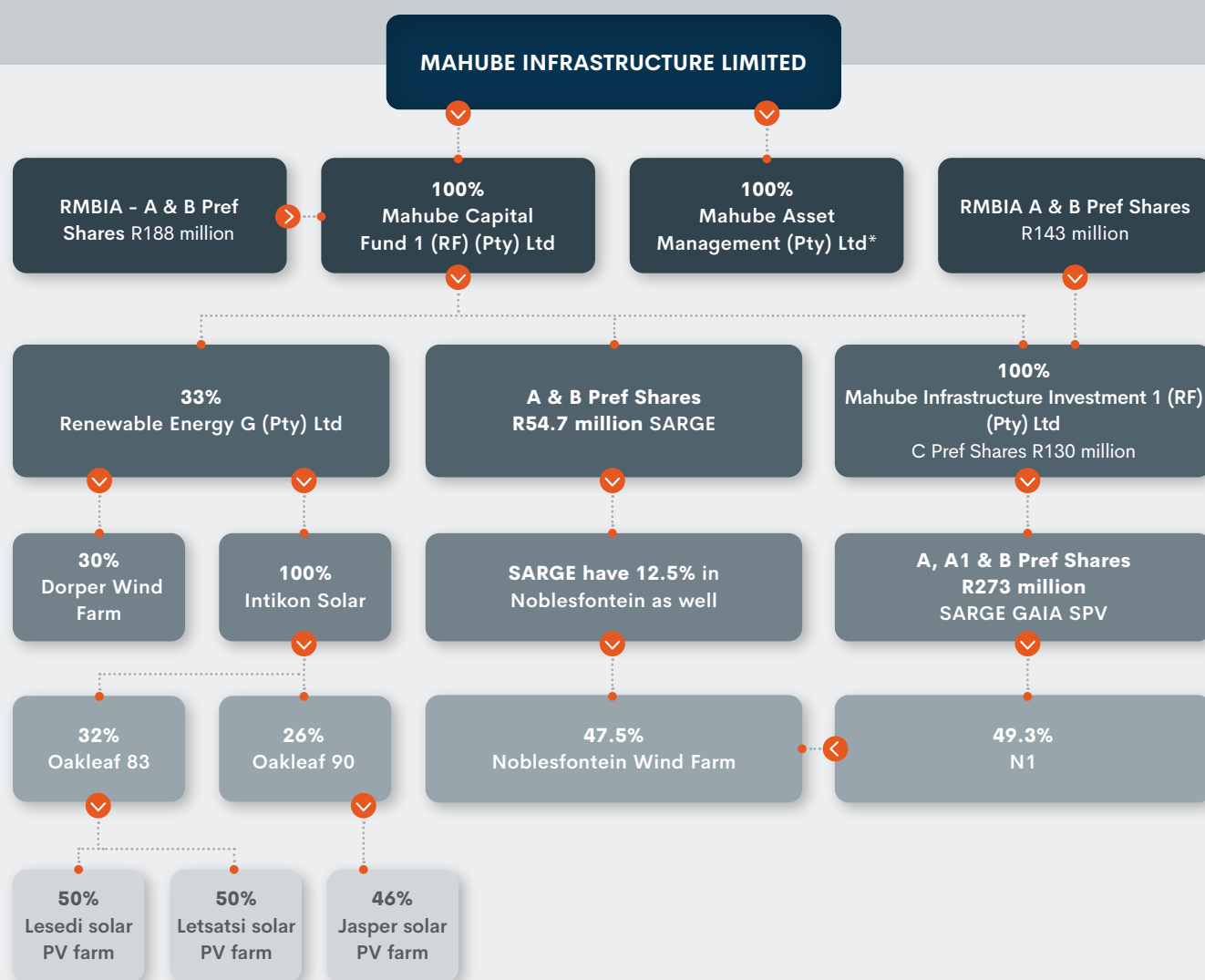
Located near Postmasburg, Northern Cape, the Jasper Solar PV Farm is currently the largest photovoltaic power plant on the African continent. With more than 325 000 Solar PV modules installed over an area covering 150 hectares, the plant comprises 39 central inverter stations, each of which has capacity of 2 MW-AC. These are expected to generate 180 GWh of electricity annually. The facility, which is adjacent to the Lesedi Solar PV Farm, became operational in December 2014 and has a government-guaranteed Power Purchase Agreement with Eskom that runs until November 2034. Mahube holds a 4% stake in this asset.

LESEDI SOLAR PV

The Lesedi Solar PV Farm is located on Humansrus Farm approximately 30 km east of Postmasburg, Northern Cape. The area is sun-drenched and is characterised by minimal rainfall and vast open areas, placing it amongst the best locations in the world for high irradiance. Construction of the plant started in January 2013 and commercial operations began in May 2014. The power plant currently supplies approximately 140 GWh of power to Eskom annually in accordance with a government-guaranteed Power Purchase Agreement that runs until April 2034. Mahube holds a 5.3% stake in this asset.

LETSATSI SOLAR PV

The Letsatsi Solar PV Farm is located on Jedwater Farm, some 35 km northwest of Mangaung Metropolitan Municipality in the Free State province. The asset comprises HANWA SolarOne SF260 photovoltaic modules, plus Siemens PVS500 inverters. The asset became commercially operational in May 2014 and has been supplying approximately 140 GWh of power to Eskom annually in accordance with a government-guaranteed Power Purchase Agreement that runs until April 2034. Mahube holds a 5.3% stake in this asset.



* Company has been dormant to date.

INVESTMENT STRATEGY

Mahube aims to be a diversified infrastructure company, and will invest in large-scale energy, transportation, water and sanitation-related infrastructure projects in a responsible and transparent manner. In so doing, the Company will provide investors with good, predictable, inflation linked, liquid and long-term yielding investments. Although the Company's primary focus is on South Africa, Mahube will consider opportunities in the rest of Southern Africa.

Mahube adheres to the United Nations-backed Principles for Responsible Investment and the Code for Responsible Investing in South Africa. The Board is responsible for the Company's objectives, business and investment strategies and its overall supervision. Executive Management is responsible for the identification, assessment, structuring, resultant acquisition and potential disposal of viable assets.

INVESTMENT RISK

The risks of an investment in infrastructure may be generally divided into those specific to the infrastructure asset and those affecting the broader asset class. The asset specific risks encompass risks pertaining to the design, construction and operation of the infrastructure asset while the asset class risks include weather volatility, economic, regulatory and political risks.

Asset specific risks largely depend on the maturity of the particular asset. In the construction phase, there is considerable risk associated with the construction process, such as the construction period and budget overruns. Notably as an asset matures, its risk profile declines and its valuation increases.

APPROVAL OF INVESTMENT POLICY

The Investment Policy was approved by the Board, shareholders and the JSE as envisaged in section 15 of the JSE Listings Requirements. Any future material changes to the Investment Policy must be approved by shareholders by way of ordinary resolution.

Dividends received up 1.6% to R55.8 million from R54.9 million in the comparative period last year

Total revenue up 76.6% to R78.9 million in comparison to R44.7 million for the comparative period last year, due to a favourable adjustment to financial assets measured at fair value

Final cash dividend declaration of 32.00 cents per share

Tangible NAV per share at R11.21 compared to R10.63 in the comparative period last year

Basic earnings and headline earnings per share up to 118.9 cents per share in comparison to 21.7 cents for the comparative period last year





Khalipha Eddie Mbalo
Independent Non-Executive Chairperson

“Mahube introduced a refreshed strategy with a view to improving returns and transparency in the results.”

Infrastructure development will always be a long-term play. Even though the impacts of the pandemic, persistent loadshedding and increasing water shortages continued to be felt across many businesses, we have shown our ability to operate in fluctuating markets and getting through turbulent times to deliver shareholder value. The roll-out of the Covid-19 vaccination programmes has enabled economic activity with the easing of some lockdown restrictions, and increasing climate impact. Indeed, it is the turbulent times that have driven our need to adjust with increasing agility our investment ability, proving that through focus, we can confidently forge ahead with a solid strategy in place.

In the past year, we have, among other things, set ourselves challenging targets to 2025, strengthened governance, and embarked on a cost-saving exercise. Mahube introduced a refreshed strategy with a view to improving returns and transparency in the results. With all this and more in place, Mahube is ready to embrace a more community-oriented future.

INVESTING FOR THE FUTURE

Flowing from our rebranding to Mahube, we have set challenging targets that include a focus on our employees, promoting a culture that is purpose-driven, supports continuous learning, building a culture of teamwork, that embraces diversity.

The newly concluded strategic and exciting partnership with Encha Group, that is subject to the approval of the shareholders of Mahube brings forth an exciting new chapter in establishing Mahube as a credible, black-controlled infrastructure business that is attractive to allocators of capital. This partnership will result in the capitalisation of Mahube Asset Management (Pty) Ltd (“Manco”), and resourcing with staff, in a manner that qualifies it as a black private equity fund manager in accordance with the prescripts of the Amended Financial Services Sector Codes of 2017.

This partnership also brings Encha Group's operational strength and market experience gained over many years.

Established in 2005, Encha Group is an investment house with an impeccable track record of building businesses and unlocking value for its investors, shareholders and partners, a clear alignment with the path Mahube has chosen. Encha Group has been active in various sectors of the South African economy, including real estate, energy, technology healthcare and mining. Over the years, Encha Group and its principals have developed extensive experience in raising capital and operating in the listed and unlisted capital markets in South Africa and abroad.

ESTABLISHING A MANAGEMENT COMPANY

Following the cash capitalisation, the majority of issued shares in Manco will be in black-owned companies, being a subsidiary of Encha Group and an investment company controlled by the CEO of Mahube. Excitingly, this means that a majority black-owned Manco will be exposed to, and gain access to a wider scope of business opportunities of infrastructure assets and businesses, in which Mahube would be entitled to invest.

The establishment of Manco makes it possible to put in place an attractive but fair incentive scheme, increasing the range of benefits that motivates and incentivises a high-performance culture that can be used to attract and retain a world class team.

Further, and subject to the approval of the shareholders of Mahube, Manco will amongst others:

- take responsibility for managing the corporate and investment activities of Mahube and its subsidiaries through which it is invested in the current five REIPPPP assets, whilst progressively reducing the cost to Mahube for this function from the normalised monthly amount of approximately R1 million to approximately half the amount.



Jasper Solar Farm

- grow Mahube's listed equity capital base to R2 billion or more by February 2025, as well as to diversify beyond REIPPPP, the assets that make up the infrastructure business of Mahube.

The Board has ensured that Manco is substantially owned and jointly controlled by Mahube and that the business activities of Manco align with and enhance the interests of Mahube. This will be done through Manco's participation in certain infrastructure-related activities that Mahube may not desire to pursue directly but which could enhance and improve the quality of the assets in which Mahube is invested.

We believe that Manco, being a black private equity fund manager with the benefit of a strategic relationship with Encha Group, as well as having an attractive incentive scheme to help in building a committed team, is fully prepared and capable to grow the size of its business to R5 billion or more by February 2025. Some 44% of the equity of Manco will be owned by Mahube, resulting in 44% of Manco's profits accruing to Mahube. Furthermore, by February 2025, over half of the business of Manco will come from third party clients (i.e., clients other than Mahube). The implication of the strategic shift is that, through Manco, Mahube will benefit from enhanced return on its capital, without undermining the benefits of financial leverage that could accrue if Mahube were to try to directly employ and build the organisational team on its own.

GROWING SUSTAINABLY

Mahube has also worked with community engagement and social responsibility in a structured and targeted manner. As it is our aim to show that we prioritise the sustainability agenda, we will work on ensuring that sustainability reporting becomes part of the main Annual Report, highlighting the impact of our work.

In the ensuing year, we anticipate a more vibrant energy sector with the renewed momentum at the Department of Energy and Mineral

Resources ("DMRE") as it seeks to create an enabling environment in resolving the energy crisis. This means our preparedness for the bidding rounds where, like in previous years, will put our best foot forward.

Mahube will continue to position itself to provide the needed investments in the industry in the quest to improve energy, water, and sanitation efficiencies, whilst delivering value for our shareholders. We will share our rich experience acquired over many years in the industry, as well as operating across varied markets.

To the Executive Directors and the rest of the team at Mahube, they have shown true dedication and determination and this is much appreciated. The impressive performance of the Company is a credit to each one of them. Thank you for going the extra mile and taking the meaning of teamwork to a new level.

I would like to thank all Non-Executive Directors for good cooperation in 2022 and look forward to sharing more successes with you.

With the foundation firmly set, Mahube can navigate new markets with confidence and learnings of what has already been achieved. While change is constant and we are never fully certain of future challenges, we are well prepared to build on the strategy and become an even stronger infrastructure company. We have had a good start to the year and are on the right track to move forward.

On behalf of the entire Board, I would like to thank our shareholders for your continued support and engagement in Mahube.

Khalipha Eddie Mbalo

Independent Non-Executive Chairperson



OUR STRATEGY

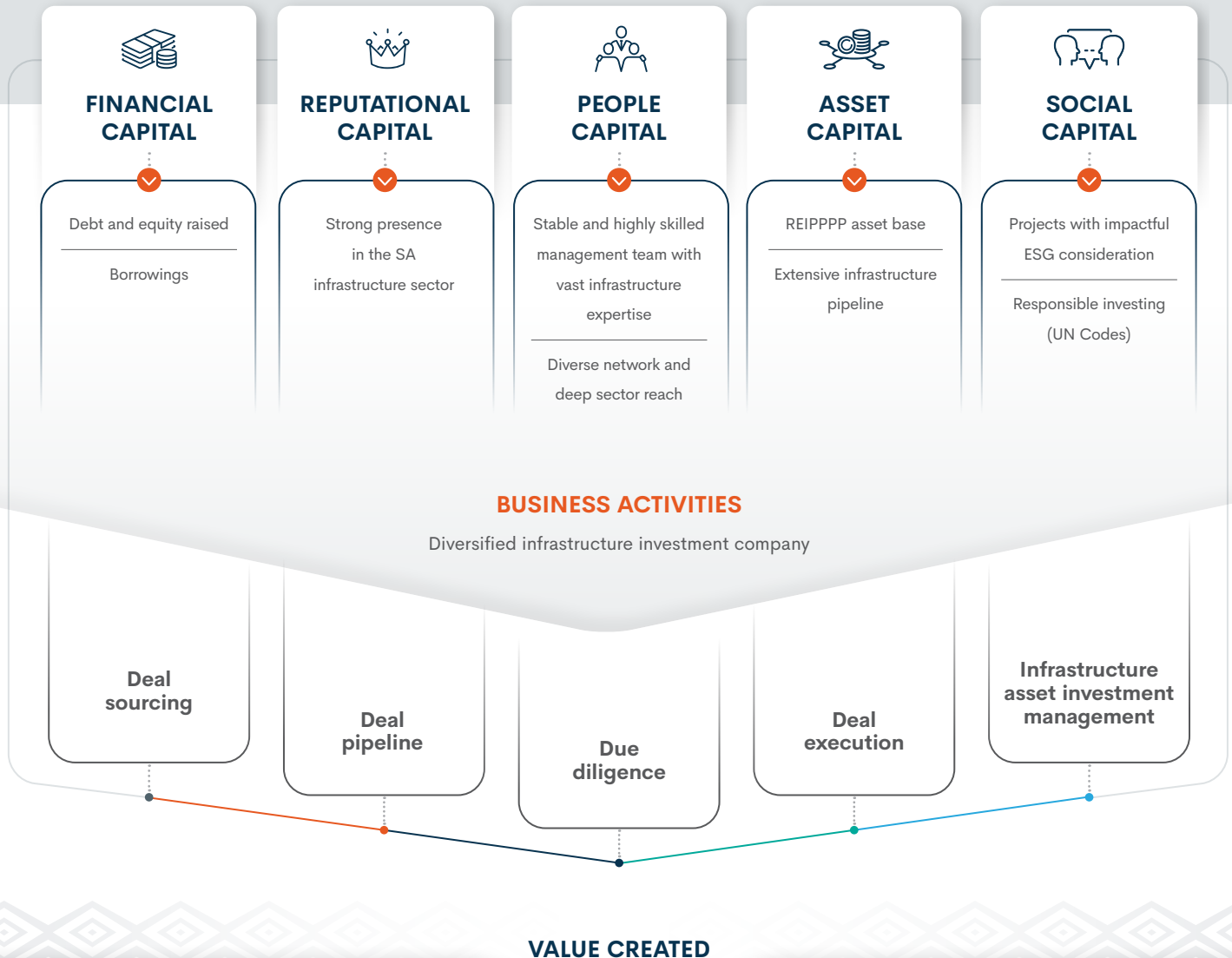
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Noblesfontein Wind Farm

INPUTS

The capitals below are key to Mahube creation of value for our stakeholders in terms of our group operating structures and strategic objectives:



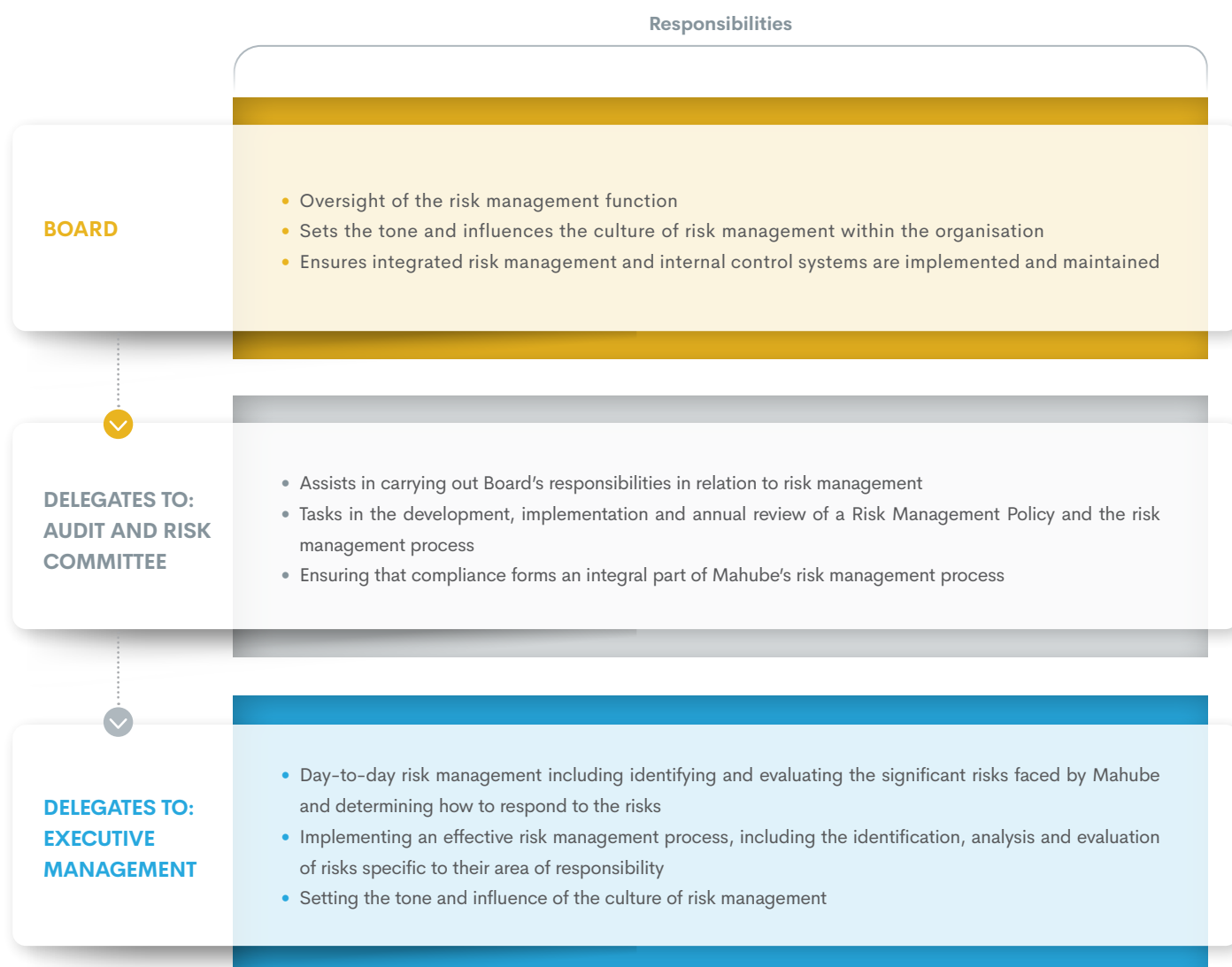
- A diversified infrastructure investment company.
- Investing in large-scale assets.
- Investing in high quality assets that yield predictable and sustainable returns for shareholders.
- Provide investors with low risk, predictable, inflation-linked, liquid and long-term yielding investment.
- Return on initial investment of at least CPI +6% (before costs).
- Target a consistent, stable and inflation-linked dividend.
- Diversify the assets under management in the energy, transportation, water and sanitation sectors.
- Manage cost and achieve financial excellence.
- Responsible and transparent investments.
- Visible ESG appreciation.
- REIPPPP projects underway benefit local communities.

RISK MANAGEMENT

Mahube's Board oversees risk management through the Integrated Risk and Compliance Framework with the responsibility for implementation delegated to the Audit and Risk Committee. The framework ensures that Mahube achieves the level of strategic and operational efficiency and compliance as required by the Board. The Audit and Risk Committee is also responsible for assessing the effectiveness of the Risk Management Policy and processes and reporting to the Board on the overall risk management process.

Mahube's key risk management objective is to embed an effective risk management culture. The Company's strategic objectives are managed continually to identify, analyse, prioritise and treat relevant risks appropriately to ensure an optimal risk-reward profile for all stakeholders with ongoing liquidity through the life of the investment by way of consistent and periodic interest and/or dividend payments.

RISK MANAGEMENT FRAMEWORK



RISK MANAGEMENT (continued)

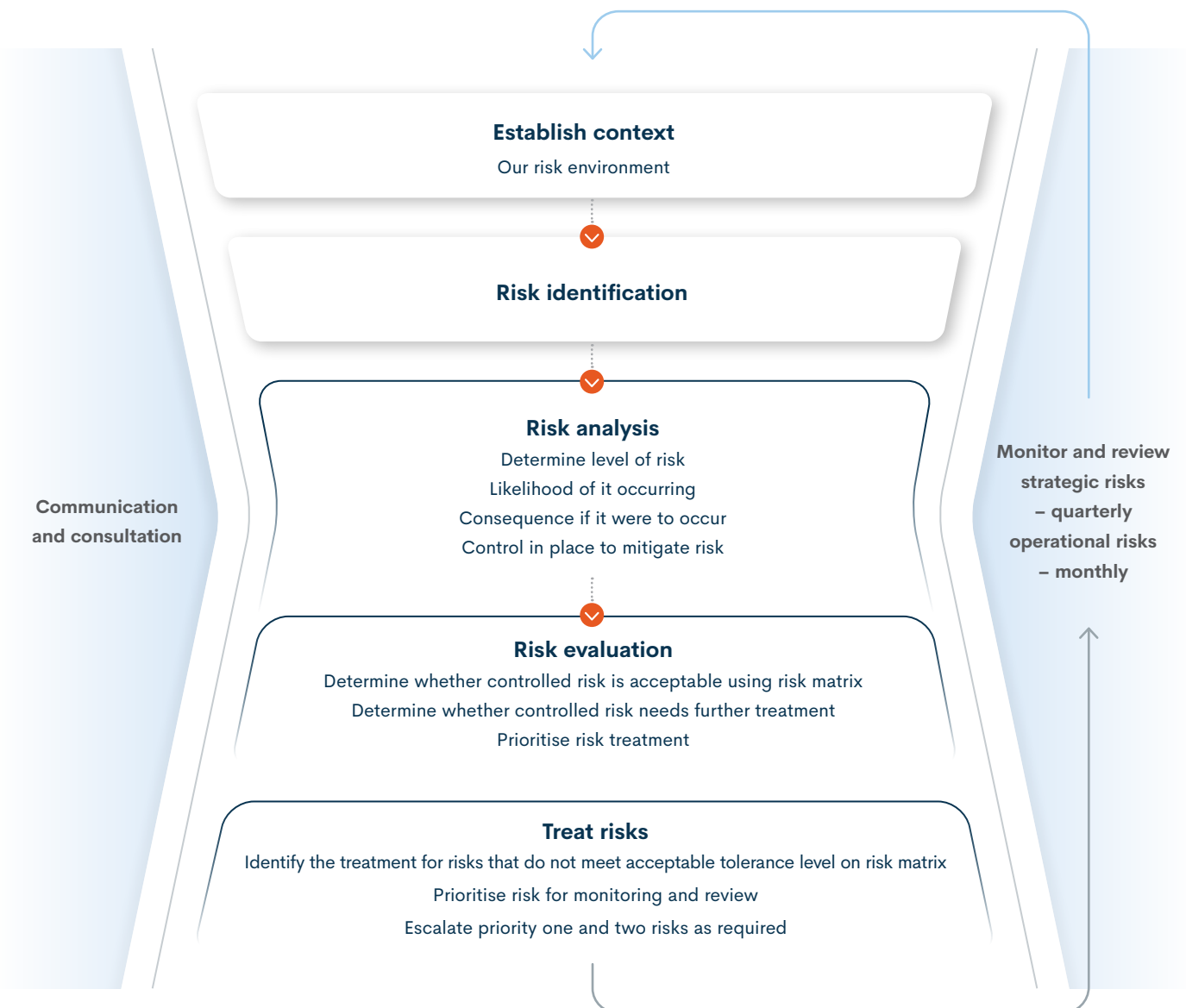
Mahube has adopted a Combined Assurance Model based on three lines of defence which makes use of the following assurance providers:

- Management provides the Audit and Risk Committee with assurance that the risk management plan is integrated and functioning as part of the daily operations.
- The internal assurance providers (Board Committees) assess the effectiveness of the internal control and risk management processes.
- The external assurance providers provide assurance on specific aspects of the Company's operations (internal audit).

The Audit and Risk Committee monitors, supervises and evaluates the effectiveness of the internal controls taking account of the risks documented in the risk register and approved by the Committee. The Audit and Risk Committee meetings are attended by the external auditors, the CEO and FD as well as other Board members and invitees as considered appropriate by the Chairperson of the Audit and Risk Committee.

Assurance providers have unrestricted access to the Audit and Risk Committee, which ensures that their independence is in no way impaired.

RISK MANAGEMENT PROCESS



RISK MANAGEMENT (continued)

The Company's five key risks are set out below:

RISK	RISK DESCRIPTION	MITIGATION APPROACH
1. Large shareholders	<ul style="list-style-type: none"> The large shareholders could impede major decisions of the Company that require shareholder approvals, particularly those relating to restructuring and capital raising initiatives This could limit the Company's ability to pursue investment opportunities which could impact negatively on the Company's image/reputation and growth prospects to the detriment of the rest of the shareholders 	<ul style="list-style-type: none"> Seeking support from existing shareholders for restructuring initiatives Implementation of the Board's engagement strategies
2. Capital raising	<ul style="list-style-type: none"> Efforts to raise capital could be unsuccessful if: <ul style="list-style-type: none"> Major shareholders block efforts to raise new equity capital Investment appetite in the capital markets is low and leads to scarcity of financial capital New share issue priced at a significant discount to NAV or (adjusted) listing price of R10 Poor BEE credentials could hamper investment from allocators of capital The inability to raise capital may result in: <ul style="list-style-type: none"> Loss of potential deals Reputational damage if the Company fails to raise the capital and has to withdraw from deals where it has secured exclusivity Transaction costs are sunk 	<ul style="list-style-type: none"> Consensus with major shareholders of the need to expand the Company's equity capital base Shareholder approval will be sought to implement the restructure of the Company's equity capital structure Contracting with a Black Fund Manager to manage the business of the Company, with clear financial targets on expanding the Company's equity share capital
3. Share performance and illiquidity	<ul style="list-style-type: none"> The share price trades at significant discount to the reported NAV MHB shares are tightly held with the three largest shareholders holding over 80% of the shares in issue, which leads to thin liquidity This makes for difficulties in using the spot price as a price discovery mechanism 	<ul style="list-style-type: none"> Implement the envisaged management restructure of the Company's business
4. Investor returns	<ul style="list-style-type: none"> Assets may not yield the expected return within the expected timeframe, i.e. assets IRR are measured over a 20-year period, however investors are promised bi-annual predictable, inflationary linked returns – as a result, Mahube may not be able to meet market expectations in the short term Similarly assets may not provide the expected return over the life of the asset – as a result, Mahube may not be able to meet market expectations in the longer term 	<ul style="list-style-type: none"> Shareholder approval is being sought for the approval of restructuring after which equity capital can be raised to fund new acquisitions in order to diversify Performance reports of underlying assets reviewed on a quarterly basis Mahube should aim to have board seats in every investee company
5. Key person risk	Small management team with key dependency on CEO and FD	Grow employee count of the Company as the business grows

OUR STAKEHOLDER RELATIONSHIPS

Mahube is committed to improving and maintaining honest and mutually beneficial relationships and partnerships with all its stakeholders as integral to our sustainability and a critical part of our communication strategy. Effective and meaningful stakeholder engagement provides the Company with information that leads to improved decision-making processes and assists the Company and the Board to shape its long-term direction. The Board monitors relations with stakeholders while the Social and Ethics Committee oversees stakeholder relations. The CEO is responsible for stakeholder engagement.

We strive to ensure open and transparent engagement with all stakeholders. A stakeholder evaluation is constantly under review on a Company level as well as at the investee company level.

We communicate with various stakeholders through our website, stakeholder presentations, the Annual General Meeting ("AGM"), interaction with the media, one-on-one meetings, community forums and ongoing informal and formal discussions.

The stakeholders of our investee companies, providers of capital, Government, and employees are equally fundamental to Mahube's success and the Company is committed to ongoing engagement with all its stakeholders.

Our key stakeholders and the issues that concern them are outlined below:

STAKEHOLDER	KEY INTERESTS	OUR COMMITMENT	ENGAGEMENT
Providers of capital	<ul style="list-style-type: none"> Financial performance Dividend yield Investment returns Share price performance Solvency and liquidity Strength of the Management and Board Quality of underlying assets 	<ul style="list-style-type: none"> Keeping providers of capital informed of project developments and managing expectations Effective management of finance facilities Regular tracking of financial obligations 	<ul style="list-style-type: none"> Regular contact sessions around status of operations and specific projects Interim and annual results announcements Regular website update Roadshows Ad hoc meetings
Suppliers and partners	<ul style="list-style-type: none"> Continuity of business relationships on commercially optimal terms Service delivery and quality Fair and ethical treatment Preferential procurement Fair payment terms Financial sustainability 	<ul style="list-style-type: none"> Conducting business in an ethical, responsible and transparent manner Regular engagements with suppliers 	<ul style="list-style-type: none"> Board representation Management meetings One-on-one engagement
Potential investee companies	<ul style="list-style-type: none"> Value adding relationships Purchase consideration (attractive assets) Integrity of the Company Relationship building Asset optimisation initiatives 	<ul style="list-style-type: none"> Mutually beneficial relationships Conscious effort to meet expectations where applicable 	<ul style="list-style-type: none"> Ongoing regular meetings Presentations and correspondence

OUR STAKEHOLDER RELATIONSHIPS (continued)

STAKEHOLDER	KEY INTERESTS	OUR COMMITMENT	ENGAGEMENT
Investors	<ul style="list-style-type: none"> • Diversification into Southern Africa region • Strength of the Board • Financial performance (asset quality, yields and valuation) • Sustainability of the Company • Strategy and ESG responsible investing • Growth in investment 	<ul style="list-style-type: none"> • Increase asset base • Diversified investee company mix • Strong business strategy that is ESG-linked • Delivery of strategic objectives • Experienced Board and Management team • Communicate all related-party transactions • Communication in line with JSE Listings Requirements • Provide summary of all transactions in the interim and final results announcements and Integrated Annual Report 	<ul style="list-style-type: none"> • SENS announcements • Interim and final results presentations and investor conference calls • Statutory update on SENS announcements and regular website updates • Calls and meetings with strategic shareholders if and when required • Roadshows • AGM
Employees	<ul style="list-style-type: none"> • Staff development and career planning • Market-related and fair rewards and benefits • Employment equity • Company sustainability and growth 	<ul style="list-style-type: none"> • Focus on employee wellness to achieve strategic objectives • Annual Department of Labour submissions on employment equity • Reports and workplace skills plans in investee companies 	<ul style="list-style-type: none"> • Formal performance review process • Regular engagement • Staff training and development initiatives • Benchmarking remuneration against industry average
Communities	<ul style="list-style-type: none"> • Sustainability of long-term economic empowerment and sustainability initiatives • Company's ESG initiatives • Job creation (enterprise and local economy development) • Local infrastructure development 	<ul style="list-style-type: none"> • Relationship management initiatives • Complete agreement for waste management with EnviroServ Waste Management • Focus on social licence to operate • Forming long-term mutually beneficial relationships for communities, investee companies and Mahube 	<ul style="list-style-type: none"> • Engagement forums with local communities through investee companies
Government and regulators	<ul style="list-style-type: none"> • Regulatory and legislative compliance of investee companies • Compliance with JSE requirements • Legislative compliance • B-BBEE codes compliance • Timely payment of taxes • Private-public partnerships • Eskom Holdings SOC Ltd's ability to honour the Power Purchase Agreements 	<ul style="list-style-type: none"> • Management of REIPPPP uncertainty through positive relations • Formalised B-BBEE Policy • Partnership with Government 	<ul style="list-style-type: none"> • Regular formal meetings with relevant authorities • Monitoring regulatory changes
Media	<ul style="list-style-type: none"> • Understanding of our business (operationally and financially) • Reliability of information and company correspondence • Effective stakeholder communication 	<ul style="list-style-type: none"> • Retrospective and proactive one-on-one engagement with financial and trade editors and journalists • Media alerts through SENS announcements 	<ul style="list-style-type: none"> • Interim and final results presentations • Specific direct engagements • Company website



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OUR PERFORMANCE 3

Jasper Solar PV Farm

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Gontse Moseneke
Chief Executive Officer

“ We will continue to maintain our healthy credit profile and strong balance sheet for future capital deployment, including generating consistent cash returns to our shareholders. ”

As challenging as last year was, it also offered a great deal of inspiration and opportunity for out-of-the-box thinking. Our company proved that with a long-term plan and strategy, our business portfolio and our people are resilient, determined and act responsibly in everything they do.

As in 2020, the effect of the pandemic to our operation was largely unfelt. The Company also leveraged what we had learned about the pandemic's overall impact to businesses. In addition to the pandemic, the persisting energy crisis in South Africa, now coupled with a looming crisis of water shortages and significant challenges at the transport and logistics State Owned Entities has presented opportunities for our business.

All these factors, along with the work we did in 2021 in stabilising the management of the operations of Mahube, have enabled us to accelerate how we invest for sustainability and ensure creative responses to market challenges.

HIGHLIGHTS OF THE YEAR

Against this background, the shift made with the year ending February 2021, yielded positive results and marked the turnaround in our company's growth. The Company's financial performance was strong for the year that ended in February 2022, with a 76% revenue growth to R78.9 million compared to R44.7 million in the previous year. Prudent fiscal management and cost saving initiatives delivered favourably, decreasing our operating expenses for the period to R12.9 million compared to R14.3 million in the corresponding period.

In addition, the meticulous care, and maintenance of Mahube's interests in the five REIPPPP assets, particularly the wind technology IPPs, has enhanced shareholder value delivering good growth in dividend income for the Company. In turn this has allowed us to declare an attractive dividend to our shareholders,

with the total dividend relating to the 2022 financial year at 60.00 cents per share compared to 50.00 cents per share declared and paid in the 2021 financial year.

But that does not mean we must stop evaluating everything we do, as well as opportunities. If anything, the events of the previous years have only sharpened our focus on evolving events that could impact our company.

This is where placing priority on ESG factors is critical to maintaining the sustainability of our business.

SUSTAINABILITY INVESTING

As we seek to progressively improve the quality of information reported on the existing business of Mahube, held predominantly through Mahube Capital Fund 1 (RF) (Pty) Ltd, we shall ensure that we adhere to Environmental, Social and Governance ("ESG") principles. The infrastructure asset class provides opportunity for positive ESG impact, especially as we strive to respond to the key challenges in the energy, transport and logistics, water and sanitation-related sectors.

As part of on our ongoing work, we have taken active attention in the two wind technology IPPs where Mahube has expanded our leadership through representation and progressive participation on the Board of Directors. Winning and maintaining community confidence is essential, and we have placed emphasis on ensuring that responsible Community Development undertakings are materialising whilst making the tangible difference in the host communities. We truly strive to build community wealth and prosperity from the natural resources in these host communities.

For Mahube to continue to attract and retain the best people to service our business and deliver on the strategy, we will ensure a holistic employee experience. Beyond having a meaningful role



Dorper Wind Farm

aligned to our company's values, we will continue to pay key attention to career advancement, work/life balance, including the development of an inclusive workplace. In this regard the restructure of how we manage the Company and its business, will enable us to establish a scheme that we can use to recruit and retain quality staff, as well as to incentive high performance from our employees.

THE ROAD AHEAD

We expect 2023 will be a year of transition, anticipating the global changes fuelled by the Ukraine–Russia war. The markets are already starting to feel the squeeze with the oil price increasing and a scrambling for gas globally.

As we realise and redefine what is possible with our investments, we will constantly adapt and persevere amid the unpredictable, earning the trust and confidence of our investors. With the exciting dynamics of the Southern African energy and infrastructure space, Mahube is well poised to harness the opportunities presented.

The amendment of section 2 of the Electricity Regulation Act, as well as the lifting of the licence requirements by NERSA for independent power generation of up to 100 MW in South Africa, the gas and IPP licences in Namibia and markets such as Zambia, open a window for the Company's expansion of its invested assets.

We have also finalised the refresh of the strategy for the business, underpinned by challenging financial targets for the period up to February 2025. Although we cannot predict the future, we have restructured how the Company and its businesses are managed, to position the Company to pursue and achieve the growth that is contemplated in the revised strategy.

We are particularly excited about renewed activity in the REIPPPP space with BW5 and BW6, plus undertakings for regular bid

windows going forward. The Department of Mineral Resources and Energy recently announced its new Director General, signalling a commitment to fast track the delivery of the energy sector.

Our pipeline of activities across the various segments of our interest, place Mahube in a prominent position. We are establishing a proud tradition of creativity, resilience, and evolution, giving me great confidence about the way we will invest and deal with any future challenges. In our space, navigating challenges, economic cycles, market conditions and global dynamics remains a priority. Through it all, as a company we continue to show determination.

We will continue to maintain our healthy credit profile and strong balance sheet for future capital deployment, including generating consistent cash returns to our shareholders.

APPRECIATION

I would like to extend my heartfelt thanks to our team for a great year, including the Directors and the large shareholders for their guidance. As we emerge and forge ahead into the future, we believe we are up to the challenge, stronger, more competitive and positioned for the growth that lies ahead. It is indeed an exciting time for Mahube, and we remain committed to sharing our progress along the way with you. The trust that our shareholders continue to place in us encourages us to push through the challenging moments and I would also like to thank them. Thank you for your support and commitment.

Stay safe and I look forward to the year ahead.

Gontse Moseneke
Chief Executive Officer

Total revenue up 76.6% to R78.9 million in comparison to R44.7 million for the comparative period last year, due to a favourable adjustment to financial assets measured at fair value

Dividends received up 1.6% to R55.8 million from R54.9 million in the comparative period last year

Basic earnings and headline earnings per share up to 118.9 cents per share in comparison to 21.7 cents for the comparative period last year

Tangible NAV per share at R11.21 compared to R10.63 in the comparative period last year

Final cash dividend declaration of 32.00 cents per share

FINANCIAL COMMENTARY

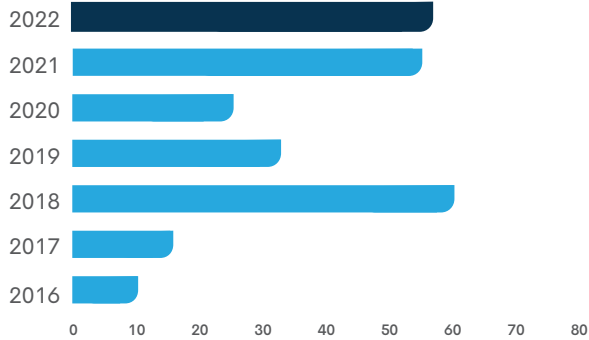
Revenue – The Company's underlying investments performed well for the financial year ended 28 February 2022 delivering stable dividend income. There was an increase in dividend income to R55.8 million from R54.9 million in the comparative period. The Company's total revenue for the year increased by 76.6% to R78.9 million compared to R44.7 million in the previous year. This increase in revenue was the result of the favourable change in the fair value of the financial assets. The favourable adjustment was caused mainly by future expectations of the interest rate being higher than expected in the previous period.

Expenses – Operating expenses for the period decreased to R12.9 million compared to R14.3 million in the corresponding period. This is mainly due to no management fee being incurred in the financial year as well as success on cost saving initiatives undertaken during the period.

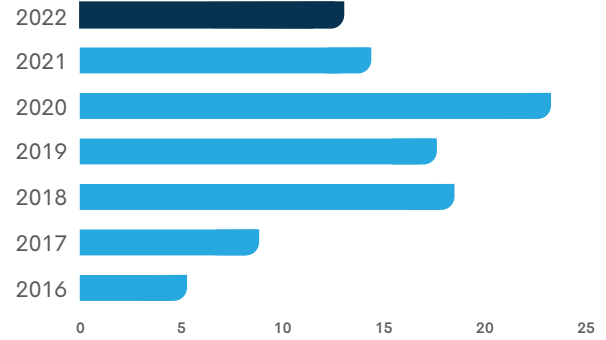
Net asset value – The tangible net asset value per share of the Company increased from R10.63 in the comparative period to R11.21 in the current period as a result of the increase in the fair value of the investments held by the Company.

Earnings per share – Basic and headline earnings per share increased from 21.71 cents in the comparative period to 118.93 cents per share in the current period. The increase resulted mainly from the favourable fair value adjustment as well as the avoidance of what was a once-off R18.0 million fee that the Company incurred in the comparative period for the termination of the management services agreement with the erstwhile investment manager.

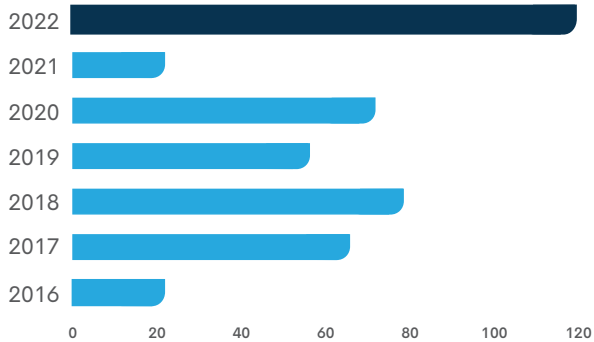
Dividend income (R million)



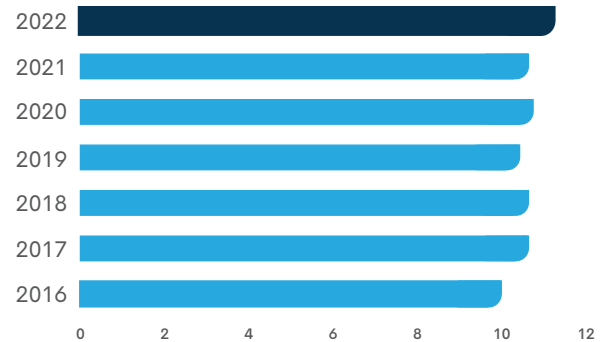
Operating expenses (R million)



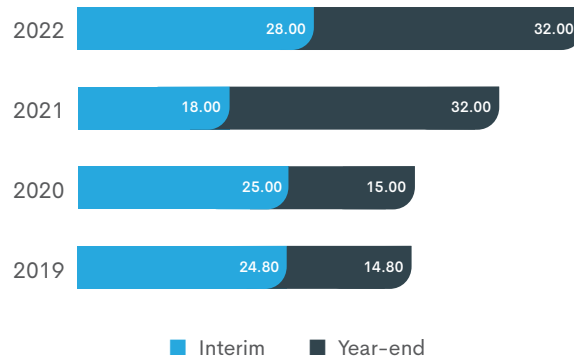
Earnings per share (cents)



Net asset value per share (Rand)



Dividends per share (cents)



INVESTMENT PORTFOLIO

ENTITY	INVESTEES COMPANY	INVESTMENT	FAIR VALUE	DIVIDEND INCOME
 Mahube Infrastructure Limited	Mahube Capital Fund 1	100% ordinary shares	R561 777 109	R55 800 719
	Noblesfontein Education Trust	Loan to Noblesfontein	R5 213 232	R861 753
	Mahube Asset Management	100% ordinary shares	R105 000	–
			R567 095 341	R56 662 471
 Mahube Capital Fund 1	Renewable Energy G	33% ordinary shareholding	R544 541 790	R63 651 560
	SARGE	A&B preference shares subscribed for at R54.7 million	R90 266 132	R4 478 183
	Mahube Infrastructure Investment	100% ordinary shares	R3 275 483	–
	Mahube Infrastructure Investment	C preference shares subscribed for at R130 million	R131 289 001	R21 108 372
			R769 372 406	R89 238 115
 Mahube Infrastructure Investment	SARGE GAIA SPV	A&B preference shares subscribed for at R273 million	R289 321 488	R35 262 307
			R289 321 488	R35 262 307

DIVIDEND INCOME

ENTITY	INVESTEES COMPANY	FY2022	FY2021	FY2020
 Mahube Infrastructure Limited	Mahube Capital Fund 1	R55 800 719	R54 923 679	R25 072 710
	Total	R55 800 719	R54 923 679	R25 072 710
 Mahube Capital Fund 1	Renewable Energy G	R63 651 560	R61 583 600	R54 963 543
	Mahube Infrastructure Investment	R21 108 372	R21 110 184	R10 655 845
	SARGE	R4 478 183	R3 901 806	R3 759 939
	Total	R89 238 115	R86 595 591	R69 379 326
 Mahube Infrastructure Investment	SARGE GAIA SPV	R35 262 307	R36 494 010	R26 946 143
	Total	R35 262 307	R36 494 010	R26 946 143

STATEMENT OF FINANCIAL POSITION

	F2022	F2021	Commentary
ASSETS			
Non-current assets	567 726 817	546 395 008	
Property, plant and equipment	90 438	204 406	Consist of computer and office equipment
Leases: Right to use assets	422 934	986 846	Office building treated in line with IFRS 16
Financial assets	567 095 341	545 089 756	Investment in MCF, Mahube Asset Management and Noblesfontein loan
Deferred tax	118 105	114 001	Deferred tax on accruals
Current assets	52 477 520	41 862 577	
Trade and other receivables	26 316 111	35 521 805	Dividend receivable from MCF
Cash and cash equivalents	26 161 408	6 340 772	Increase in cash balance with dividends received
Total assets	620 204 337	588 257 586	
EQUITY AND LIABILITIES	618 489 151	585 987 649	
Share capital	545 851 762	545 851 762	
Retained income	72 637 388	40 135 886	
Liabilities			
Non-current liabilities	–	561 081	
Lease liabilities	–	561 081	All lease payments to be made in next 12 months therefore no portion in non-current
Current liabilities	1 715 186	1 708 855	
Trade and other payables	978 991	953 440	
Tax payable	175 114	122 270	
Lease liabilities	561 081	633 146	Lease liability related to office building
Total liabilities	1 715 186	2 269 937	
Total equity and liabilities	620 204 337	588 257 586	

STATEMENT OF COMPREHENSIVE INCOME

	F2022	F2021	Commentary
Other income	–	6 384	No other income for the year. Prior year related to insurance claim
Interest income	918 913	1 492 163	Lower interest due to lower cash balance for most part of the year
Dividends received	55 800 719	54 923 679	Dividends received from MCF
Net gain from financial assets at fair value through profit or loss	22 161 727	(11 759 129)	Result of the favourable change in the fair value of the financial assets, mainly due to future expectations of the interest rate being higher than expected in the previous period
Revenue	78 881 359	44 663 097	
Operating expenses	(12 972 858)	(14 344 289)	Decrease mainly due to no management fee being paid in the year as well as success on cost savings initiatives undertaken during the period
Termination fee	–	(18 000 000)	A once-off expense of R18.0 million was incurred and paid in the prior period for the termination of the management services agreement that the Company had in place with Gaia Infrastructure Partners (Pty) Ltd
Finance costs	(116 525)	(188 581)	
Taxation	(199 875)	(154 692)	
Profit for the year	65 592 101	11 975 536	
EPS	118.93	21.71	

Environmental, social and governance considerations are the centre of our philosophical and practical approach to operating our business.

We believe that committed application of ESG policies will precipitate sustainably improving prosperity for all stakeholders, particularly our investors and providers of financial capital.

Consequently, we have improved our approach to ESG considerations to emphasise formation of a capital base for each of the host communities of our businesses, as well as (legal and financial) protection of such capital.

Our management team is represented on the board directorships of some of the companies that own and operate the infrastructure assets in which Mahube is invested. This enables us to monitor and contribute meaningfully to activities and decisions that may impact sustainability considerations.

On a quarterly basis, management reviews the reports on social development activities of each asset-operating company. We keep track of compliance by these companies with social development contractual obligations that were agreed with the IPP office. Where necessary we seek clarity and resolution from the management team of any asset-operating company that has incurred penalties from the IPP office for non-compliance on social development contractual obligations.

Through participation in governance oversight of the operating companies, we contribute towards upholding the requisite level of ESG standards in the conduct of the business operations of our companies.

On a regular basis, we report to the SEC on the risk management of ESG matters relating to the companies that operate our infrastructure assets.

SUSTAINABILITY (continued)

The SEC is responsible for reviewing Mahube's policies relating to sustainable development. This includes ethics and compliance, Corporate Social Investment, Socio-Economic Development and Enterprise Development activities, stakeholder relations, B-BBEE, labour relations and working conditions, and management of the impact of Mahube's businesses on the environment.

The SEC actively manages activities of the organisation to promote a culture of ethical conduct. The committee monitors and reports on the environment, health and public safety issues, including the impact of the Company's activities.

Mahube is invested in its infrastructure assets through companies that operate these assets. We exercise oversight in these asset-operating companies to ensure they are upholding acceptable standards on environmental, social and economic development practices. If there are any issues, we, through our management team, engage with the management of the operating companies on these matters.

The following projects and activities were undertaken in the various communities during the period under review:

DORPER WIND FARM

Dorper Wind Farm takes a multi-pronged approach to local economic development commitments.

Their theory of change is rooted in the realisation that in order to catalyse an economically sustainable environment, you need to build a strong foundation for the future while also attempting to address the immediate needs of today. While they place emphasis on building for the future – they will continue to make efforts to contribute to the betterment of today for the communities within which they operate.

Dorper Wind Farm's Development Focus Areas are:

Building Socio-Economic Foundations through Education

To lay strong Socio-Economic Foundations by investing in all stages of the educational development of children – building a foundation of individuals that are eager, willing and motivated to be economically active and productive citizens. These initiatives include:

- Early childhood development
- Academic support
- Strategy and entrepreneurial mindset
- Arts and culture

Economic Stimulus through Skills Development and Entrepreneurial Support

To create short, medium and long-term economic stimulus by investing in skills development and entrepreneurial support – thereby catalysing the local economy, and catapulting youth from poverty into opportunity. These initiatives include:

- Bursary programme
- Learnership

- Internship
- Enterprise development

Legacy Preservation – Elderly and Community Welfare

To respect the legacy of the communities, by contributing to the overall welfare of the community, and particularly the wellbeing of the elderly. These initiatives include:

- The elderly
- Community welfare

The biggest challenge that confronts the Company is the poor quality of projects that the ED/SED team have been receiving from the beneficiary communities. The Company is taking corrective action in the form of mentorship and capacity development programmes.

JASPER SOLAR FARM

Jasper continues trying to make a difference where they can and to live up to their motto: "Committed in supporting Socio-Enterprise Development for the benefit of the community at large".

The five key areas are:

Infrastructure Development – Upgrading community facilities through construction and development.

Education – Empowering the youth to make better decisions in their daily lives in order to create a better future for themselves and their families.

Community Development – Making contributions in the local communities that lead to a more socially stable environment for families.

Sports Development Projects – Contributing towards the support of grassroots interventions for sporting achievement and personal development.

Health Projects – Making a positive impact through primary healthcare education, family planning, preventative programmes relating to HIV/AIDS and assistance to drug and alcohol centres.

Jasper was amongst others involved in the following projects:

PHUTHANANG CARE CENTRE

The Jasper Power Company, together with the Peace Humansrus Trust, have completed the build of the Phuthanang Care Centre, located in Thlakatlou, Daniëlskuil. Phuthanang, operating with the assistance of the Custoda Trust, was finally completed at the end of March 2021. The centre currently boasts a complement of 48 children, ranging from four months to four years old.

The goal of this centre is to provide the foundation phase in the education value chain, which begins from birth to the age of eight. Early Childhood Development Centre's take children on the first steps in a lifelong learning journey, by designing, studying, supporting, and scaling up programmes that enhance school readiness and long-lasting success.

The Phuthanang Care Centre is fully equipped with qualified teachers who are trained in ECD teaching, is well stocked with age-appropriate toys and learning materials. All children receive nutritious meals on a daily basis, are nurtured in quality Early Childhood Development, and it is hoped that the care they receive will have a profound effect on the development of these young children, along with life-changing benefits for the Daniëlskuil community.

Phuthanang's aim is to further bridge the gap as an integrated training centre, servicing the community through various outreach programmes. Therefore Phuthanang Care Centre will not only serve the community as an Early Childhood Development ("ECD") Centre, but also as a training centre in future for the community itself.

Postmasburg District Hospital

Jasper Power consider the health and well-being of the communities to be very important, as they continue providing support and assistance to Postmasburg Hospital. This 45-bed hospital remains severely understaffed. It is being manned by a small complement of 24 nurses, as well as seven doctors, only one of whom fills a permanent position. The facility is therefore severely short-staffed, and would greatly benefit from having double the current number of personnel.

Through Jasper Power's intervention, the stipends of two Postmasburg Hospital administrators have been paid since the start of their employment in 2016. They are much needed, in addition to their administration work, they assist with the admission of patients. In 2017 repairs in and around the paediatric ward were completed with the installation of 18 air-conditioning units in the paediatric ward, treatment room, medicine room, male ward, female ward, casualty, and the hospital's boardroom.

In 2019 Jasper Power refurbished the hospital's hot water system, installing new geysers and also purchasing much needed hospital linen and equipment.

Tsantsabane Drug and Alcohol Rehab Centre

Jasper Power pledged their support, through 2019 to 2020, to the work of the Tsantsabane Drug and Alcohol Rehab Centre – an outpatient rehabilitation facility operating within the Tsantsabane community. The centre was initiated by the Kolomela Iron Ore mine, and at times experiences severe funding shortages, which hampers the work it needs to perform.

This centre is an identified NGO, which fits in with Jasper Power's Socio-Economic Development strategy of helping to build and support communities. Jasper continues to assist the centre with various intervention programmes.

Jasper Power's ongoing assistance to the Tsantsabane Drug and Alcohol Rehab Centre enables us to support the community in terms of the local population's mental psyche, high levels of unemployment are adding to the high rate of drug and alcohol abuse in the area. This initiative affords the centre the help it needs to continue its valuable work, and the long-term drug rehabilitation programme is thereby available to those patients in dire need of the full period of six months.

SOUP KITCHENS: GROENWATER AND SKEYFONTEIN

The Groenwater and Skeyfontein soup kitchens are located within a 50 km radius of the Jasper Power Project, in Postmasburg. The local area has a large population which is dependent on the government grant, due to high levels of unemployment. The soup kitchens cater for ±100 beneficiaries in each community, which include children, as well as men, women and youth who are unemployed. The beneficiaries receive at least one nutritional meal per day, in an effort to restore their dignity.



SUSTAINABILITY (continued)

The Department of Social Development is the only funder of the soup kitchens, but its funding can only stretch to operational needs such as stipends for employees and purchasing monthly groceries. Jasper Power has come to the assistance of the soup kitchens, by purchasing much needed Jojo tanks, chairs, freezers and cupboards for groceries purchased by the Department of Social Development.

LESEDI SOLAR FARM

Lesedi has committed to broad-based community benefit in its Socio-Economic Development ("SED") programme over its 20-year project lifespan. The Project is committed to uplifting lives of impoverished communities by addressing their priority needs; such as education, health care, caring for the aged, youth development, infrastructure and other social welfare initiatives.

Lesedi was amongst others involved in the following projects:

SANITARY PAD DRIVE

In South Africa young girls often miss school and are forced to stay at home due to not being able to afford the monthly cost of purchasing sanitary pads. According to UNICEF one in 10 girls in school in Africa miss school or drop out due to their period. Often girls who cannot afford to purchase sanitary pads have to resort to using unsafe absorbent materials such as rags, newspaper or toilet paper.

Lesedi has funded an ongoing project to reduce school absenteeism of young girls enrolled from grade 7 to 12, and to improve the safe and hygienic disposal of sanitary waste.

In addition to providing a monthly supply of sanitary pads, Lesedi also provided female learners with a carry bag, a diary containing an instruction sheet and a cycle tracker. Nurses were also present at the initial distributions to create awareness on female hygiene. Lesedi also equipped all female toilets at the beneficiary schools

with sanitary bins to ensure learners have access to hygienic disposal facilities thereby reducing the improper disposal of sanitary waste.

Groenwater community water security project

The Groenwater community in the Northern Cape relies on boreholes as their main source of water. In the absence of functioning boreholes to supply clean water, the community can often go without water for a period of up to four days. This results in community members not having access to water for consumption, cooking, cleaning or washing. To ensure that the community has access to a sustainable supply of clean water, Lesedi undertook to install solar borehole pumping systems at three borehole sites in the Groenwater community. The design of the installation addresses various security measures to reduce the risk of theft and ensure the continued functioning of the boreholes to supply clean water to the community.

The project was a community-based project where only local labour were used, i.e. four skilled workers and seven unskilled workers. Lesedi expects that the community's involvement in this project would create a sense of ownership and accountability amongst community members.

LETSATSI SOLAR FARM

Letsatsi has committed to broad-based community benefit in its Socio-Economic Development ("SED") programme over its 20-year project lifespan. Letsatsi was amongst others involved in the following projects:

Early childhood development ("ECD") implements and compliance project

Due to the significant lack of investment in ECD centres across South Africa, ECD centres located in rural and/or peri urban-areas often operate as informal day care centres. These centres struggle to



afford to purchase basic educational resources and often are non-compliant with the Department of Social Development ("DSD").

Letsatsi's ECD development programme supports nine centres and includes assistance to ensure these ECDs are compliant with legislative requirements and thus qualify for the respective government operating subsidies/grants. Such grants support ECD running costs. All nine ECDs were supported with furniture, mattresses, fire extinguishers, HSE training, implements and learning material accompanied with 12-month practical training. A total of five ECDs received Prefab Nutrition Kitchens.

Ikgomotseng clinic "ideal clinic" status project

All public clinics have taken on the initiative of attaining the "ideal clinic" status as mandated by the Department of Health ("DoH"). This means that public clinics must work towards achieving the same level of service delivery as private clinics. However, public clinics face the challenge of a lack of resources and funds which makes it difficult to attain the "ideal clinic" status. The Ikgomotseng clinic is in Soutpan, Free State. The clinic serves between 1 800 and 2 000 people monthly and appeared to be a Reconstruction and Development Programme ("RDP") house that had been converted into a clinic, hence the facility was too small to accommodate all patients.

In partnership with the DOH and Boshoff Solar Plant, Letsatsi has undertaken extensive upgrades of the clinic to increase its capacity and achieve the ideal clinic status. The clinic has been provided with a pharmacy and dispensing area. Two additional consulting rooms have been constructed which allows for one consultation room to be used as a doctor's consultation and an emergency

room. The toilets have been upgraded for people who are disabled. An archive has been constructed to allow for confidential files to be stored safely and reduce the waiting time for patients. Additional renovations include a multifunctional room, sluice room, enlarged reception area, improved signage, security measures and upgrades to the parking area.

Ms Mochoane, the Operational Manager, thanked Letsatsi for the assistance they are giving to the clinic and commented that "Letsatsi should not only stop with us, they should continue helping our communities, so we can all attain the ideal clinic status. The work that is being done at the clinic is not for personal benefit, but for the legacy of Soutpan as a whole."

Environmental

Bird and bat monitoring continue to be undertaken at both the Dorper and Noblesfontein sites. No excessive mortalities were reported during the period under review.

A number of recommendations to improve the quality of reporting and carcass searching emanated from the five-year Wildskies report. These recommendations are in the process of being implemented.

At Mahube we are committed to promoting environmental, social and governance responsibility in all our investments and ESG considerations are incorporated in our investment analysis and decision-making. In selecting investments, we are conscious of the potential environmental as well as the socio-economic impact of the assets.





Lesedi Solar PV Farm

GOVERNANCE 4

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The Board provides strategic direction and leadership and monitors implementation of strategic objectives. It acts as the focal point for, and custodian of, corporate governance by managing its relationship with management, shareholders and other stakeholders of the Company.



Nomination Committee



Remuneration Committee



Audit and Risk Committee



Social and Ethics Committee



Transaction Committee

* Permanent invitees to all Committees of the Board.

EXECUTIVE MANAGEMENT



GONTSE SAMUEL MOSENEKE (41)

Chief Executive Officer

BSc (Statistics and Actuarial Science), MSc (Actuarial Management)

Skills brought to Mahube: Communication; financial management; corporate governance, board experience, business development, strategic leadership and corporate management.

APPOINTED: 1 July 2020



PETRO LEWIS (40)

Financial Director

CA(SA), BCom (Honours)

Skills brought to Mahube: Financial management, governance, financial reporting, board and committee experience.

APPOINTED: 1 July 2020

INDEPENDENT NON-EXECUTIVE DIRECTORS



KHALIPHA EDDIE MBALO (59)

Independent Non-Executive Chairperson
Television Engineering Certificate – NHK Institute: Japan

Skills brought to Mahube: Advisory, strategic leadership, governance, entrepreneurial, management, board and committee experience.

APPOINTED: 1 October 2015



KARÉN BREYTENBACH (64)

Independent Non-Executive Director
Master of Business Leadership, BCompt

Skills brought to Mahube: Project management, corporate advisory, strategic leadership, business development, infrastructure public private partnerships conceptualisation and design.

APPOINTED: 26 February 2020



SISANDA TUKU (43)

Independent Non-Executive Director
CA(SA), BCom (Honours)

Skills brought to Mahube: Operational, corporate advisory, business development, accounting and capital raising.

APPOINTED: 21 November 2016



THEMBANI BUKULA (58)

Independent Non-Executive Director
BSc (Eng); Post Graduate Diploma (Eng Bus Management); MSc (Math, Science and Technology Education)

Skills brought to Mahube: Engineering, strategic leadership, management, board and committee experience.

APPOINTED: 1 June 2017

INTRODUCTION

The Mahube Board is the custodian of corporate governance and plays a prominent role in the strategic development and risk management processes of the Company. The Board understands that adhering to the highest standards of corporate governance is fundamental to the sustainability of the Mahube business and continues to advocate strong ethics standards as the foundation for leadership accountability within the Company.

The Board supports the governance outcomes, principles, and recommended practices of King IV™ as appropriate for the Company. Through the application of the King IV™ principles, the Company aims to achieve the following governance outcomes: ethical culture, good performance, effective control, and legitimacy. The Board believes that these principles and recommended practices are integrated throughout the Company, supporting the achievement of King IV™ governance outcomes and confirms that the Company has in all material aspects applied the principles of King IV™. A report on the Company's application of the principles is available on its website.

This report is aimed at assisting stakeholders in assessing the Company's approach to corporate governance and application of the King IV™ practices and principles.

THE BOARD OF DIRECTORS

The Board is also responsible for the establishment and maintenance of the ethical culture of the Company. The Board determines the Company's strategic direction and regularly engage with Executive Management to understand the factors that are required to be considered to ensure sustainable strategies for the Company's business activities. Decisions, deliberations, and actions are taken with cognisance of the Company's ethical values and principles.

The Board is ultimately responsible to ensure that the Company's mission, vision, and objectives are ethically sound. Active measures are taken by the Board to ensure that ethical standards of the Company are adhered to, including implementing appropriate governance structures, policies and processes to support an ethical culture. The Social and Ethics Committee and Audit and Risk Committee each have acute focus on matters of ethics and governance.

As set out in the King IV™ Report, the Board appreciates that the Company's core purpose, its risks and opportunities, strategy, business model and sustainable development are all inseparable elements of its value-creation process. Decisions need to be made in an integrated manner, taking into account the effects of strategy on all stakeholders and the social, economic and environmental context.

BOARD COMPOSITION AND CHANGES THERETO

A key aspect of Mahube's governance philosophy is that no one individual has unfettered powers of decision-making. During the period under review the Board comprised six Directors, two of whom are Executive Directors and four of whom are Independent Non-Executive Directors. No appointments or resignations of Board members were recorded in the current period.

Each of the Directors brings to the Board a wide range of qualifications, expertise, commercial experience, and business acumen that allow them to exercise independent judgement in Board deliberations and decisions in directing Mahube's value-creation processes to ensure that they are sustainable for all stakeholders. All Directors receive regular briefings on changes in risks, laws and the business environment and have unrestricted access to management.

The Board, with the assistance of the Nomination Committee, annually considers the composition of the Board and was satisfied that it has the appropriate mix of knowledge, skills, experience, diversity, and independence to objectively discharge its governance role and responsibilities.

While retaining overall accountability and subject to matters reserved to itself, the Board has delegated to the CEO the authority to run and manage the day-to-day affairs of the Company. The CEO is held accountable through regular reports to the Board and is measured against agreed performance criteria, key performance indicators and objectives appropriate to the current stage in the business cycle.

The role of the Chairperson of the Board and the CEO are independent and not held by the same person, as clearly defined in the Board Charter, to further ensure that no individual has unrestricted decision-making power. During the period under review, Eddie Mbalo remained the Independent Chairperson of the Board and is responsible for leading the Board, while Gontse Moseneke, the CEO, is responsible for the executive management of the Company.

The Board considered the Chairpersonship of Eddie Mbalo and agrees that he is an Independent Non-Executive Director and remains the best person to lead the Company and the Board.

Non-Executive Directors bring an independent judgement to bear on issues of strategy, performance and resources and act in the interest of the Company's stakeholders. Executive Directors provide insight into day-to-day operations and are responsible for implementing strategy and all operational decisions.

The curriculum vitae of the members of the Board can be found on the Mahube website www.mahube.africa.

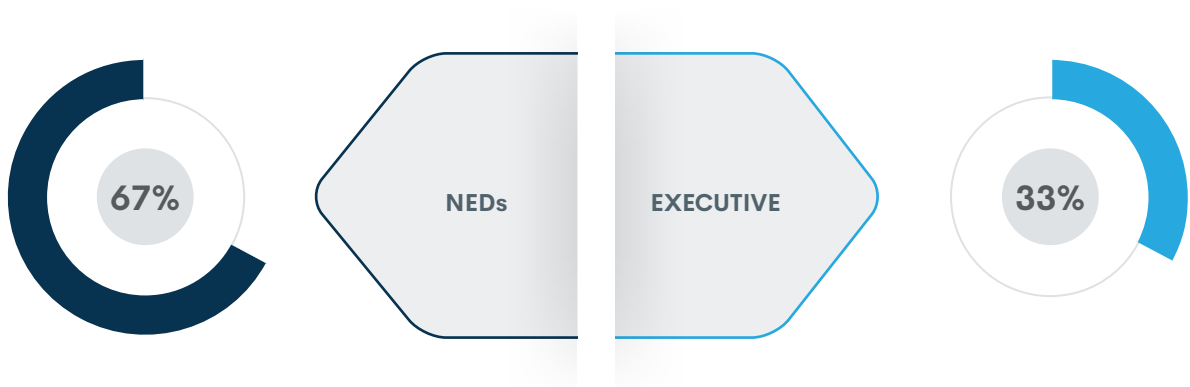
BOARD DIVERSITY

The Board promotes diversity through a variety of attributes including knowledge, skills, experience, age, culture, race, independence, and gender. During 2020, the Board adopted a Broad Diversity Policy to replace the previous Gender and Race Diversity Policy. The Board remains satisfied with its voluntary targets in respect of achieving broader diversity at Board level and

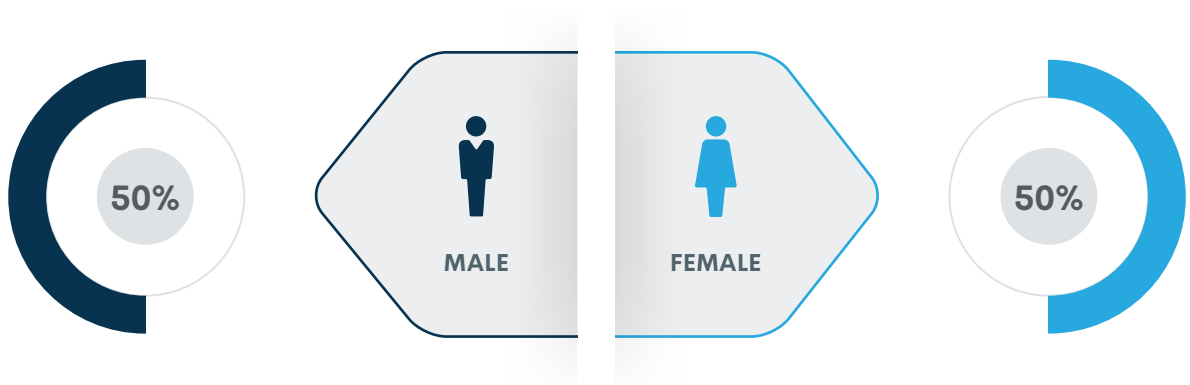
takes the policy into account when making Board appointments. The Board remained satisfied with the diversification of the Board through the appointments of Gontse Moseneke, Petro Lewis and Karén Breytenbach during 2020.

The Board comprises three female and three male members and retained its composition of 67% black Directors. All Board members are between their late thirties and early sixties.

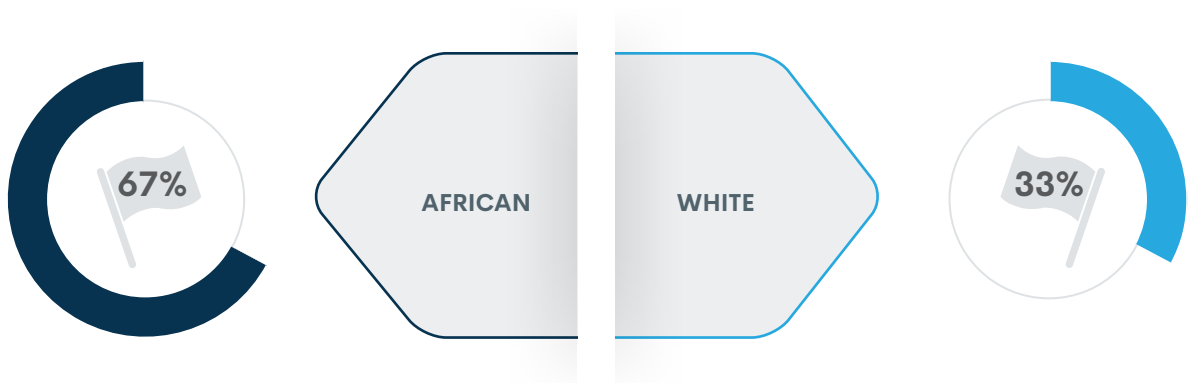
MIX



GENDER



DIVERSITY



INDEPENDENCE

All Directors have a duty to act with independence of mind and in the best interests of the Company. Directors are further required to declare any conflicts of interest in relation to matters on the agenda at Board meetings. Directors recuse themselves from discussion or decisions on matters in which they have a conflict of interest, subject to any other action required in terms of the Companies Act.

The classification of Independent Non-Executive Directors is determined by the Board and evaluated on an annual basis. In determining the independence of these Directors, and with due regard to the relevant criteria set out in King IV™, the Board Charter and the JSE Listings Requirements, character and judgement are considered, along with any relationships or circumstances that may affect their judgement.

Any term in office by an Independent Non-Executive Director exceeding a period of nine years is subject to a rigorous review by the Board. No Independent Non-Executive Director has been in office for a period exceeding nine years and therefore no independence assessment was required.

The Independent Non-Executive Directors are highly experienced and have the skills, background, and knowledge to fulfil their responsibilities and the Board remained satisfied with the independence of Sisanda Tuku, Eddie Mbalo, Thembanzi Bukula and Karén Breytenbach.

RESPONSIBILITIES OF THE BOARD

The Board Charter guides Directors on the Board's responsibilities, authority, composition, meetings and need for performance evaluations. The Board Charter is reviewed annually to ensure that it is aligned with the principles and practices recommended by King IV™ in addition to other regulatory and legislative requirements.

The Board has oversight of the application of corporate governance principles, supported by specific statutory and other Board Committees. The provisions set out in the Companies Act, King IV™ and regulatory requirements have been applied to the delegation of authority of the Board Committees in assisting the Board with specific duties and functions.

Board meetings are held at least quarterly, with additional meetings called when necessary. The quorum for meetings is a majority of Directors.

The responsibilities of the Board include:

- ethically leading the Company for sustainability in terms of the economy, environment, and society, taking account its impact on internal and external stakeholders;
- strategically direct, control, set the values, align management to the latter and promote the stakeholder-inclusive approach of governance;

- determining the strategy and strategic objectives of Mahube;
- ensure that the Company is and is seen to be a responsible corporate citizen;
- providing ethical leadership and direction to Mahube in all matters by ensuring the Company's ethics are managed effectively through building an ethical culture, setting ethics standards, measuring adherence and incorporating ethics into its risk management, operations, performance management and disclosure;
- ensuring that Mahube has an effective and independent Audit and Risk Committee and Remuneration Committee;
- monitoring that Mahube complies with all relevant laws, rules, codes and standards of business practice through a Compliance Framework;
- reporting on the effectiveness of internal controls; and
- determine and set the tone of Mahube's values.

Key focus areas of the Board in the year included:

- response to Covid-19;
- evaluating the B-BBEE strategy and implementation thereof;
- internalisation of the management agreement; and
- development and approval of a new Company strategy.

KING IV™ AND GOVERNANCE

The King IV™ Report advocates an outcomes-based approach, and defines corporate governance as the exercise of ethical and effective leadership toward the achievement of the following governance outcomes:

- Ethical culture;
- Good performance;
- Effective control; and
- Legitimacy.

The application of the King IV™ principles and recommended practices is on an apply and explain basis and are entrenched in many of the Company's internal controls, policies and procedures governing corporate conduct. The Board is satisfied that in the main, Mahube has applied the principles set out in King IV™.

The Board continually assesses the Company's governance practices and procedures to make timeous adjustments where necessary.

APPLICABLE GOVERNING FRAMEWORKS

Mahube complies with:

- the Companies Act No 71 of 2008, as amended (the Companies Act);
- the JSE Listings Requirements;
- relevant statutes and regulatory requirements applicable to South African companies;
- the regulations of its Memorandum of Incorporation; and
- other authoritative directives regulating its conduct.

SHAREHOLDERS AND OTHER STAKEHOLDERS

THE BOARD

EXECUTIVE MANAGEMENT

GONTSE MOSENEKE (CEO) *Appointed: 1 July 2020*

PETRO LEWIS (FD) *Appointed: 1 July 2020*

INDEPENDENT NON-EXECUTIVE DIRECTORS

EDDIE MBALO (Chairperson) *Appointed: 1 October 2015*

SISANDA TUKU *Appointed: 21 November 2016*

THEMBANI BUKULA *Appointed: 1 June 2017*

KARÉN BREYTENBACH *Appointed: 26 February 2020*



Audit and Risk Committee



Social and Ethics Committee



Remuneration Committee



Nomination Committee



Transaction Committee

Sisanda Tuku
(Chairperson)

Thembani Bukula
Karén Breytenbach

Eddie Mbalo
(Chairperson)

Thembani Bukula
Karén Breytenbach

Thembani Bukula
(Chairperson)

Eddie Mbalo
Sisanda Tuku

Eddie Mbalo
(Chairperson)

Thembani Bukula
Sisanda Tuku
Karén Breytenbach

Sisanda Tuku
(Chairperson)

Thembani Bukula
Karén Breytenbach

INVITEES

Gontse Moseneke

Petro Lewis

Company Secretary

External auditors

Internal auditors

Gontse Moseneke

Petro Lewis

Company Secretary

Gontse Moseneke

Petro Lewis

Company Secretary

Gontse Moseneke

Petro Lewis

Company Secretary

Gontse Moseneke

Petro Lewis

Company Secretary

NUMBER OF INDEPENDENT NON-EXECUTIVE DIRECTORS PER COMMITTEE

3/3

3/3

3/3

4/4

3/3

Executive management

INDEPENDENT ADVICE

The Board recognises that there may be occasions where Directors consider it necessary to take independent professional advice. This is done at the Company's expense according to an agreed procedure.

DIRECTORS' ATTENDANCE AT BOARD MEETINGS

Following the outbreak of the Covid-19 pandemic and the resultant national lockdown restrictions imposed on the country, Mahube transitioned seamlessly to video and tele-conferencing for Board and Committee meetings.

Attendance at Board and Committee meetings for the financial year ended 28 February 2022 are set out below:

Director	Board (3 meetings)*	Audit and Risk Committee (3 meetings)	Remuneration Committee (1 meeting)	Social and Ethics Committee (1 meeting)	Nomination Committee (0 meeting)	Transaction Committee (9 meetings)
Eddie Mbalo (Chairperson)	3/3	NR	1/1	1/1	0/0	NR
Thembani Bukula	3/3	3/3	1/1	1/1	0/0	9/9
Sisanda Tuku	2/3	3/3	1/1	NR	0/0	9/9
Karén Breytenbach	3/3	3/3	NR	1/1	0/0	9/9
Gontse Moseneke	3/3	3/3	1/1	1/1	0/0	7/9
Petro Lewis	3/3	3/3	1/1	1/1	0/0	9/9
Company Secretary	3/3	3/3	1/1	1/1	0/0	9/9

* Although the Board of directors meets on a quarterly basis, the last quarter's meeting was postponed by a few days and occurred early in the new financial year. Therefore only 3 meetings shown for FY2022.

Attendance not required ("NR").

BOARD COMMITTEES

The Board Charter allows for the delegation of responsibilities to committees formed by it to assist it in the execution of its duties, power, and authorities. The Board acknowledges that the delegation of authority to its committees does not detract from the Board's responsibility to discharge its fiduciary duties to Mahube.

The Companies Act and the JSE Listings Requirements also dictate the formation of certain committees as well as their composition and statutory mandates. The Board has delegated additional responsibilities to these committees, over and above their prescribed mandates. The Board presently has four standing committees, namely the Audit and Risk Committee, the Social and Ethics Committee, the Remuneration Committee, and the Nomination Committee. The Board has also established a Transaction Committee which assists the Board on an ad hoc basis on matters falling within its mandate.

Delegation of authority to a sub-committee is set out in the terms of reference for that committee. The terms of reference also set out, inter alia, the composition, purpose, powers and authority of the committee, the scope of its mandate and its relationship to the Board; the committee's access to the Company's records, employees, and any other resources necessary to discharge its duties and responsibilities; and the prescribed frequency of attendance at and procedure to be followed in meetings. The terms of reference of the various committees are reviewed annually and any changes are approved by the Board. Only Directors are appointed as members of the committees, with members of

Executive Management attending committee meetings as standing invitees. Each committee's terms of reference detail the role, functions, and responsibilities of the committee. Each committee's terms of reference set out the delegated authority in respect of decision-making, responsibility, and fulfilment of its duties.

As provided for in these committees' terms of reference, members of the Social and Ethics Committee, Remuneration Committee and Nomination Committee are appointed by the Board for an indefinite period, provided that if a member ceases to be a director that member will simultaneously cease to be a member of the committee. The Board has the power to remove any members of a committee and to fill any vacancies created by such removal. Members of the Audit and Risk Committee are elected annually by shareholders and their tenure is accordingly from one Annual General Meeting to the next. Vacancies on the Audit and Risk Committee may be filled in terms of the provisions of the Companies Act. Each committee's terms of reference detail the process for reporting to the Board. The Social and Ethics Committee is required in terms of the regulations to the Companies Act to report to shareholders at the Annual General Meeting on the matters within its mandate, which it does.

A self-assessment was completed in October 2021 for the Remuneration Committee by completing a self-assessment questionnaire. The overall feedback from the Committee members were that they were satisfied with the performance of the Committee, quality of interaction with the Board and executive Board, rigour of debate and willingness to take unpopular decisions. It confirmed that

GOVERNANCE STRUCTURE (continued)

there was a clear Terms of Reference document, quality Chairmanship, and that members had the appropriate skills, experience and knowledge to perform their duties. The self-assessments for the Nomination Committee, Audit and Risk and Social and Ethics Committees are planned for the third quarter of the 2022 calendar year. Attendance schedules for committee meetings held in FY2021 and the qualifications and experience of each of the committee member are set out respectively on pages 34 and 35 of this report.

DIRECTOR APPOINTMENTS

The Non-Executive Directors have no fixed terms of appointment as they are subject to appointment and reappointment by the shareholders.

Appointments to the Board are formal and transparent. After review, proposals for election/re-election to the Board are recommended by the Nomination Committee and are considered by the Board as a whole, subject to the approval/ratification of shareholders. All recommended director appointments are subject to background and reference checks.

Mahube's MOI provides that, at every AGM of the Company, one-third of the Non-Executive Directors shall retire from the Board by rotation. If eligible, such Directors may offer themselves for re-election. If a Director is appointed as an Executive Director or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation. At the upcoming Annual General Meeting of shareholders, Themban Bukula will be retiring in accordance with the provisions of the Company's MOI but is eligible and available for reappointment. The Nomination Committee, taking into consideration the past performance and contributions of Themban Bukula, and has recommended that he is eligible for re-election.

Non-Executive Directors are required to dedicate sufficient time to Mahube Board matters. They may serve on other boards, provided that such other appointments do not create a conflict of interest or interfere with their duties to the Mahube Board, but rather afford the ability to add value by bringing a broader perspective to Board deliberations.

BOARD EVALUATION

The Board, through its Company Secretary, performed evaluations of the performance of the Board and of the individual Directors during the reporting period and the Board was satisfied with the results and outcome of the evaluation.

DEALING IN SECURITIES AND INSIDER TRADING

Mahube has a share dealing policy in line with the Listings Requirements and the Financial Markets Act. Closed periods are implemented as per the Listings Requirements, during which the Company's Directors, Executives and Company Secretary are not

allowed to deal in Mahube shares. Additional closed periods are enforced should Mahube be subject to any corporate activity requiring a cautionary announcement. All dealings in shares of Mahube by Directors are reported on the JSE Limited Stock Exchange News Service ("SENS") within 72 hours of the trade.

There were no share dealings for the period under review.

Directors are aware that when a matter is considered by a Board in which they individually have a direct or indirect interest, this should be disclosed prior to the Board meeting. These disclosures are noted by the Board when necessary and recorded in the minutes of a Board meeting.

All Directors, officers and employees of the Company are advised of closed and prohibited periods in terms of the requirements of the JSE. Directors, employees, consultants and agents are prohibited from trading in the Company's securities during closed and prohibited periods.

Director interest in securities is available on page 98 of the report.

RISK GOVERNANCE

Risk governance and management are integral elements of the Company's governance framework. The Company ensures that business-specific risks are adequately and timeously identified and mitigated, whether they are operational, strategic or emerging risks, or risks posed by the external environment. The responsibility of designing, implementing and monitoring the risk management plan is delegated to management and the Audit and Risk Committee. The overall risk profile of the Company has not changed materially in the period under review. The Board confirms that the Company's risk management, mitigation and monitoring processes were effective and limited the impact of risks on the business during the period. For detail on the material risks and issues facing the Company, and how these inform the Company's strategy, please refer to page 16 of this report.

POLITICAL PARTY SUPPORT

The Company does not, as a principle, donate to political parties, neither is it affiliated to any specific political party.

COMPANY SECRETARY

All Directors have access to the advice and services of the Company Secretary, Fusion Corporate Secretarial Services Proprietary Limited ("Fusion"), who was assessed during the financial year as being competent, suitably qualified, and experienced. Neither the Company Secretary, nor any of its representatives, are Directors of the Company and accordingly maintain an arm's length relationship with the Board. Furthermore, the Board is of the opinion that there were no direct or indirect relationships between the Company Secretary and any of the

Board members which could comprise an arm's length relationship with the Board.

While not a member of the Board, the Company Secretary is responsible for engaging with the Board Chairperson and committee chairs on meeting agendas, ensuring compliance with Board and committee procedures, terms of reference, and relevant legislation and regulations. In addition to the statutory duties of the Company Secretary, the Company Secretary supports the Board as a whole, and Directors individually, by providing guidance on how to fulfil their related responsibilities in the best interests of Mahube.

The certificate that the Company Secretary is required to issue in terms of section 88(2)(e) of the Companies Act is on page 63 of the report.

IT AND INFORMATION GOVERNANCE

The Audit and Risk Committee is responsible for IT governance on behalf of the Board and reviews the reports from Management and

external assurance providers to ensure that an adequate and effective IT system is maintained. Management is responsible for the implementation of an IT governance framework for the Company to ensure that IT expenditure and investments in IT infrastructure are managed effectively and are aligned with business objectives.

GOING CONCERN

The Board considers and assesses Mahube's going concern basis in the preparation of the Interim and Annual Financial Statements. In addition, the solvency and liquidity requirements per the Companies Act are considered. The Board is satisfied that Mahube will continue as a going concern into the foreseeable future.

MATERIAL LITIGATION

During the financial year, Mahube was not involved in any material litigation or arbitration proceedings nor are the Directors aware of any pending or threatened legal issues, which may have a material impact on Mahube's financial position.



Dorper Wind Farm

REMUNERATION COMMITTEE REPORT

The objective of this report of the Remuneration Committee (the "Committee") is to provide an overview and understanding of Mahube's remuneration philosophy and to report on the remuneration paid to Executive Directors and the Non-Executive Directors.

COMPOSITION AND MEETING ATTENDANCE

During the period under review the Committee comprised the following members:

- Independent Non-Executive Director Thembani Bukula (Chairperson)
- Independent Non-Executive Director Sisanda Tuku
- Independent Non-Executive Director Eddie Mbalo

The Board is satisfied that the members of the Committee have the necessary skills and experience to enable the Committee to fulfil its duties. An overview of the Directors' qualifications and experience appear on page 34 of the Integrated Annual Report.

In line with the recommended practices of King IV™, the Chairperson of the Board of Directors is a member of the Committee but is not its chairperson. The CEO and the FD attend the meetings of the Committee as standing invitees but recuse themselves from the meeting before decision-making pertaining to their remuneration, including bonuses.

The number of meetings and attendance per Committee member, during the period under review, is shown in the corporate governance section of the Integrated Annual Report on page 40.

ROLE AND RESPONSIBILITIES

The Committee is responsible for overseeing the governance of remuneration matters. It is specifically responsible for ensuring that the Company remunerates its Executive Directors fairly and responsibly, and that the remuneration policies in place serve the Company's long-term interests. In discharging its responsibility, the Committee reviews the remuneration policy and its implementation on an annual basis. The remuneration policy and implementation report are outlined in the remuneration report, on page 44 of the Integrated Annual Report.

The Committee operates under terms of reference that are aligned with the recommendations of King IV™ and are reviewed on a regular basis. In addition to the above, the Committee's duties and responsibilities include:

- ensuring, in consultation with the Nominations Committee, that formal succession plans for the Board of Directors, the CEO and the FD are in place;
- reviewing other remuneration-related matters, as the Board of Directors direct may from time to time;
- ensuring that the Directors and Executives are fairly and responsibly remunerated and that the disclosure in respect

thereof is accurate and transparent. The Committee does this by overseeing the implementation of remuneration policies in relation to the Executive Directors and the Non-Executive Directors, reviewing the outcomes of the implementation of these policies and evaluating whether they promote the achievement of the Company's strategic objectives and encourage high individual performance. Where circumstances necessitate, the Committee recommends to the Board of Directors appropriate improvements in the remuneration structure;

- considering the results of the CEO and the FD evaluations in determination of bonus awards.

ACTIVITIES DURING THE YEAR

The Committee met once during the year and focused on:

- overseeing executive management's engagement with shareholders regarding the Company's remuneration policy and implementation report;
- reviewing the Committee's terms of reference;
- assessing the outcome of the Committee's self-evaluation;
- overseeing the development of a staff incentive scheme, which is earmarked to be a key instrument in the Company's revised strategic direction;
- considering the human capital requirements of the Company;
- assessment of the proposed revisions to fees payable to the Non-Executive Directors prior to recommending to the Board of Directors and then to shareholders for approval.

In its assessment of the proposed revisions to the remuneration to be payable to Non-Executive Directors, the Committee considered the proposed new fee structure against a benchmark of the Company's peers. The proposed increments are reasonable when compared to the remuneration paid by peer companies to their Non-Executive Directors.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

PLANNED FOCUS AREAS FOR FY2023

Future focus areas include the finalisation and implementation of a staff incentive scheme that will enable the Company to award short-term incentives and long-term incentives, which it can use to attract and retain experienced and skilled personnel. This will also help the Company to adopt and implement a sound succession plan.

The Committee has considered the impact of the King IV™ Report on the remuneration policy as well as the amended JSE Listings Requirements and present this report in three parts:

- **Part 1:** the background statement, the remuneration philosophy and the context of the decisions and considerations taken during the reporting year which influenced the remuneration outcomes.

REMUNERATION COMMITTEE REPORT (continued)

- **Part 2:** Mahube's remuneration policy.
- **Part 3:** the disclosure on the implementation of the remuneration policy during the year.

PART 1: BACKGROUND STATEMENT

Remuneration philosophy

The Board has delegated to the Committee to review the Company's remuneration policy. The remuneration policy has been formulated with Mahube's key objectives in mind. For the Company to be able to achieve these objectives, it requires experienced and skilled personnel that the Company can hire, retain and incentivise them to work diligently to deliver on achieving these objectives. This requires the Committee to ensure that all of Mahube's remuneration and reward offerings are commercially sound, market competitive and at all times adhere to all legal and regulatory prescripts. The Committee assists the Board of Directors by applying a remuneration strategy that ensures a balance in attracting, motivating, rewarding, and retaining key personnel through competitive remuneration practices, while creating shareholder value. In determining remuneration, the Committee takes into account the financial performance of the Company, operational requirements and future plans of the Company, as well as the interests of the shareholders. The Committee formulated a remuneration policy designed to give

effect to the remuneration strategy and to support Mahube's business and strategic objectives.

Voting results and shareholder engagement

At the Company's AGM that convened on 31 August 2021 (the "2021 AGM"), the Company's remuneration report was presented and voted on in sections, namely:

Remuneration policy – not approved due to being supported by no more than 49.49% (2021: 59.89%) of the Company's shareholders who voted.

Remuneration implementation report – not approved due to being supported by no more than 49.49% (2021: 59.89%) of the Company's shareholders who voted.

The dissenting votes on both resolutions exceeded 25%. Even though the resolutions were advisory and do not have binding legal implications on the Company, the Board of Directors fittingly tasked the management to engage the dissenting shareholders post the 2021 AGM in order to understand the reasons for their lack of support on the two resolutions. The outcome of these engagements resulted in several refinements to the remuneration policy, including but not limited to:

Shareholder feedback	Mahube's action taken or response to feedback
Development and implementation of short-term incentives and long-term incentives, in order to attract and retain a skilled winning team	The Company developed a Long-term Incentive Scheme and a Short-term Incentive Scheme for consideration and subsequent implementation
Targets for the current executives were yet to be set	Targets for all current executives were reviewed and set
Review CEO and FD performance	Feedback confirmed that there was a misalignment between targets and performance due to the restructuring of the Company which has not yet come to fruition. Total scoring of FD on overall performance was 74% and on the CEO 68%.
The Key Performance Areas and Key Performance Indicators with the weighting needs to be allocated to the respective executives while being expanded appropriately, to cover the remaining period of the current financial year and FY2022	Key performance areas and indicators together with weightings were developed, reviewed and implemented for all executives

The remuneration policy and the remuneration implementation report will again be tabled for separate non-binding advisory votes by shareholders at the Company's forthcoming AGM. The Board of Directors commits to take measures in the event that either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the voting rights exercised, which measures will provide for taking steps in good faith and with best reasonable effort to:

- engage the dissenting shareholders in order to ascertain the reasons for their lack of support; and

- seek appropriate and lawful means to address legitimate and reasonable objections and concerns raised, which may include amending the remuneration policy, or clarifying and adjusting remuneration governance and/or processes.

PART 2: REMUNERATION POLICY

Overview of the remuneration policy

A copy of the full remuneration policy is available on request from the Company Secretary and for inspection at the Company's registered offices or available on the Company's website (www.mahube.africa).

REMUNERATION COMMITTEE REPORT (continued)

Fundamental principles

The Committee focuses on ensuring that the Company's remuneration policy and framework is appropriate and relevant based on key principles including:

- to align to the Company's business strategy;
- to support the human capital strategy of the business of the Company;
- to appropriately remunerate employees for the services they render to the Company;
- to encourage and promote a high-performance culture;
- to remain flexible and adaptable to business requirements in a dynamic market environment;
- to meet and comply with applicable legislative requirements and best practice;
- to manage risk and adhere to corporate governance prescripts; and
- to achieve a fair, transparent, equitable and responsible remuneration framework.

Remuneration practices

Mahube's remuneration practices include the following procedures:

- benchmark remuneration packages against the market;
- provide an appropriate level of transparency;
- annually conduct performance assessments for all the Executive Directors and the Non-Executive;
- the annual adjustment will be guided by, amongst some factors, the general price inflation, the Company's retention strategies, the financial performance of the Company relative to its peers, projected growth, and industry average increase surveys, which are taken into consideration when assessing recommended increases;
- the Committee is afforded the requisite independence on matters of remuneration governance.

Executive Directors

Executive Directors are full-time employees of the Company and, as such, each has an employment agreement that is subject to, amongst others, the Company's standard conditions of service, with a notice period that does not exceed three months. Unless otherwise stated in the contract of employment, there are no fixed terms of employment.

The objective of the Company's remuneration policy is to attract and retain, amongst others, high-calibre executives, as well as to motivate and reward them for developing and implementing the Company's strategy to deliver consistent and sustainable shareholder value, while promoting an ethical culture and corporate citizenship. During the period under review, the remuneration for the CEO and the FD consisted of only the base salary.

Short-term incentives and long-term incentives

During the period under review, the Company did not have an incentive scheme in place that it is able to implement. Notwithstanding, the Company has designed a scheme that aligns with its strategy of establishing a Black Asset Manager to manage its business. The intention is for the Black Asset Manager to adopt and implement the incentive scheme that has been designed, and then to use it to award short-term incentives and long-term incentives. Consequently there were no short-term incentives nor long-term incentives paid for the period under review.

Elements of remuneration

The Company has adopted an integrated approach to rewarding its employees based on the following principles:

- Total Guaranteed Package, being guaranteed base salary;
- Incentive-based rewards, being incentives earned through the achievement of financial and non-financial performance targets;
- Short-term incentives, being cash bonuses quantified with reference to a percentage of annualised total guaranteed pay, and subject to achievement of positive profitability by the Company;
- Long-term incentives, being equity value-based awards that are used to align the long-term interests of the recipients with those of the Company and of its shareholders, and which are responsibly implemented so as not to expose shareholders to unreasonable or unexpected financial impact. During the period under review the Company did not have any long-term incentive plans in place. In addition the Company does not have any post-retirement obligations;
- Executive Directors do not receive Directors' fees for attending meetings of the Board of Directors nor meetings of the Committees of the Board.



Letsatsi Solar Farm

REMUNERATION COMMITTEE REPORT (continued)

Details of Executive Directors' remuneration for the year under review are provided in the implementation report below.

The table below provides a detailed breakdown of the elements of employee remuneration for the Company:

Remuneration element	Component	Component description and intent	Delivery mechanism
Fixed remuneration	Base salary	The employee receives a fixed amount of remuneration, which is benchmarked against the median remuneration amount paid by other South African companies of comparable size, scope, and business complexity. The base salary amount reflects the nature of the role, and the employee's skill and experience.	Total Guaranteed Package
	Benefits	When the Company elects to put these in place, the benefits may include retirement provision, health, and other life insurance protection (including protection against dread diseases, death, and disability), all to be included in the TGP on a total cost to company approach.	Total Guaranteed Package
Variable remuneration	Short-term incentives ("STI")	These are cash bonuses intended to align the interests of all employees (including the Executives) with profitable trading by the Company. The quantification of the actual bonus amount payable to an employee seeks to encourage a high-performance culture by rewarding individual out performance against key performance indicators (both financial and non-financial) that would have been pre-agreed for the period under review.	Staff Incentive Scheme – Bonus Pool
	Long-term incentives ("LTI")	LTI enables employees (including the Executive) to participate in the wealth that they create in the Company progressively over the long term, and to so participate equitably in comparison to the shareholders and other stakeholders. It is a mechanism to promote a long-term commitment to the Company by employees. A high-performance culture is similarly encouraged by rewarding individual outperformance against the financial and non-financial performance indicators that would have been pre-agreed for the period under review.	Staff Incentive Scheme – Equity-linked Units + Share Subscription Plan

NON-EXECUTIVE DIRECTORS

Terms of service

The Board, through the Nominations Committee, proposes the election and re-election of Non-Executive Directors to shareholders. No Director is appointed for an indefinite period and accordingly, in terms of the provisions of the Company's memorandum of incorporation, one-third of the Non-Executive Directors retire by rotation each year at the Company's AGM. At the upcoming AGM, Thembanzi Bukula retires by rotation and being eligible will be standing for re-election.

BASIS OF REMUNERATION

In terms of the Companies Act, fees for Non-Executive Directors for their services as Directors must be put to shareholders for approval by special resolution. At the AGM held on 31 August 2021, the resolution relating to Non-Executive Directors' remuneration was presented to shareholders and approved by 97.51% of shareholders present and voting.

The following pertains to Non-Executive Directors' fees:

- Non-Executive Directors fees will be tabled for shareholder approval on an annual basis at the Company's AGM;
- Board retainer fees, as well as fees for attendance of Board and Committee meetings are paid quarterly and in arrears;

REMUNERATION COMMITTEE REPORT (continued)

- Non-Executive directors are remunerated per meeting attended, in accordance with the attendance fees for scheduled meetings as approved by shareholders at the AGM;
- Attendance of ad hoc or special purpose committee meetings as appointed by the Board shall be rewarded on the basis applicable to an existing committee, whose purpose must closely relate to that of the particular purpose or ad hoc committee;
- Fees for special assignment of one or more tasked members of the Board or of any Committee, which may also include travel locally and abroad, are to be agreed upfront with the Chairperson of the Board;
- Travel, fares and reasonable subsistence shall be in line with the Company's relevant policies; and
- Non-Executive Directors and members of the Committee complete detailed self-evaluations, which are collated and tabled at the Board.

PART 3: IMPLEMENTATION REPORT

Executive Director remuneration

The Company has followed the King IV™ recommendation and disclosed the single figure remuneration for the Executive Directors' remuneration for FY2022. The total remuneration outcomes are reflected in note 20 of the Annual Financial Statements, comprising salary and benefits for FY2022.

NON-EXECUTIVE DIRECTOR REMUNERATION

There are no short-term incentives, long-term incentives nor pension benefits applicable to Non-Executive Directors.

Fees for FY2022

The actual fees paid to the Company's Non-Executive Directors during the period under review were as follows:

Rand	FY2022
Independent Non-Executive Directors	
E Mbalo	241 400
T Bukula	384 358
K Breytenbach	301 611
S Tuku	429 155
Total	1 356 524

Fees beyond FY2023

A special resolution relation to the payment of the Non-Executive Directors' remuneration will be tabled to shareholders at the upcoming AGM. The fees proposed are tabled below:

Rand	Proposed	2021
Retainer		
Chairperson	79 161	74 680
Non-Executive Director	79 161	74 680
Attendance fees per meeting		
Board Chairperson	24 079	22 716
Board Non-Executive Director	13 194	12 447
Audit and Risk Committee Chairperson	17 588	16 592
Audit and Risk Committee Member	13 194	12 447
Nomination Committee Chairperson	17 588	16 592
Nomination Committee Member	13 194	12 447
Social and Ethics Committee Chairperson	17 588	16 592
Social and Ethics Committee Member	13 194	12 447
Remuneration Committee Chairperson	17 588	16 592
Remuneration Committee Member	13 194	12 447
Special/Ad Hoc Committee Chairperson	17 588	16 592
Special/Ad Hoc Committee Member	13 194	12 447

Directors' shareholding in the ordinary share capital of the Company

Directors' interests in shares on page 98.

Changes in Directors' and their associates' shareholding subsequent to the reporting date

The Committee and the Board are not aware of any changes in the Directors and their associates' shareholding subsequent to the report date.



Thembani Bukula

Chairperson of the Remuneration Committee

30 June 2022

The Social and Ethics Committee ("the Committee"), is a formal Committee operating in accordance with a Board-approved mandate and assists the Board with monitoring, developing, reviewing, and improving Mahube's social, ethical and sustainability practices. In addition to its statutory responsibilities, the Board assumes responsibility for ensuring that the Company's ethics are effectively managed, which it does through exercising ethical leadership, integrity, and judgement in directing the Company. Employees, Directors, and other stakeholders of the Company are in turn expected to act in a manner that upholds the Company's values as contained in the Mahube code of business conduct and ethics ("the code"). The purpose of the code is to set the standards for conducting the business of the Company and applies to all activities undertaken on behalf of the Company.

This report outlines how the Committee has discharged its responsibilities as set out in section 72 of the Companies Act and regulation 43 of the Companies Regulations 2011 issued in terms of the Companies Act and its terms of reference.

COMMITTEE COMPOSITION AND MEETING ATTENDANCE

The Committee comprises three suitably skilled and experienced members appointed by the Board, all of whom are neither involved in the day-to-day management of Mahube's business nor been so involved at any time during the previous four financial years. During the period under review the Committee comprised the following members:

- Independent Non-Executive Director Eddie Mbalo (Chairperson);
- Independent Non-Executive Director Karén Breytenbach; and
- Independent Non-Executive Director Thembanani Bukula.

Their qualifications and experience are available on page 34 of the Integrated Annual Report.

In accordance with its terms of reference, the Committee meets at least twice annually, but more often if necessary. The number of meetings and attendance per Committee member are shown in the corporate governance section on page 40.

The CEO, FD, and the Company Secretary (who acts as the secretary of the Committee) are permanent invitees at the meetings.

ROLE AND RESPONSIBILITIES

The Committee's role and responsibilities are governed by a formal Terms of Reference, as approved by the Board and which is subject to annual review by the Board. A copy thereof is available on the Company's website.

In discharging its duties, the Committee gives regard to:

- the 10 principles set out in the United Nations Global Compact;
- the OECD recommendations regarding corruption;
- the Employment Equity Act;
- the Broad-Based Black Economic Empowerment Act;
- good corporate citizenship;
- environment, health, and public safety; and
- labour and employment.

The responsibilities of the Committee include:

- Monitoring activities relating to social and economic development, good corporate citizenship, the environment, and health and public safety;
- Monitoring functions required in terms of the Companies Act and its regulations;
- Monitoring changes in the application and interpretation of empowerment charters and codes;
- Reporting, through the Chairperson of the Committee, to the shareholders at the Company's Annual General Meeting on any part of the business of the meeting that concerns the Committee's functions;
- Determining clearly articulated ethical standards (Code of Business Conduct and Ethics, conflict of interest, anti-fraud) to be adopted by the Company, thus achieving a sustainable ethical corporate culture. This includes management of potential and actual conflicts of interest, fraud and corruption;
- Monitoring and overseeing sustainability matters including ESG matters;
- Oversee the implementation of King IV™ as it pertains to social and ethics issues; and
- Ensuring that the Company's ethics are managed effectively.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.

FY2022 FOCUS AREAS

- Oversaw and monitored the implementation of the Company's various policies and procedures dealing with ethics, social and economic development, good corporate citizenship and sustainable development;
- Monitored the impact of the Covid-19 pandemic on the Company's investments and its employees; and
- Developed a POPI Policy.

PLANNED FY2023 FOCUS AREAS

Going into the 2023 financial year the Committee will:

- Continue to monitor the impact of the Covid-19 pandemic on the Company's investments, its employees, and the communities within which the Company operates;
- Focus on skills development of employees; and
- Implementing initiatives to improve Mahube's B-BBEE credentials.

SOCIAL AND ETHICS COMMITTEE REPORT (continued)

SOCIO-ECONOMIC DEVELOPMENT: COMMUNITY, SOCIAL AND ENVIRONMENTAL ISSUES

Mahube is intent on being an active corporate citizen in the communities in which it is invested. The Committee is satisfied with the contributions made to the various projects during the year, the successful implementation of various activities and the positive impact thereof on the communities.

For more on information the socio-economical and environmental development of our asset-operating companies, refer to the sustainability reporting on page 28.

WHISTLEBLOWING

Mahube endeavours to promote a culture of openness and transparency within the Company and, as such, employees and other stakeholders are encouraged to report unethical conduct and other transgressions. The Committee remained satisfied with the current whistle-blowing guidelines and procedures for reporting suspected instances of corruption, as outlined on the Company's website at mahube.africa.

As the Company expands, the Committee will consider outsourcing the whistle-blower function to an independent service provider.

COMPLIANCE

In terms of the JSE Listings Requirements, the Committee confirms that it has during the reporting period fulfilled its mandate as prescribed by the Companies Act and its regulations and that there were no material instances of non-compliance.



Eddie Mbalo

Social and Ethics Committee Chairperson

30 June 2022



Dorper Wind Farm

The Nominations Committee ("the Committee"), is a formal Committee operating in accordance with a Board-approved mandate and assists the Board as an overseer and a maker of recommendations to the Board for its consideration and final approval. The Committee does not assume the functions of Management, which remain the responsibility of the Executive Directors, officers and other members of the Senior Management.

The role of the Committee is to assist the Board to ensure that:

- 1.1 the Board has the appropriate composition for it to execute its duties effectively;
- 1.2 Directors are appointed through a formal process;
- 1.3 induction and ongoing training and development of Directors take place; and
- 1.4 formal succession plans for the Board, Chief Executive Officer and Senior Management appointments are in place.

This report outlines how the Committee has discharged its responsibilities as set out in section 72 of the Companies Act and regulation 43 of the Companies Regulations 2011 issued in terms of the Companies Act and its terms of reference.

COMMITTEE COMPOSITION AND MEETING ATTENDANCE

The Committee comprises three suitably skilled and experienced members appointed by the Board, all of whom are neither involved in the day-to-day management of Mahube's business nor been so involved at any time during the previous four financial years. During the period under review the Committee comprised the following members:

- Independent Non-Executive Director Eddie Mbalo (Chairperson);
- Independent Non-Executive Director Sisanda; and
- Independent Non-Executive Director Thembani Bukula.

Their qualifications and experience are available on page 34 of the Integrated Annual Report.

In accordance with its terms of reference, the Committee meets at least twice annually, but more often if necessary. The number of meetings and attendance per Committee member are shown in the corporate governance section on page 40.

The CEO, FD, and the Company Secretary (who acts as the secretary of the Committee) are permanent invitees at the meetings.

ROLE AND RESPONSIBILITIES

The Committee's role and responsibilities are governed by a formal Terms of Reference, as approved by the Board and which is subject to annual review by the Board. A copy thereof is available on the Company's website.

The Committee must perform all the functions necessary to fulfil its role as stated above and including the following:

1. Ensure the establishment of a formal process for nominating, electing and appointment of Directors, including:
 - 1.1 identification of suitable members of the Board;
 - 1.2 performance of reference and background checks of candidates prior to nomination;
 - 1.3 ensuring that the identified candidate(s) meet the appropriate fit and proper criteria;
 - 1.4 formalising the appointment of Directors through an agreement between the Company and the Director; and
 - 1.5 consider the appropriate balance in regard to diversity, mix of skills and experience of the Board and committees.
2. Oversee the development of a formal induction programme for new Directors.
3. Ensure that inexperienced Directors are developed through a mentorship programme.
4. Oversee the development and implementation of continuing professional development programmes for Directors.
5. Ensure that Directors receive regular briefings on changes in risks, laws, and the environment in which the Company operates.
6. Consider the performance of Directors individually and of the Board as a whole and take steps to remove Directors who do not make an appropriate contribution.
7. Find and recommending to the Board a replacement for the Chief Executive Officer when it becomes necessary.
8. Ensure that formal succession plans for the Board, Chief Executive Officer and Senior Management appointments are developed and implemented.
9. Review and recommend the Board Diversity Policy and review the status of promotion of diversity attributes such as culture, age, field of knowledge, skills and experience, and that the Company publish its performance against the Board Diversity Policy annually.

NOMINATIONS COMMITTEE REPORT (continued)

FY2022 FOCUS AREAS

- Oversaw and monitored the implementation of the Company's Diversity Policy.
- Made recommendations to the Board of Directors on the rotation of Non-Executive Directors to rotate at the Annual General Meeting.

PLANNED FY2023 FOCUS AREAS

Going into the 2022 financial year the Committee will:

- Review the Diversity Policy.
- Make recommendations to the Board of Directors on the rotation of Non-Executive Directors to rotate at the Annual General Meeting.
- Ensure succession plans are put in place for Senior Management.

Review the performance of the Chief Executive Officer.

COMPLIANCE

In terms of the JSE Listings Requirements, the Committee confirms that it has during the reporting period fulfilled its mandate as prescribed by the Companies Act and its regulations and that there were no material instances of non-compliance.



Eddie Mbalo

Nominations Committee Chairperson

30 June 2022



Letsatsi Solar Farm

These Annual Financial Statements were compiled internally by the Financial Director, Petro Lewis CA(SA) and approved by the Board.

These Annual Financial Statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

ANNUAL FINANCIAL STATEMENTS

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AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee (the "Committee") has pleasure in submitting its report, describing how it discharged its duties assigned in terms of the Companies Act No 71 of 2008, as amended (the "Companies Act"), and the additional duties assigned to it by the Board, in respect of the financial year ended 28 February 2022.

COMPOSITION AND MEETING ATTENDANCE

The Committee is a statutory committee of the Company, responsible for the statutory duties outlined in section 94(7) of the Companies Act, as well as other duties as contemplated in the King IV™ Report on Corporate Governance for South Africa, 2016 ("King IV™"), assigned to it by the Board.

As at 28 February 2022, the Committee consisted solely of Independent Non-Executive Directors being:

- Sisanda Tuku (Chairperson)
- Thembani Bukula (Member)
- Karén Breytenbach (Member)

The Committee members' qualifications and experience appear on page 34 of the Integrated Annual Report.

The Committee meets at least three times a year. The CEO, the FD, the external auditors and the Company Secretary attend all meetings by permanent invitation. The number of meetings and attendance per Committee member during the period under review is shown in the corporate governance section on page 40.

The re-election of these Committee members, which has received the support of the Nomination Committee and the Board, is subject to the approval of shareholders at the upcoming Annual General Meeting (the "AGM").

ROLE AND RESPONSIBILITIES

The Committee's role and responsibilities are governed by formal terms of reference as approved by the Board and which are subject to annual review. A copy of the Committee's terms of reference is available on the Company's website.

The Committee assists the Board in discharging its duties related to:

- statutory duties in terms of the Companies Act;
- the auditors and external audit;
- reporting and accountability;
- legislation and regulations;
- policies and procedures;
- combined assurance;
- risk management and insurance;
- internal audit and internal controls;
- FD and finance function;
- financial statements; and
- information and technology governance.

ACTIVITIES DURING THE PERIOD UNDER REVIEW

The principal matters attended to by the Committee during the year included:

Effectiveness of internal controls

The Committee considered the effectiveness of the Company's systems of internal controls, including business risk management and internal financial controls and recommended to the Board that it issues a statement as to the adequacy of the Company's internal control environment.

The Committee was satisfied that there were no material breakdowns in the functioning of the internal financial controls during the year under review.

External auditors and non-audit services

BDO South Africa Incorporated was appointed in the 2021 financial year as the Company's external auditors and the Committee will recommend the re-appointment of the auditors at the AGM. The Committee assessed the independence, suitability, and accreditation of the audit firm and was satisfied with same. In addition, the Committee considered the Independent Regulatory Board for Auditors' latest findings report and the latest inspection reports and summary of internal review findings in terms of paragraph 22.15(h) of the JSE Listings Requirements.

Subject to the approval of the shareholders at the AGM, Mr Mohamed Zakaria Sadek will oversee the audit process as senior audit partner of BDO South Africa Incorporated for the financial year ending 28 February 2023. In the opinion of the Committee, Mr Sadek is sufficiently independent of the Company.

The Committee also considered and approved the fees for the 2022 financial year's audits and will assess and determine the fees to be paid to the external auditor, the terms of engagement and the nature and extent of any non-audit services and related fees that the external auditor may provide to the Company going forward.

The external auditors are afforded unrestricted access to the Company's records and management are invited to present to the Committee any significant issues arising from the annual audit. In addition, the designated audit partner, where necessary, raises matters of concern directly with the Chairperson of the Committee.

During the period under review the external auditors did not render any non-audit services to the Company.

Annual Financial Statements and Integrated Annual Report

The Committee reviewed the accounting treatments and the appropriateness of the accounting policies, and any changes thereto, and the Annual Financial Statements of the Company. It is satisfied that they are appropriate and comply with IFRS. There were no changes in the accounting policies.

The Committee recommended the Annual Financial Statements for the year ended 28 February 2022 to the Board for approval. The Board approved these Annual Financial Statements on or about 30 June 2022. The Annual Financial Statements will be open for discussions at the AGM. The Chairperson of the Committee, and in the instance of her absence, the other members of the Committee, will attend the AGM to answer questions falling under the mandate of the Committee.

Solvency and liquidity and going concern

The Committee reviewed quarterly assessments by management of the going concern premise of the Company before recommending to the Board that the Company will be a going concern in the foreseeable future.

The Committee reviews all proposed distributions to shareholders in terms of sections 44, 45 and 46 of the Companies Act, recommending such distributions to the Board for consideration, subject to the Company meeting the requirements of the solvency and liquidity test, as outlined in the Companies Act.

Evaluation of the expertise and adequacy of the FD and the finance function

Petro Lewis was appointed as the FD of the Company with effect from 1 July 2020, following the resignation of the former CEO, Prudence Lebina, with effect from 26 June 2020. Ms Lebina fulfilled the functions of both CEO and FD in line with dispensation granted by the JSE Limited in this regard, up to her resignation.

The Committee considered and satisfied itself of the appropriateness of the expertise and adequacy of resources within the Company's finance function and that of the FD and reviews her performance on annual and ongoing basis.

The Committee is satisfied that the Company has established appropriate financial reporting procedures and that such procedures are operating satisfactorily.

Risk management oversight, including information and technology governance

The Committee is responsible for reviewing the effectiveness of systems for internal control, financial reporting and financial risk management and considering the major findings of any internal investigations into control weaknesses, fraud or misconduct and management's response thereto. The Committee relied on the work of the Social and Ethics Committee on the non-financial related risk areas.

The policies on risk management, including the risk management framework and risk register, is in process of being updated and aligned to the Company's restructuring strategy. Information on risk management is disclosed on page 16 of the Integrated Annual Report, including the top risks pertaining to capital raising and the share price trading below the net asset value per share.

A whistle-blower process is in place, as outlined on the Company's website. There were no matters reported through the whistle-blower process during the year under review.

The Committee periodically reviews the Company's maturity in respect of IT governance by considering reports from management in this regard.

AUDIT AND RISK COMMITTEE REPORT (continued)

KEY AUDIT MATTERS

The Committee has applied its mind to the key audit matters identified by the external auditors and is comfortable that they have been adequately addressed and disclosed. The valuations of investments at fair value through profit and loss was the singular key audit matter identified by the external auditors which required significant judgement.

FY2022 FOCUS AREAS

- Updating of the risk register and risk management framework in line with Company's revised strategy: The risk register was reviewed and updated to be aligned with the approved strategy for the financial year and approved by the Board of Directors
- Review by the internal auditors of effectiveness of disaster recovery plan ("DRP") and IT security measures implemented by management: The internal audit was placed on hold until finalisation of the restructuring process, however a review was done by the Committee on the effectiveness of the internal controls and found to be adequate and effective

FY2023 FOCUS AREAS

- Revenue recognition in accordance with IFRS 15
- Valuation of investments – measured at fair value through profit and loss
- Investment entity consolidation exemption application – IFRS 10
- Taxation – compliance with the relevant legislation
- Compliance with loan covenants
- Update the risk register after completion of the restructure process
- Review and implement the internal audit function after completion of the restructure process

An important function of the Committee is the oversight and monitoring of the effective functioning of the internal auditors.

The internal audit function provides information to assist in the establishment and maintenance of an effective system of internal control to manage the risks associated with the Company. The role of internal audit is contained in the internal audit charter. The charter is reviewed annually and is aligned with the recommendations of King IV™.

Internal audit facilitates the combined assurance process and is responsible for the following:

- evaluating governance processes, including ethics;
- assessing the effectiveness of the risk methodology and internal financial controls; and
- evaluating business processes and associated controls in accordance with the annual audit plan and combined assurance model.

Whilst the Company previously engaged the services of Ngubane and Company to conduct an internal audit in terms of an agreed scope, the engagement was placed on hold in view of the implementation of the Company's revised strategy. There the internal audit function was not in place for the year under review. This remains one of the focus areas for FY2023.

PROACTIVE MONITORING

The Committee considered the 2021 JSE Report on JSE Proactive Monitoring, issued November 2021 and has taken the appropriate action to apply the most relevant findings when preparing the Annual Financial Statements.

COMPLIANCE

The Committee is responsible for reviewing any major breach of relevant legal and regulatory requirements. The Committee is satisfied that there has been no material non-compliance with laws and regulations during the current reporting period. The Committee confirms that it has fulfilled and reported on its obligations in terms of paragraph 3.84(g) of the JSE Limited Listings Requirements.

CONCLUSION

The Committee is committed to ensure that the financial results of Mahube fairly represent the performance of the Company and that adequate controls are maintained over the next financial year.



Sisanda Tuku

Chairperson of the Audit and Risk Committee

30 June 2022

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Board of Directors ("the Board") is required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Annual Financial Statements fairly present the state of affairs of Mahube Infrastructure Ltd as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

The Annual Financial Statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Board acknowledges that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Board is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Board has reviewed the Company's cash flow forecast for the year to 28 February 2023 and, in light of this review and the current financial position, they are satisfied that the Company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Company's Annual Financial Statements. The Annual Financial Statements have been examined by the Company's external auditors and their report is presented on pages 64 to 66.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements set out on pages 67 to 96, which have been prepared on the going concern basis, were approved by the Board of Directors on 30 June 2022 and were signed on their behalf by:



Khalipha Eddie Mbalo
Authorised Director
Chairperson of the Board



Sisanda Tuku
Authorised Director
Chairperson of the Audit and Risk Committee

The Directors submit their report on the Annual Financial Statements of Mahube Infrastructure Limited for the year ended 28 February 2022.

1. CORPORATE INFORMATION

The Company is domiciled in South Africa, and listed on the Main Board of the JSE Ltd.

The address of the registered office is:

3rd Floor, Penthouse 5, 4 The High Street, Melrose Arch, 2196

Mahube was incorporated on 16 April 2015 and successfully listed as a special purpose vehicle on the Main Board of the JSE on 12 November 2015. The Company is focused on investing in emerging Southern African infrastructure assets, specifically in the energy, transportation, water and sanitation sectors. The Company aims to be a leading investment company of infrastructure assets in South Africa. The Company's investment philosophy is to invest in infrastructure assets that are operational or near operational, offer low risk and yield uncorrelated inflationary linked returns.

The Company makes substantially all its investments through its wholly owned subsidiary Mahube Capital Fund 1. The two companies have the same investment objectives.

On 20 December 2016, the Company acquired (through Mahube Capital Fund 1) an effective see through economic interest of 25.2% in Dorper Wind Farm for a consideration of R501 million and transaction costs of R11.6 million ("Dorper Acquisition"). On completion of the Dorper Acquisition, the Company transferred to the Investment Services sector on the Main Board of the JSE. The investment in Dorper Wind Farm was through a subscription of shares in Renewable Energy G (Pty) Ltd ("Renewable Energy G").

Effective 12 December 2018, Mahube Capital Fund 1 diversified its investment portfolio by converting its convertible loan to Renewable Energy G into indirect minority interests in three renewable energy projects, being Jasper (4.0%), Lesedi (5.3%), and Letsatsi (5.3%) Solar PV Farms. The Company's shareholding in Renewable Energy G is currently 33%.

Effective 19 September 2017, Mahube Capital Fund 1 acquired C Preference Shares in Mahube Infrastructure Investment for an aggregate subscription price of R130 million and, as a result, acquired an effective economic interest of 15.4% in the combined distributions linked to the ordinary shares and shareholder loan claims against Coria (PKF) Investments 28 (RF) (Pty) Ltd ("Noblesfontein Wind Farm").

In addition, Mahube Capital Fund 1 entered into funding agreements with South African Renewable Green Energy (Pty) Ltd ("SARGE") whereby Mahube Capital Fund 1 subscribed for A Preference Shares and B Preference Shares in SARGE for an aggregate subscription price of R58 million (the "SARGE Transaction"). As a result of the SARGE Transaction, Mahube Capital Fund 1 acquired a further effective economic interest of 4.3% of the distributions linked to the ordinary shares in the Noblesfontein Wind Farm.

Mahube Capital Fund 1 obtained funding to facilitate, *inter alia*, its subscription for the Mahube Infrastructure Investment C Preference Shares; and subscription for the SARGE Preference Shares by way of the issue, by it, of A Preference Shares and B Preference Shares to RMBIA for an aggregate subscription price of approximately R188 million in terms of the Mahube Capital Fund 1 Preference Share Subscription Agreement.

In February 2022 the board of directors has resolved to the restructure of the share capital of Mahube Capital Fund 1 as follows:

- Mahube Capital Fund 1 subdivides its current issued 1 000 ordinary shares into 13 787 750 ordinary shares;
- Mahube Capital Fund 1 amends its memorandum of incorporation to create a new class of shares in its authorised share capital, being N shares; and
- Mahube subscribes for 55 151 000 N shares at a subscription price by set off against a portion of its outstanding shareholder loan to Mahube Capital Fund 1.

The Company owns 100% Equity interest in Mahube Asset Management, Mahube is currently the sole shareholder of Mahube Asset Management, in which it previously subscribed for one ordinary no-par value share for an amount of R5 000. Mahube further subscribed for five new ordinarily no-par value shares at R20 000 per share in order to capitalised the company with a total initial amount of R105 000.

The Annual Financial Statements for the year ended 28 February 2022 were authorised for issue in accordance with a resolution of the Board of Directors on or about 30 June 2022.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The Annual Financial Statements have been prepared on the going concern basis and in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS"), International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these Annual Financial Statements, the Companies Act 71 of 2008 of South Africa, as amended and the JSE Listings Requirements.

These Annual Financial Statements comply with the requirements of the Financial Reporting Pronouncement as issued by the Financial Reporting Standards Council. The accounting policies have been applied consistently compared to the prior year.

Mahube adopted and continues to apply the net asset value ("NAV") measurement for Trading Statement purposes.

The Company is focused on investing in emerging Southern African infrastructure assets, specifically in the energy, transport, water and sanitation sectors. The Company aims to be a leading investment company of infrastructure assets in South Africa. The Company's investment philosophy is to invest in infrastructure assets that are operational or near operational, offer low risk and yield uncorrelated inflationary linked returns.

On listing, the Company issued 55 150 000 shares at R10 per share, thereby raising R551.5 million.

The principal activities of the Company are that of an investment company and the purpose of listing was to give institutional investors access to an attractive alternative asset class that is usually only accessed through illiquid private equity investments. The investments are not held indefinitely and if not exited earlier in the secondary market through a trade sale or private placement, they will be held until the end of the power purchase or concession agreements of the investee companies, post which the Company will liquidate the investee companies when the underlying assets cease to generate cash flows.

Investment strategy

Mahube's investment strategy is to invest in large-scale operational assets that meet the following criteria:

- Target investment return of CPI + 6% (before costs) over the term of the offtake/concession agreement;
- Operational or six months to commercial operation;
- Low risk, inflation linked and predictable long-term cash flow generation profiles; and
- Acceptable third-party credit risk exposure.

Mahube will invest directly or indirectly into ordinary equity or any other financial instruments that yield our target investment return. In addition, Mahube will pursue value adding management and directorship roles to optimise the potential of all the underlying assets.

Salient features of the Company

- Dividends received up 1.6% to R55.8 million from R54.9 million in the comparative period last year;
- Total revenue up 76.6% to R78.9 million in comparison to R44.7 million for the comparative period last year, due to a favourable adjustment to financial assets measured at fair value;
- Basic earnings and headline earnings per share up to 118.9 cents per share in comparison to 21.7 cents for the comparative period last year;
- Tangible NAV per share at R11.21 compared to R10.63 in the comparative period last year; and
- Final cash dividend declaration of 32.00 cents per share.

Commentary

The Company's underlying investments performed well for the financial year ended 28 February 2022 delivering stable dividend income. There was an increase in dividend income to R55.8 million from R54.9 million in the comparative period. The Company's total revenue for the year increased by 76.6% to R78.9 million compared to R44.7 million in the previous year. This increase in revenue was the result of the favourable change in the fair value of the financial assets. The favourable adjustment was caused mainly by future expectations of the interest rate being higher than expected in the previous period.

Operating expenses for the period decreased to R12.9 million compared to R14.3 million in the corresponding period. This is mainly due to no management fee being incurred in the financial year as well as success on cost saving initiatives undertaken during the period.

The tangible net asset value per share of the Company increased from R10.63 in the comparative period to R11.21 in the current period as a result of the increase in the fair value of the investments held by the Company. Basic and headline earnings per share increased from 21.71 cents in the comparative period to 118.93 cents per share in the current period. The increase resulted mainly from the favourable fair value adjustment as well as the avoidance of a once-off R18.0 million fee that the Company incurred in the comparative period for the termination of the management services agreement with the erstwhile investment manager.

3. INVESTMENT PORTFOLIO

Mahube's current portfolio of operational assets, the majority of which are held through Mahube Capital Fund 1, a wholly owned subsidiary of the Company, continues to perform to expectation. Some variability around the predicted average resource was experienced, but the expected distributions were in line with long-term forecasts.

Mahube is indirectly invested in five Renewable Energy Independent Power Producer Procurement Programme ("REIPPPP") assets. Below is a summary of the diversified investment portfolio:

Investment	Instrument	Asset exposure	Effective interest %	End of power purchase agreement
Renewable Energy G	Equity	Dorper Wind Farm	9.9	July 2034
Renewable Energy G	Equity	Jasper Solar PV Farm	4.0	December 2034
Renewable Energy G	Equity	Lesedi Solar PV Farm	5.3	June 2034
Renewable Energy G	Equity	Letsatsi Solar PV Farm	5.3	June 2034
Mahube Infrastructure Investment	C – preference shares	Noblesfontein Wind Farm	15.4	August 2034
South African Renewable Green Energy (Pty) Ltd	A & B – preference shares	Noblesfontein Wind Farm	4.3	August 2034
Noblesfontein Educational Trust	Loan	Noblesfontein Wind Farm	n/a	n/a

4. STATED CAPITAL

There have been no changes to the authorised or issued stated capital during the year under review or in the prior year.

The authorised stated capital of the Company comprises 6 000 000 000 (2021: 6 000 000 000) ordinary shares at no par value.

The issued stated capital of the Company comprises 55 151 000 (2021: 55 151 000) no par value shares.

5. DIVIDENDS

The Company's dividend policy is to pay a consistent and stable inflationary linked return. At its discretion, the Board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board may forego the payment of dividends.

An interim cash dividend of 28.00 cents per share, for the six months ended 31 August 2021, was paid in December 2021. The final gross cash dividend of 32.00 cents per share brings the total dividend for the 2022 financial year to 60.00 cents per share (2021: 50.00 cents per share).

Dividend tax will be withheld from the amount of the gross interim and final dividend at a rate of 20% unless a shareholder qualifies for exemption. The Company had a total of 55 151 000 shares in issue at the declaration date.

DIRECTORS' REPORT (continued)

6. DIRECTORATE

The Directors in office at the date of this report are:

Directors	Office	Appointed
Khalipha Eddie Mballo	Independent Non-executive Chairperson	1 October 2015
Sisanda Tuku	Independent Non-Executive Director	21 November 2016
Thembanani Bukula	Independent Non-Executive Director	1 June 2017
Karén Breytenbach	Independent Non-Executive Director	26 February 2020
Gontse Samuel Moseneke	Chief Executive Officer	1 July 2020
Petro Lewis	Financial Director	1 July 2020

7. DIRECTORS' INTERESTS IN SHARES

The following Directors held direct or indirect beneficial interest in the Company's ordinary shares:

Director name	Nature of interest	Number of shares	% shareholding
2022			
Gontse Samuel Moseneke	Indirect beneficial through an associate company – Encha Infrastructure Investments (Pty) Ltd where GS Moseneke is a director.	330 544	0.6
2021			
Gontse Samuel Moseneke	Indirect beneficial through an associate company – Encha Infrastructure Investments (Pty) Ltd where GS Moseneke is a director.	330 544	0.6

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

8. PROPERTY, PLANT AND EQUIPMENT

There was no change in the nature of the property, plant and equipment of the Company or in the policy regarding their use.

Property, plant and equipment is made up of leasehold property, furniture and fittings and computer equipment.

9. SPECIAL RESOLUTIONS

No special resolutions, the nature of which might be significant to the shareholders in their appreciation of the state of affairs of the Company, were made by the Company during the period covered by this report.

10. EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any material event which occurred after the reporting date and up to the date of this report.

11. GOING CONCERN

The Board believes that the Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the Annual Financial Statements have been prepared on a going concern basis. The Company has satisfied itself that the Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Company is not aware of any new material changes that may adversely impact the Company. The Company is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company. For further information on the going concern assessment, refer to note 21 in the Annual Financial Statements.

DIRECTORS' REPORT (continued)

12. AUDITORS

BDO South Africa Incorporated continued as auditors for the Company for 2022 with Z Sadek as designated audit partner for the current financial year ended 28 February 2022.

13. SECRETARY

The Company Secretary is Fusion Corporate Secretarial Services (Pty) Ltd.

Postal address: PO Box 68528
Highveld
Pretoria
0169

Business address: Suite E014
Midlands Office Park East
Mount Quray Street
Midlands Estate
Midstream
1692

14. DIRECTORS' FEES

Refer to note 19 in the Notes to the Annual Financial Statements.

15. PREPARER

These Annual Financial Statements were compiled and prepared internally by the FD, Petro Lewis CA(SA), and approved by the Board.

16. LEVEL OF ASSURANCE

These Annual Financial Statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008 and in compliance with the Company's Memorandum of Incorporation.

CEO AND FD'S RESPONSIBILITY STATEMENT

The Directors, whose names are stated below, hereby confirm that:

- (a) the Annual Financial Statements set out on pages 67 to 96, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- (b) no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;
- (c) internal financial controls have been put in place to ensure that material information relating to the issuer have been provided to effectively prepare the financial statements of the issuer; and
- (d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of King IV™. Where we are not satisfied, we have disclosed to the Audit Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.¹



Gontse Moseneke

CEO



Petro Lewis

FD

30 June 2022

1. Whilst the Directors are aware of their responsibility to communicate such fraud incidents to the Audit and Risk Committee and auditors, no incidents of such fraud were identified for communication during the year under review.

COMPANY SECRETARY'S CERTIFICATION

Declaration by the Company Secretary in respect of section 88(2)(e) of the Companies Act

In terms of section 88(2)(e) of the Companies Act of South Africa 71 of 2008, as amended, I certify that, to the best of my knowledge, the Company has lodged all such returns and notices as are required of a public company for the year ended 28 February 2022 and that all such returns are true, correct and up to date.



Fusion Corporate Services (Pty) Ltd

Company Secretary

30 June 2022

INDEPENDENT AUDITOR'S REPORT

for the year ended 28 February 2022



To the Shareholders of Mahube Infrastructure Limited
Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of Mahube Infrastructure Limited (the Company) set out on pages 67 to 96, which comprise the statement of financial position as at 28 February 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mahube Infrastructure Limited as at 28 February 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors ("IRBA Code") and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide an opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of the financial assets through profit or loss</p> <p>As disclosed in note 5, the company holds an investment in Mahube Capital Fund RF 1 (Pty) Ltd ("Capital Fund").</p> <p>The valuation of Capital Fund is derived from the valuations of its underlying investments.</p> <p>Management uses discounted cash flow models in determining the fair value of the financial assets in the underlying entities to perform the valuation models for all the investments.</p> <p>The value of the investment in Capital Fund is directly impacted by the assumptions, estimates and judgements applied in the valuations of the investments held by Capital Fund.</p> <p>The valuation requires significant estimation and judgement to be applied by management in the key assumptions underlying the valuations such as the forecasted cash flows, growth rates and the discount rates used.</p>	<p>In considering the appropriateness of management's judgement and estimates used in determining the valuation of the financial assets, we performed the following audit procedures:</p> <ul style="list-style-type: none"> Assessed the design and implementation of key controls in the valuation process performed by management; We held discussions with management to obtain an understanding of the process applied by them to determine the value of the financial asset and to ensure compliance with IFRS; We assessed the valuation model methodology to be in line with generally accepted valuation methodology being a discounted cash flow model and the consistency of the model used in the current year with the prior year;

BDO South Africa Incorporated
 Registration number: 1995/002310/21
 Practice number: 905526
 VAT number: 4910148685

B Mokoena
 Chief Executive Officer

A full list of all company directors is available on www.bdo.co.za

The company's principal place of business is at The Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

INDEPENDENT AUDITOR'S REPORT (continued)

for the year ended 28 February 2022

Key audit matter	How our audit addressed the key audit matter
<p>The valuation of the investment was a matter of most significance to the current year audit due to the following:</p> <ul style="list-style-type: none"> the significant level of assumptions, estimates and judgement applied by management, in relation to forecasted revenue growth, forecasted utilisation rate, discount rate and dividend policy assumptions; and the significance of the amount to the financial statements. <p>Refer to note 5: Financial assets of the financial statements for the disclosure on the financial assets at fair value through profit or loss and the fair value information to the financial statements.</p> <p>The value of the investment at year end is R561.7 million (2021: R539.6 million).</p>	<ul style="list-style-type: none"> We tested the mathematical accuracy of the financial forecast model used by management to calculate the cash flows attributable to the holding of the financial asset; We assessed the discount rate used by management for reasonability by independently recalculating the range of acceptable discount rates using the latest available market data; We compared forecasted revenue growth during the remainder of the power purchase agreement to confirm that it is in line with current market indicators, including the price index; We have validated the key inputs applied in the financial forecasts, including the power purchase agreements and significant contractual expenses; We have performed sensitivity analysis disclosed in the financial statements to determine the impact thereon should the key assumptions change and to assess the adequacy of the disclosures as required by IFRS; and We evaluated the adequacy of disclosures in the financial statements in terms of International Financial Reporting Standards.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Mahube Infrastructure Limited Annual Financial Statements for the year ended 28 February 2022", which includes the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, and the Integrated Annual Report which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

for the year ended 28 February 2022

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated is auditing Mahube Infrastructure Limited for two years.



BDO South Africa Incorporated

Registered Auditors

MZ Sadek

Partner

Registered Auditor

30 June 2022

Wanderers Office Park

52 Corlett Drive

Illovo, 2196

STATEMENT OF FINANCIAL POSITION

for the year ended 28 February 2022

	Notes	2022 R	2021 R
Assets			
Non-current assets		567 726 818	546 395 009
Property, plant and equipment	3	90 438	204 406
Right-of-use assets	4	422 934	986 846
Financial assets	5	567 095 341	545 089 756
Deferred tax	6	118 105	114 001
Current assets		52 477 519	41 862 577
Trade and other receivables	7	26 316 111	35 521 805
Cash and cash equivalents	8	26 161 408	6 340 772
Total assets		620 204 337	588 257 586
Equity and liabilities			
Equity		618 489 150	585 987 648
Stated capital	9	545 851 762	545 851 762
Retained income		72 637 388	40 135 886
Liabilities			
Non-current liabilities		–	561 081
Lease liabilities	4	–	561 081
Current liabilities		1 715 187	1 708 857
Lease liabilities	4	561 081	633 146
Tax payable		175 114	122 270
Trade and other payables	10	978 992	953 441
Total liabilities		1 715 187	2 269 938
Total equity and liabilities		620 204 337	588 257 586

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 28 February 2022

	Notes	2022 R	2021 R
Dividends received	11	55 800 719	54 923 679
Net gain/(loss) from financial assets at fair value through profit or loss	11	22 161 727	(11 759 129)
Interest income	11	918 913	1 492 163
Other income	11	–	6 384
Revenue	11	78 881 359	44 663 097
Other operating expenses	12	(12 972 858)	(14 344 289)
ManCo termination fee	18	–	(18 000 000)
Operating profit before finance cost and taxation		65 908 501	12 318 808
Finance costs	13	(116 525)	(188 581)
Profit before taxation		65 791 976	12 130 227
Taxation	14	(199 874)	(154 692)
Profit for the year		65 592 102	11 975 535
Basic and diluted earnings per share (cents)	17	118.93	21.71

There was no other comprehensive income in the current or prior year.

STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2022

	Notes	Stated capital R	Retained income R	Total equity R
Balance at 1 March 2020		545 851 762	46 360 181	592 211 943
Profit for the year		–	11 975 535	11 975 535
Dividends paid	24	–	(18 199 830)	(18 199 830)
Balance at 28 February 2021		545 851 762	40 135 886	585 987 648
Profit for the year		–	65 592 102	65 592 102
Dividends paid	24	–	(33 090 600)	(33 090 600)
Balance at 28 February 2022		545 851 762	72 637 388	618 489 150

STATEMENT OF CASH FLOWS

for the year ended 28 February 2022

	Notes	2022 R	2021 R
Cash flows generated from/(used in) operating activities			
Cash generated from operations	15	52 794 147	(4 584 718)
Finance costs paid	13	(116 525)	(188 581)
Tax (paid)/received	16	(151 135)	2 098
Dividends paid	24	(33 090 600)	(18 199 830)
Net cash generated from/(used in) operating activities		19 435 887	(22 971 031)
Cash flows generated from investing activities			
Purchase of property, plant and equipment	3	–	(44 999)
Receipts from loan to Noblesfontein Educational Trust	21	1 122 895	672 592
Increase in investment in financial assets	5	(105 000)	–
Net cash generated from investing activities		1 017 895	627 593
Cash flows used in financing activities			
Capital payments on lease liabilities	4	(633 146)	(512 065)
Net cash used in financing activities		(633 146)	(512 065)
Total cash movement for the year		19 820 636	(22 855 503)
Cash at the beginning of the year		6 340 772	29 196 275
Total cash at the end of the year	8	26 161 408	6 340 772

SIGNIFICANT ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Annual Financial Statements are set out below.

1.1 Statement of compliance

The Annual Financial Statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS"), International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these Annual Financial Statements, the Companies Act 71 of 2008 of South Africa, as amended and the JSE Listings Requirements.

These Annual Financial Statements comply with the requirements of the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

1.2 Basis of preparation

The Annual Financial Statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out. Specifically refer to 1.3.2.2 where management applied judgment in terms of IFRS 10 and concluded that the Company meets the IFRS 10 requirements of an investment entity. Based on the investment entity exemption the Company measure its investments at fair value.

The Annual Financial Statements are presented in Rand, which is the Company's functional and presentation currency. These accounting policies are consistent with the previous period.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of Annual Financial Statements requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant judgements and sources of estimation uncertainty in applying accounting policies

Management have made significant judgements and estimations in applying accounting policies for the following:

- Fair value measurement
- Segment reporting by applying a single reporting segment approach
- Investment entity exemption

1.3.1 Key sources of estimation uncertainty

Fair value measurement

The Company makes assumptions regarding the determination of the fair value of the financial instruments. This is the major source of estimation uncertainty at the end of the reporting period. Information regarding the significant unobservable inputs into the valuation is disclosed in note 5.

The basis of valuation of the Company's investments is fair value through profit or loss ("FVTPL"). Fair value is determined at the end of each reporting period, in accordance with the valuation policy outlined below.

Basis of valuation and approach

The fair value approach of the investments under management is determined as at the measurement date in accordance with the principles of IFRS 13: *Fair Value Measurement*. Fair value is defined as the price that would be received for an asset in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that a hypothetical transaction to sell an asset takes place in the principal market or in the absence, the most advantageous market for the asset.

The primary valuation methodology for the underlying investments under management held through Mahube Capital Fund 1 is the discounted cash flow ("DCF"). Management uses judgement to select the most appropriate valuation method. The DCF method is used to derive the fair value, being the discounting of the expected dividend income from the investments, of an asset using reasonable assumptions on the estimations of expected future post-tax cash flows (dividend income) over the term of the power purchase agreements, i.e. free cash flows to the Company. These cash flows are discounted to the present value by applying the appropriate discount rate that captures the risk inherent to the investment. The Company uses sum of the parts valuation method to measure the fair value of Mahube Capital Fund 1.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.3 Significant judgements and sources of estimation uncertainty (continued)

1.3.2 Key sources of significant judgement applied

1.3.2.1 Segment reporting

Mahube is an investment entity holding most of its investments in operational infrastructure assets on which its revenue is earned. All the investee entities are independent power producers established as part of the South African Renewable Energy Independent Power Producer Procurement Programme ("REIPPPP") with 20-year power purchase agreements ("PPA") with Eskom Holdings SOC Ltd ("Eskom"). The PPAs are guaranteed by the South African National Treasury and the expected return is the same for the investment portfolio. Based on this, any operating segment that would be identifiable based on how Mahube is structured and the nature of its asset were aggregated into a single operating segment because the economic characteristics of these investments are similar, and all have the same geographical location. IFRS 8.12 permits aggregation of segments on this basis. The chief operating decision maker makes decisions and assesses Mahube's performance based on the investment portfolio entirely. On this basis Mahube considers itself as a single operating segment, and therefore no entity specific disclosure related to segment reporting were provided.

1.3.2.2 Investment entity exemption

Management applied judgement in terms of IFRS 10 and concluded that Mahube meets the IFRS 10 requirements of an investment entity. Management have reached this conclusion on the basis that Mahube Capital Fund 1:

- has the purpose of providing investment management services to its investors being Mahube and RMB Investment and Advisory (Pty) Ltd;
- has committed to invest funds solely for the purpose of generating returns from capital appreciation, investment income, or both; and
- evaluates performance of its investments primarily on a fair value basis.

Mahube is an investment entity listed on the JSE that:

- commits to its investors that its business purpose is to invest in operational infrastructure assets in Southern Africa for returns from investment income;
- obtains funds from various equity investors to provide them with investment management services; and
- measures and evaluates the performance of substantially all its investments on a fair value basis.

Mahube meets the definition of an investment entity as per IFRS 10 based on the following:

- the Company has obtained funds from various investors for the purpose of providing them with an operational and appropriately derisked secondary investment opportunity for investment income;
- the Company's business purpose, which was communicated directly to investors, is investing in infrastructure assets that are operational or near operation, offer low risk with inflationary linked investment returns; and
- the performance of the subsidiary's investments are measured and evaluated on a fair value basis.

Mahube Capital Fund 1 also meets the definition of an investment entity as:

- Mahube Capital Fund 1 has obtained funds for the purpose of providing investors (Mahube as ordinary shareholder and RMB Investment and Advisory (Pty) Ltd as preference shareholder) with an operational and appropriately derisked secondary investment opportunity.
- Mahube Capital Fund 1 business purpose, which was communicated directly to investors, is investing in infrastructure assets that are operational or near operation, offer low risk with inflationary linked investment returns.
- The performance of Mahube Capital Fund 1 investments are measured and evaluated on a fair value basis.

SIGNIFICANT ACCOUNTING POLICIES (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.3 Significant judgements and sources of estimation uncertainty (continued)

1.3.2 Key sources of significant judgement applied (continued)

1.3.2.2 Investment entity exemption (continued)

The investments are not held indefinitely as the intention is to hold the investments until the end of the power purchase or concession agreements of the underlying project companies. If not exited earlier Mahube will hold the investments until the end of the power purchase or concession agreements, post which the equity interests will be liquidated or sold in the secondary market.

The exit strategy with respect to the equity interest in Mahube Capital Fund 1 is to liquidate the entity when all its underlying investments have ceased to generate cash inflows which is linked to the period when the last underlying Power Purchase Agreement is due to expire, currently being 2035; or unbundle the underlying interests to shareholders through a distribution in specie. Management's intention is to set up any future infrastructure projects in a new structure and not to utilise the existing Mahube Capital Fund 1.

In light of the above, in terms of IFRS 10.31, Mahube and Mahube Capital Fund 1 meet the requirement for an investment entity exemption and therefore measure investments at fair value.

An investment entity which acquires an interest in a subsidiary is exempt from consolidation in terms of change IFRS 10 measures an investment in a subsidiary at fair value through profit or loss.

1.4 Property, plant and equipment

Property, plant and equipment are tangible assets which the Company holds for its own use and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition of the asset.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Leasehold improvements	Straight-line	5 years
Furniture and fixtures	Straight-line	5 years
Computer equipment	Straight-line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.4 Property, plant and equipment (continued)

The depreciation charge for each year is recognised in profit or loss. Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.5 Financial instruments

Financial instruments held by the Company are classified in accordance with the provisions of IFRS 9: *Financial Instruments*. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the "Net gain from financial assets through fair value at profit or loss" line item. Fair value is determined in the manner described in note 5 and note 1.3.1.

Financial assets at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is adjusted for any loss allowance. Interest income and impairment are recognised in profit or loss. These assets include loans receivable and trade and other receivables. Trade and other receivables refer to operational loans to related parties and dividends receivable from Mahube Capital Fund 1.

The Company assessed on a forward looking basis expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The ECL methodology applied depends on whether there has been a significant increase in credit risk. The Company assessed each balance separately and take into consideration the historical experience, external indicators and forward looking information to calculate the ECL. The Company considers whether there has been a significant increase in credit risk since origination. The Company identifies balances as impaired where there have been non-performance by the counter party and no indication that future contractual payments will be made. Balances are being written off when all efforts to recover the outstanding debt have been exhausted and management has decided to no longer pursue recovery of the outstanding balance.

Cash and cash equivalents

Cash and cash equivalents are initially stated at carrying amount and subsequently carried at amortised cost. Cash and cash equivalents include cash on hand and deposits held at financial institutions.

Trade and other payables

Classification

Trade and other payables (note 10), are classified as financial liabilities measured at amortised cost.

Recognition and measurement

Trade and other payables are recognised when the Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

Trade and other payables are subsequently measured at amortised cost.

SIGNIFICANT ACCOUNTING POLICIES (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the differences can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.7 Leases

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets (assets less than R10 000).

Details of leasing arrangements where the Company is a lessee are presented in note 4: Leases (Company as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments, including in-substance fixed payments, less any lease incentives.

The lease liability is presented as a separate line item on the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 12).

Right-of-use assets

Right-of-use assets are presented as a separate line item on the statement of financial position.

Lease payments included in the measurement of the lease liability comprise the initial amount of the corresponding lease liability.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.7 Leases (continued)

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

The depreciation charge for each year is recognised in profit or loss.

1.8 Stated capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

Transaction costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.9 Dividends paid to shareholders

Dividends payable is recognised as a liability in the period in which the dividends are declared. A dividend declared after period-end is not charged against equity at the reporting date as no liability exists.

1.10 Interest income

Interest income and expense, are recognised, in profit or loss, using the effective interest method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument. When calculating the effective interest rate, the Company will estimate future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

1.11 Dividend income

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established. This is the date on which the shareholders approve the payment of a dividend.

1.12 Net gain from financial instruments at fair value through profit or loss

Net gain from financial instruments at fair value through profit or loss includes all unrealised fair value changes but excludes interest and dividend income.

1.13 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.14 Segmental information

The Company has determined its operating segments based on investments held. At year-end, the Company held one investment, the investment in Mahube Capital Fund 1, for which it has recognised fair value adjustments. Due to Mahube only having one segment, entity-wide disclosure is not relevant. The Company is an investment entity holding most of its investments in operational infrastructure assets on which its revenue is earned. Currently all the investee entities are independent power producers established as part of the South African Renewable Energy Independent Power Producer Procurement Programme ("REIPPPP") with 20-year power purchase agreements ("PPA") with Eskom Holdings SOC Ltd ("Eskom"). The PPAs are guaranteed by the South African National Treasury and the expected return is the same for the investment portfolio. Based on this, any operating segments that would be identifiable based on how Mahube is structured, the nature of its assets are aggregated into a single operating segment because the economic characteristics of these investments are similar, and all have the same geographical location.

Management and the Board make decisions and assess Mahube's performance based on the performance of the investment portfolio. Mahube therefore has only one operating segment in terms of IFRS 8: *Operating Segments*. The Board evaluates the investment in Mahube Capital Fund 1 based on net asset value and fair value movement (which is considered to represent the measure of the segment result) in this *net asset value*.

SIGNIFICANT ACCOUNTING POLICIES (continued)

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards effective in the current period

No new standards or interpretations became effective in the current year that will have a significant impact on the Company.

2.2 Standard and interpretations not yet effective

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company's account periods beginning on or after 1 March 2022 or later period:

Standard/ Interpretation	Details of amendment	Annual periods beginning on or after	Application of standard
Annual Improvements to IFRS: 2018–2020 Cycle	In May 2020, the IASB issued minor amendments to IFRS 1: <i>First-time Adoption of International Financial Reporting Standards</i> , IFRS 9: <i>Financial Instruments</i> , IAS 41: <i>Agriculture</i> and the Illustrative Examples accompanying IFRS 16: <i>Leases</i> .	1 January 2022	This amendment will be adopted for the financial year ending 28 February 2023 and is not expected to materially impact the Company.
Conceptual Framework for Financial Reporting (Amendments to IFRS 3)	In May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.	1 January 2022	This amendment will be adopted for the financial year ending 28 February 2023 and is not expected to materially impact the Company.
IAS 37: <i>Provisions, Contingent Liabilities and Contingent Assets</i> (Amendment – <i>Onerous Contracts – Cost of Fulfilling a Contract</i>)	In May 2020, the IASB issued amendments to IAS 37, which specify the costs a company includes when assessing whether a contract will be loss-making and is therefore recognised as an onerous contract. These amendments are expected to result in more contracts being accounted for as onerous contracts because they increase the scope of costs that are included in the onerous contract assessment.	1 January 2022	This amendment will be adopted for the financial year ending 28 February 2023 and is not expected to materially impact the Company.
IAS 16: <i>Property, Plant and Equipment</i> (Amendment – <i>Proceeds before Intended Use</i>)	In May 2020, the IASB issued amendments to IAS 16, which prohibit a company from deducting amounts received from selling items produced while the Company is preparing the asset for its intended use from the cost of property, plant and equipment. Instead, a company will recognise such sales proceeds and any related costs in profit or loss.	1 January 2022	This amendment will be adopted for the financial year ending 28 February 2023 and is not expected to materially impact the Company.
IAS 1: <i>Presentation of Financial Statements</i> (Amendment – <i>Classification of Liabilities as Current or Non-Current</i>)	In January 2020, the IASB issued amendments to IAS 1, which clarify how an entity classifies liabilities as current or non-current. The amendments initially had an effective date of 1 January 2022, however, in July 2020 this was deferred until 1 January 2023 as a result of the Covid-19 pandemic. At the IFRS Interpretations Committee's December meeting, the Committee discussed the amendments due to feedback from stakeholders which indicated that the requirements of the amendments may be unclear.	1 January 2023	This amendment will be adopted for the financial year ending 28 February 2024 and is not expected to materially impact the Company.

2. NEW STANDARDS AND INTERPRETATIONS (continued)

2.2 Standard and interpretations not yet effective (continued)

Standard/ Interpretation	Details of amendment	Annual periods beginning on or after	Application of standard
IAS 1: <i>Presentation of Financial Statements</i> (Amendment – <i>Disclosure of Accounting Policies</i>)	The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.	1 January 2023	This amendment will be adopted for the financial year ending 28 February 2024 and is not expected to materially impact the Company.
IAS 8: <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> (Amendment – <i>Definition of Accounting Estimates</i>)	The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.	1 January 2023	This amendment will be adopted for the financial year ending 28 February 2024 and is not expected to materially impact the Company.
IAS 12: <i>Income Taxes</i> (Amendment – <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>)	The amendment specifies how companies should account for deferred tax related to Assets and Liabilities arising from a Single Transaction on transactions such as leases and decommissioning obligations. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations – transactions for which companies recognise both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions.	1 January 2023	This amendment will be adopted for the financial year ending 28 February 2024 and is not expected to materially impact the Company.

3. PROPERTY, PLANT AND EQUIPMENT

	2022			2021		
	Cost	Accumulated	Carrying	Cost	Accumulated	Carrying
	R	depreciation	value	R	depreciation	value
	R	R	R	R	R	R
Furniture and fixtures	234 723	(199 666)	35 057	234 723	(156 038)	78 685
Computer equipment	82 255	(62 256)	19 999	82 255	(39 091)	43 164
Leasehold improvements	235 876	(200 494)	35 382	235 876	(153 319)	82 557
Total	552 854	(462 416)	90 438	552 854	(348 448)	204 406

	Opening	Additions	Depreciation	Total
	balance	R	R	R
	R			
Reconciliation of property, plant and equipment – 2022				
Furniture and fixtures	78 685	–	(43 628)	35 057
Computer equipment	43 164	–	(23 165)	19 999
Leasehold improvements	82 557	–	(47 175)	35 382
	204 406	–	(113 968)	90 438

Reconciliation of property, plant and equipment – 2021				
Furniture and fixtures	127 380	–	(48 695)	78 685
Computer equipment	19 493	44 999	(21 327)	43 164
Leasehold improvements	129 732	–	(47 175)	82 557
	276 605	44 999	(117 197)	204 406

4. LEASES

The Company leases an office building. The lease contract expires in November 2022 with no option for renewal. Depreciation is written off over the lease term.

Details pertaining to leasing arrangements, where the Company is a lessee are presented below:

	Opening	Depreciation	Total
	balance	R	R
	R		
Reconciliations of leases: Right-of-use assets			
2022			
Buildings	986 846	(563 912)	422 934
2021			
Buildings	1 550 758	(563 912)	986 846

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

4. LEASES (continued)

	2022 R	2021 R
Leases: Right-of-use assets		
The carrying amounts of right-of-use assets are included in the following line items:		
Buildings	422 934	986 846
Depreciation recognised on right-of-use assets		
Depreciation recognised on each class of right-of-use assets is presented below.		
Buildings	563 912	563 912
Other disclosures		
Interest expense on lease liabilities	116 515	188 553
Capital payments on lease liabilities	(633 146)	(512 065)
The Company is not exposed to any other potential cash outflows related to lease agreements.		
Lease liabilities		
The maturity analysis of lease liabilities is as follows:		
– Within one year	591 256	749 661
– Two to five years	–	591 256
– Less finance charges component	(30 175)	(146 690)
	561 081	1 194 227
Non-current liabilities	–	561 081
Current liabilities	561 081	633 146
	561 081	1 194 227

5. FINANCIAL ASSETS

	2022 R	2021 R
Financial assets at fair value through profit or loss		
Mahube Capital Fund 1		
The Company owns 100% ordinary equity interest in Mahube Capital Fund 1.	561 777 109	539 615 381
Mahube Asset Management		
The Company owns 100% equity interest in Mahube Asset Management. The Company acquired 100% of the shareholding of Mahube Asset Management in the current financial year for R105 000. This entity is a dormant entity.	105 000	–
Financial assets at amortised cost		
Total	561 882 108	539 615 381
Financial assets at amortised cost		
Noblesfontein Educational Trust		
The loan accrues interest at a rate equal to the aggregate of CPI plus 7% net of taxes applied as a nominal annual compounded monthly in arrears rate, and calculated on the loan outstanding principal for that interest period. The loan is secured by a cession of any shares held by Noblesfontein Educational Trust in Noblesfontein Wind Farm.		
The Company extended the loan to the Noblesfontein Educational Trust, having taken it over from the previous shareholder at an interest rate, and with repayment terms more beneficial than market rates and terms, in order to benefit the beneficiaries of the trust, being members of the local Noblesfontein community.		
Payments were received in the current year and management does not expect any losses from non-performance in terms of the loan agreement.		
No expected credit losses were provided for the balance. As per our assessment of the future expected cash flows the balance is recoverable together with the fact that the security in place will be sufficient to cover the balance should there be a default event. There was no change in the credit risk related to this balance.	5 213 232	5 474 375
	567 095 341	545 089 756

5. FINANCIAL ASSETS (continued)

Mahube has adopted an accounting policy of measuring its investments at fair value through profit or loss with fair value movements on its assets under management recognised in the statement of profit or loss. All investments in Mahube Capital Fund 1 are measured at fair value on a stand-alone basis and Mahube uses sum of the parts valuation method to measure fair value at its investment in Mahube Capital Fund 1.

The fair value of each underlying investment is first determined and thereafter added together to arrive at the value in Mahube Capital Fund.

Investment in Mahube Capital Fund 1

Description		Fair value 2022	Fair value 2021
TOTAL ASSETS		809 238 979	790 140 761
Total financial assets at fair value		769 372 406	748 716 508
Renewable Energy G	33% ordinary shares	544 541 790	528 623 004
SARGE	A & B preference shares subscribed for at R54.7 million	90 266 132	81 274 272
Mahube Infrastructure Investment	100% ordinary shares	3 275 483	–
Mahube Infrastructure Investment	C preference shares subscribed for at R130 million	131 289 001	138 819 232
Asset measured at amortised cost		39 866 574	41 424 253
TOTAL LIABILITIES		(247 461 871)	(250 525 379)
Total financial Liabilities at fair value		(219 927 274)	(213 862 850)
RMB A preference shares	Held by RMBI	(189 869 600)	(185 463 177)
RMB B preference shares	Held by RMBI	(30 057 674)	(28 399 673)
Liabilities measure at amortised cost		(27 534 597)	(36 662 529)
NET ASSET VALUE OF MAHUBE CAPITAL FUND 1		561 777 108	539 615 381

Mahube Capital Fund 1 investment in Mahube Infrastructure Investment

Description		Fair value 2022	Fair value 2021
TOTAL ASSETS		289 574 256	259 255 031
Total financial assets at fair value		289 321 488	259 171 063
A preference shares SARGE GAIA SPV		138 486 670	133 219 619
A1 preference shares SARGE GAIA SPV		125 896 972	121 108 744
B preference shares SARGE GAIA SPV		24 937 846	4 842 699
Assets measured at amortised cost		252 768	83 968
TOTAL LIABILITIES		(286 298 773)	(288 082 228)
Total financial Liabilities at fair value		(285 844 624)	(287 796 613)
A preference shares		(137 936 271)	(133 429 307)
B preference shares		(16 619 352)	(15 548 074)
C preference shares		(131 289 001)	(138 819 232)
Liabilities measure at amortised cost		(454 149)	(285 615)
NET ASSET VALUE OF MAHUBE CAPITAL FUND 1		3 275 483	–*

* Investment was capped at R0.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

5. FINANCIAL ASSETS (continued)

Mahube Capital Fund 1 investment in Renewable Energy G

Description	Fair value 2022	Fair value 2021
TOTAL FINANCIAL ASSETS AT FAIR VALUE	1 723 956 999	1 629 330 486
Investment in Dorper Wind farm	660 872 853	603 560 169
Investment in Intikon Solar	1 063 084 146	1 025 770 317
Investment in Oakleaf 83	852 420 732	830 496 282
Investment in Lesedi Solar PV farm (effective interest 16.18%)	430 037 543	419 876 623
Investment in Letsatsi Solar PV farm (effective interest 16.18%)	422 383 189	410 619 659
Investment in Oakleaf 90	210 663 414	195 274 035
Investment in Jasper Solar PV farm (effective interest 12.15%)	210 663 414	195 274 035
OTHER ITEMS MEASURED AT AMORTISED COST	(75 828 095)	(29 380 577)
NET ASSET VALUE OF RENEWABLE ENERGY G	1 648 128 904	1 599 949 909
MAHUBE CAPITAL FUND 1 INTEREST IN RENEWABLE ENERGY G 33.04%	544 541 790	528 623 450

Fair value information of underlying investments held through Mahube Capital Fund 1

Mahube Capital Fund 1 interest in Renewable Energy G

Mahube Capital Fund 1 holds a 33% equity interest in Renewable Energy G.

The Company funded the acquisition of its indirect economic interest in Dorper Wind Farm and Intikon Solar Assets (Jasper, Lesedi and Letsatsi Solar PV Farms), through a R501 million loan to Mahube Capital Fund 1. This loan was substantially settled in the financial period through the Company subscribing for the newly created N Shares in Mahube Capital Fund as announced on SENS on 22 February 2022.

Renewable Energy G holds 30% of the issued share capital in Dorper Wind Farm and 100% in Intikon Solar (Pty) Ltd ("Intikon Solar") which holds indirect economic interests in the Intikon Solar Assets, being Jasper Solar PV Farm (12.0%), Lesedi Solar PV Farm (16.0%) and Letsatsi Solar PV Farm (16.0%).

Mahube Capital Fund 1 interest in Mahube Infrastructure Investments and Noblesfontein Wind Farm

On 19 September 2017, Mahube Capital Fund 1 acquired C Preference Shares in Mahube Infrastructure Investment for an aggregate subscription price of R130 million and, as a result, acquired an effective economic interest of 15.4% in the combined distributions linked to the ordinary shares and shareholder loan claims against Noblesfontein Wind Farm.

In addition, Mahube Capital Fund 1 entered into funding agreements with SARGE whereby Mahube Capital Fund 1 subscribed for A Preference Shares and B Preference Shares in SARGE for an aggregate subscription price of R57 493 127. As a result of the SARGE Transaction, Mahube Capital Fund 1 acquired a further effective economic interest of 4.25% of the distributions linked to the ordinary shares in the Noblesfontein Wind Farm.

Mahube Capital Fund 1 owns 100% of the issued ordinary shares in Mahube Infrastructure Investment and paid a nominal value of R100.

Mahube Capital Fund 1 obtained funding to facilitate, *inter alia*, its subscription for the Mahube Infrastructure Investment C Preference Shares; and subscription for the SARGE Preference Shares by way of the issue, by it, of A Preference Shares and B Preference Shares to RMBIA for an aggregate subscription price of approximately R188 million in terms of the Mahube Capital Fund 1 Preference Share Subscription Agreement.

Investments held by Mahube Infrastructure Investment

Mahube Infrastructure Investment raised preference share funding in the aggregate amount of R273 million to fund its subscription for preference shares in SARGE GAIA SPV, the company's sole investment. SARGE GAIA SPV has an effective economic interest in Noblesfontein Wind Farm of 23,42%.

5. FINANCIAL ASSETS (continued)

Valuation of underlying renewable investments

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company engaged an independent valuation expert on assisting to develop valuation models for the measurement of the fair value of the Company's investments. The models used have been developed from recognised valuation models and the experience regarding the valuation of renewable energy projects. Some of the significant inputs into the discounted cash flow model are not observable and are derived from market prices or rates or are based on assumptions. This valuation model therefore requires a higher degree of management judgement and estimation in determination of fair value.

In the valuation for the investments, management's judgement and estimation is required for:

- Selection of the appropriate valuation model to be used, in this case the discounted cash flow methodology, specifically applying the free cash flow to equity approach;
- Assessment and determination of the expected cash flows (dividend income in the form of equity dividend and preference dividend) from the underlying investments under management; and
- Selection of the appropriate discount rates.

The fair value estimate obtained from the discounted cash flow models is only adjusted for factors such as liquidity risk and model uncertainty to the extent that the Company believes that a third-party market participant would take them into account in pricing a transaction. No such adjustments were deemed necessary in the valuation of the investments in underlying renewable assets.

The value of the investment in the ordinary shares of Renewable Energy G (Dorper Wind Farm and Intikon Solar) was determined using the discounted cash flow valuation models. Assumptions and inputs used in valuation techniques include CPI and investor premium used in estimating discount rates.

The value of the indirect investment in the preference shares in SARGE and Mahube Infrastructure Investment was also calculated using the discounted cash flow valuation model. The assumptions and inputs used included CPI rate, prime rate, exchange rate depreciation and JIBAR. JIBAR and prime rate are linked, so only prime rate is considered for sensitivity purposes.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the prices that would be received to sell the investments in underlying renewable assets in an orderly transaction between market participants at the measurement date.

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. All fair value measurements below are recurring. Financial assets at fair value through profit or loss are recognised at fair value, which is therefore equal to their carrying amounts.

As at 28 February 2021, the fair value measurement of shares held by the Company in Mahube Capital Fund 1 is categorised into Level 3. The fair value of underlying investments under management in Mahube Capital Fund 1 is also categorised into Level 3.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

5. FINANCIAL ASSETS (continued)

The valuations for the investments under management were performed using the same valuation methodology because all investments are held in infrastructure assets with the same risk profile, same expected return profile, the period of the investments is the same and the investee entities all have PPA agreements with Eskom. Therefore, the assumptions used in determining the fair values are the same and are presented in the table below:

Assumptions		
Discount rate	Solar project the discount rate ranges between 7.5% and 11.7% Wind projects the discount rate ranges between 7.3% and 12.2% (2021: Solar projects 2021 ranges between 7.3% and 12.8%) (2021: Wind projects 2021 ranges between 6.8 and 12.4%)	The swap curve has been applied as the risk-free rate over the remaining life of each project. Specific risk premiums included: <ul style="list-style-type: none"> • The long-term dependence on Eskom has been factored as a minor specific risk (0.25%) adding to the discount rate; and • the low interest rate environment caused by quantitative easing measures implemented by central banks around the world is factored through a further 0.25%. We use the stage of life approach to determine the equity risk premium for infrastructure assets. Given that the assets have been in operation for multiple years and have reliably produced predictable levels of energy, we have used an equity premium of 3.0% for solar and 3.5% for wind.
Cash flow	Expected dividends	Investee entities make distributions from profits which are made up of revenue net operating expenses. Revenue from power generation is charged at a fixed tariff per the PPA and is subject to an annual escalation with CPI.
Discount period	Remaining term of the 20-year PPA	Investment period of the PPA.

Reconciliation of financial assets at fair value through profit or loss measured at level 3

	Opening balance R	Gains/(losses) in profit or loss R	Additions R	Total R
2022				
Mahube Capital Fund 1	539 615 381	22 161 727	–	561 777 108
Mahube Asset Management	–	–	105 000	105 000
Total	538 615 381	22 161 727	105 000	561 882 108
2021				
Mahube Capital Fund 1	551 374 511	(11 759 130)	–	539 615 381

The change in gains or losses (net gain) for the period is included in profit or loss for financial assets held at the reporting date. These gains and losses are recognised in profit or loss as a net gain from financial instruments at fair value through profit or loss.

5. FINANCIAL ASSETS (continued)

Sensitivity of fair value measurement to changes in unobservable inputs

Although management believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in level 3, changing one or more of the assumptions used to reasonably reflect possible alternative assumptions would have the following effects on net assets:

Mahube Infrastructure Limited

		Fair value at 28 February 2022	Discount rate + 1%	Discount rate - 1%	CPI + 1%	CPI - 1%
Investments	Mahube Capital Fund 1 shares	561 777 109	(39 159 386)	42 953 831	80 655 093	(77 108 387)

Mahube Capital Fund 1

		Fair value at 28 February 2022	Discount rate + 1%	Discount rate - 1%	CPI + 1%	CPI - 1%
Investments	Ordinary shares Renewable Energy G	544 541 790	(30 910 600)	33 664 745	54 696 582	(50 867 913)
	A pref SARGE	55 616 814	(2 461 283)	2 659 235	5 665	(10 871)
	B pref SARGE	34 649 318	(2 342 379)	2 563 802	6 063 344	(5 636 381)
	C pref Mahube Infrastructure Investment	131 289 001	(10 183 200)	11 177 720	19 998 700	(23 487 071)
	Ordinary shares Mahube Infrastructure Investment	3 275 483	(304 626)	377 855	3 620 897	(1 132 515)
		769 372 406	(46 202 087)	50 443 356	84 385 188	(81 134 751)
Financial liabilities	A pref	189 869 600	(5 088 816)	5 347 383	–	–
	B pref	30 057 674	(1 953 886)	2 142 142	3 730 094	(4 026 365)
		219 927 274	(7 042 702)	7 489 525	3 730 094	3 730 094

Mahube Infrastructure Investment

		Fair value at 28 February 2022	Discount rate + 1%	Discount rate - 1%	CPI + 1%	CPI - 1%
Investments	A pref SARGE GAIA SPV	138 486 670	(7 161 792)	7 761 962	(2 005 458)	(9 170 430)
	A1 pref SARGE GAIA SPV	125 896 972	(6 510 719)	7 056 329	(1 823 143)	(8 336 754)
	B pref SARGE GAIA SPV	24 937 846	(2 574 743)	2 898 740	30 424 364	(10 515 552)
		289 321 488	(16 247 254)	17 717 031	26 596 364	(28 022 736)
Financial liabilities	A pref	137 936 271	(4 448 825)	4 716 456	506 795	(490 123)
	B pref	16 619 352	(1 310 604)	1 445 001	2 469 974	(2 913 026)
	C pref	131 289 001	(10 183 200)	11 177 720	19 998 700	(23 487 071)
		285 844 624	(15 942 628)	17 339 177	22 975 468	(26 890 220)

5. FINANCIAL ASSETS (continued)

Significant observable/unobservable inputs are developed as follows:

Discount rate

Represents the rate used to discount projected levered or unlevered forecast cash flows for an asset to determine their present values. Their discounted present value cash flows are determined as their fair value at reporting date. To value these assets, we have used the free cash flow to equity ("FCFE") as the primary valuation methodology, discounted by a cost of equity rate that is determined with reference to the swap curve, equity risk premium (stage of life) and specific risk premia. We use the stage of life approach to determine the equity risk premium for infrastructure assets. Given that the assets have been in operation for multiple years and have reliably produced predictable levels of energy, we have used an equity premium of 3.0% for solar and 3.5% for wind.

CPI rate

The CPI forecast curve was derived from the South African bond curve and Real curve, to which a lower end (3.2%) and upper cap (5.75%) has been applied. The lower end cap is based on the prevailing inflation rate at the valuation date and the upper end cap is based on the projection that the South African Reserve Bank is expected to maintain its policy of managing inflation within its stated range of 3% to 6%. The Euro and USD inflation projections were utilised for foreign currency expenditure and based on data presented by Oxford Economics.

6. DEFERRED TAX

	2022 R	2021 R
Deferred tax asset		
Property, plant and equipment	30 845	9 888
Accrual for audit fees	48 579	46 046
Company as lessee	38 681	58 067
Total deferred tax asset	118 105	114 001
Reconciliation of deferred tax asset		
At the beginning of the year	114 001	89 040
Movement on property, plant and equipment	20 957	8 834
Movement on accruals	2 533	1 610
Movement on leases	(19 386)	14 517
	118 105	114 001

7. TRADE AND OTHER RECEIVABLES

	2022 R	2021 R
Other receivables – dividend receivable	25 680 836	35 391 117
Other receivables – related parties (refer to note 18)	635 276	130 688
Total trade and other receivables	26 316 111	35 521 805

7. TRADE AND OTHER RECEIVABLES (continued)

The exposure to credit risk on trade and other receivables is limited. None of the trade and other receivables has been subject to a significant increase on credit risk.

The amounts are all due from related inter-group entities.

- The amount due from Mahube Infrastructure Investments represents a temporary working capital loan. As per the subscription agreement in place for Mahube Infrastructure Investment preference shares in SARGE GAIA SPV, six monthly payments are being made to cover the working capital requirements. These payments take priority over the preference share obligations. Based on the assessment of the financial models underlying to the preference share future cash flows, sufficient cash flows are expected to recover the loan and therefore no credit losses were provided for related to this balance. Any amounts that is allocated to the inter-company loan is paid back within six months and sufficient cash will be available to cover the loan amount.
- The amounts due from Mahube Capital Fund 1 is the remaining balance after the subscription of the N shares by Mahube as well as dividends that was declared not yet paid. The remaining loan amount will be paid within the next six months. Therefore no credit loss was recognised as sufficient funds is available to pay the remaining loan balance. There was also no expected credit loss recognised for the dividends receivable. Dividends from Mahube Capital Fund 1 usually get paid within 30 days of declaration of the dividend, providing all covenants are met in relation to the Mahube Capital Fund 1 preference shares. The covenants were met at 28 February 2022 and the dividend receivable was paid subsequently.

8. CASH AND CASH EQUIVALENTS

	2022 R	2021 R
Cash and cash equivalents consist of:		
Bank balances	26 161 408	3 560 194
Money market funds	–	2 780 578
	26 161 408	6 340 772

The fair value of cash and cash equivalents approximates their carrying amounts.

9. STATED CAPITAL

	2022 R	2021 R
Authorised		
6 000 000 000 ordinary no par value shares		
Issued and fully paid		
55 151 000 no par value shares, net of share issue cost	545 851 762	545 851 762

10. TRADE AND OTHER PAYABLES

	2022 R	2021 R
Trade payables	805 496	788 991
Accrued expenses – audit	173 495	164 450
	978 991	953 441

The fair value of trade and other payables approximates their carrying amounts.

11. REVENUE

	2022 R	2021 R
Disaggregation of revenue by nature		
Interest income – Noblesfontein Educational Trust	861 753	731 842
Interest income – cash and cash equivalents	57 161	760 321
Dividend income – financial assets	55 800 719	54 923 679
Net gain/(loss) from financial assets at fair value through profit or loss	22 161 727	(11 759 129)
Other income	–	6 384
	78 881 359	44 663 097

12. OTHER OPERATING EXPENSES

	2022 R	2021 R
Accounting fees	156 663	162 592
Audit fees	233 295	163 645
Circulars and publications	547 340	640 369
Depreciation	677 880	681 110
Non-executive directors' fees	1 356 523	1 302 895
Employee costs	5 746 783	5 090 686
JSE annual fees	141 785	119 080
Management fee	–	1 105 543
Other expenses	764 384	1 025 630
Professional fees	2 908 795	3 622 214
Secretarial fees	439 410	430 525
Total	12 972 858	14 344 289

13. FINANCE COSTS

	2022 R	2021 R
Lease liabilities	116 515	188 553
Bank	10	28
Total finance costs	116 525	188 581

14. TAXATION

	2022 R	2021 R
Major components of the tax expense		
Current		
Local income tax – current period	203 979	179 653
Deferred		
Deferred tax	(4 104)	(24 961)
	199 875	154 692

	2022 R	2021 R
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense:		
Accounting profit	65 791 976	16 706 341
Tax at the applicable tax rate of 28%	18 421 753	4 677 775
Tax effect of adjustments on taxable income		
Exempt income – local dividends received	(15 624 201)	(15 378 630)
Non-deductible expenses attributable to exempt income*	3 607 606	8 844 303
Fair value adjustment on financial assets**	(6 205 283)	2 011 244
	199 875	154 692

* The Company's main source of revenue is dividend income which is exempt income for tax purposes implying a significant portion of expenses is apportioned to the exempt income.

** No deferred tax was recognised on the investment in Mahube Capital Fund 1 due to the intention of Mahube to recover the investment through receipt of dividends which would not be taxable. The tax base of the asset is therefore equal to the carrying amount, resulting in no deferred tax being recognised. Although the asset might be sold in the future, this is not the intention of the Company.

15. CASH GENERATED FROM OPERATIONS

	2022 R	2021 R
Profit before taxation	65 791 976	12 130 227
Adjustments for:		
Depreciation	677 880	681 110
Interest income	(861 753)	(731 842)
Finance costs	116 525	188 581
Fair value adjustments	(22 161 727)	11 759 129
Changes in working capital:		
Trade and other receivables	9 205 694	(28 181 743)
Trade and other payables	25 551	(430 181)
	52 794 147	(4 584 718)

16. TAX PAID

	2022 R	2021 R
Balance at the beginning of the year	122 270	(59 480)
Current tax for the year recognised in profit or loss	203 979	179 653
Balance at the end of the year	175 114	122 270
Tax paid	151 135	2 098

17. EARNINGS AND NET ASSET VALUE PER SHARE**17.1 Earnings per share**

	2022 R	2021 R
Basic earnings per share (cents per share)	118.93	21.71

Basic earnings per share is based on earnings of R65 592 102 (2021: R11 975 535) and weighted average number of ordinary shares of 55 151 000 (2021: 55 151 000).

There were no headline adjustments required or potential dilutive shares in issue, therefore headline earnings per share, diluted earnings per share and diluted headline earnings per share were equal to basic earnings per share.

17.2 Net asset value per share

Net asset value is the value of an entity's assets minus the value of its liabilities.

	2022 R	2021 R
Net asset value per share		
Net asset value per share (Rand)	11.21	10.63

Net asset value per share was based on net asset value of R618 489 151 (2021: R585 987 648) and weighted average number of ordinary shares of 55 151 000 (2021: 55 151 000).

18. RELATED PARTIES

Relationships

Subsidiary	Mahube Capital Fund 1
Subsidiary	Mahube Asset Management
Subsidiary of Mahube Capital Fund 1	Mahube Infrastructure Investment
Mahube Capital Fund 1 holds 33% interest	Renewable Energy G

	2022 R	2021 R
Related party balances		
Financial assets at fair value through profit or loss		
Mahube Capital Fund 1	561 777 109	539 615 381
Amounts included in trade and other receivables regarding related parties		
Mahube Capital Fund 1*	26 040 835	35 391 117
Mahube Infrastructure Investment	275 276	130 689
Related party transactions		
Management fees paid to related parties		
GAIA Infrastructure Partners (Pty) Ltd	–	1 105 543
Termination fee paid		
GAIA Infrastructure Partners (Pty) Ltd	–	18 000 000
Dividends received from related parties		
Mahube Capital Fund 1	55 800 719	54 923 679
Investment in Mahube Capital Fund 1		
Net gain/(loss) from financial assets at fair value through profit or loss	22 161 727	(11 759 129)

All related party trade and other receivables relate to operational loans, except * which relates to dividends receivable, and all are unsecured, interest-free and repayable within the next 12 months.

For compensation to Directors refer to note 19.

19. DIRECTORS' EMOLUMENTS

	Remuneration	Directors' fees	Total
2022			
Executive			
Gontse Samuel Moseneke	3 183 540	–	3 183 540
Petro Lewis	2 123 040	–	2 123 040
Non-executive			
Khalipha Eddie Mbalo*	–	241 400	241 400
Sisanda Tuku	–	429 155	429 155
Thembanu Bukula	–	384 358	384 358
Karén Breytenbach (26 February 2020)*	–	301 611	301 611
	5 306 580	1 356 523	6 663 104

* These Directors are paid indirectly through their separate legal entities, unrelated to Mahube.

19. DIRECTORS' EMOLUMENTS (continued)

	Remuneration	Directors' fees	Total
2021			
Executive			
Gontse Samuel Moseneke (appointed: 01 July 2020)	2 016 190	–	2 016 190
Petro Lewis (appointed: 01 July 2020)	1 129 590	–	1 129 590
Kuby Prudence Lebina (CEO) (resigned: 26 June 2020)**	1 157 520	–	1 157 520
Non-executive			
Khalipha Eddie Mbalo*	–	408 043	408 043
Sisanda Tuku	–	304 236	304 236
Thembanani Bukula	–	320 048	320 048
Karén Breytenbach (appointed: 26 February 2020)*	–	270 568	270 568
	4 303 300	1 302 895	5 606 195

* These Directors are paid indirectly through their separate legal entities, unrelated to Mahube.

** Inclusive of an acting allowance of R192 920 for fulfilling the role of Financial Director on an interim basis.

No other payments were made to the Directors, including bonuses, performance-related payments, pension scheme contributions, commission, share options or expense allowances.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

	Note(s)	Fair value through profit or loss – mandatory	Amortised cost	Total
Categories of financial instruments				
Categories of financial assets				
2022				
Financial assets	5	561 882 109	5 213 232	567 095 341
Trade and other receivables	7	–	26 316 111	26 316 111
Cash and cash equivalents	8	–	26 161 408	26 161 408
		561 882 109	57 690 751	619 572 860
2021				
Financial assets	5	539 615 381	5 474 375	545 089 756
Trade and other receivables	7	–	35 521 805	35 521 805
Cash and cash equivalents	8	–	6 340 772	6 340 772
		539 615 381	47 336 952	586 952 333

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

	Note(s)	Amortised cost	Leases	Total
Categories of financial liabilities				
2022				
Trade and other payables	10	978 991	–	978 991
Lease liabilities	4	–	561 081	561 081
		978 991	561 081	1 540 072
2021				
Trade and other payables	10	953 441	–	953 441
Lease liabilities	4	–	1 194 227	1 194 227
		953 441	1 194 227	2 147 668

Capital risk management

The Company's objective when managing capital (which includes stated capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the Company may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

The Company considered the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Foreign currency risk;
- Price risk; and
- Interest rate risk.

The Board has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Audit and Risk Committee, which is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**Credit risk**

"Credit risk" is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered with the Company, resulting in a financial loss to the Company.

Credit risk arises on cash and cash equivalents trade, loans receivable and other receivables. The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Credit risk management*Trade receivables*

The exposure to credit risk on trade and other receivables is limited due to the fact that they only consist of inter-company balances, which becomes payable within 6 months of them being incurred.

Dividend receivables

Payment on dividend receivables occurs within four months from when the dividends are declared. There has been no history of default as such, the exposure to credit risk on the dividend receivables is limited to the maximum payment period of four months.

Noblesfontein Educational Trust ("NET") loan

The loan granted to NET was for the refinancing of their vendor loan with Gestamp as Gestamp was divesting from the Noblesfontein REIPPPP project. The loan is secured by a cession and pledge of any shares held by NET in Noblesfontein Wind Farm. Therefore, the value of the shares is sufficient to settle the loan amount should NET default.

Financial assets exposed to credit risk at year-end were as follows:

	Note(s)	Gross carrying amount	Credit loss allowance
2022			
Noblesfontein Educational Trust	5	5 213 232	–
Trade and other receivables	7	26 316 111	–
Cash and cash equivalents	8	26 161 408	–
		62 690 482	–
2021			
Noblesfontein Educational Trust	5	5 474 375	–
Trade and other receivables	7	35 521 805	–
Cash and cash equivalents	8	6 340 772	–
		47 336 952	–

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand is assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

P3: Indicates that the capacity for timely payment on issues with this designation is acceptable, relative to other South African obligors.

A bank guarantee issued to Melrose Arch in December 2017 to the value of R200 000 is in place for the deposit on the lease. The lease is in place for five years and will terminate in November 2022.

Liquidity risk

"Liquidity risk" is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages liquidity risk through an ongoing review of future commitments and expenses compared to available cash to meet those commitments. Cash flow forecasts are prepared and presented to the Board for approval.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Note(s)	Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
2022						
Non-current liabilities		–	–	–	–	–
Current liabilities						
Trade and other payables	10	978 991	–	–	978 991	978 991
Lease liabilities	4	591 256	–	–	591 256	561 081
		1 570 247	–	–	1 570 247	1 540 072

	Note(s)	Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
2021						
Non-current liabilities						
Lease liabilities	4	–	561 081	–	561 081	561 081
Current liabilities						
Trade and other payables	10	953 441	–	–	953 441	953 441
Lease liabilities	4	633 146	–	–	633 146	633 146
		1 586 587	561 081	–	2 147 668	2 147 668

Price risk

The Company is not exposed to price risk as the investee entities have entered into a 20-year PPA with Eskom under the South African REIPPPP, with the PPA guaranteed by the South African National Treasury. Under this agreement the price for the electricity generated (electricity tariff) by the investee entities is agreed upfront on signature of the PPA and escalates annually by inflation for the duration of the agreement.

Foreign currency and interest rate risk

The Company is indirectly exposed to foreign currency and interest rate risk. Although exchange and interest rates are considered in the various components of the project models for the valuation of financial assets through profit or loss, the actual risk lies with the underlying investment entities and not with Mahube. It will, however, have an indirect impact through the valuation.

21. RECEIPTS FROM LOAN TO NOBLESFONTEIN EDUCATIONAL TRUST

	2022 R	2021 R
Balance at the beginning of the year	5 474 375	5 415 125
Interest accrued	861 753	731 841 65
Balance at the end of the year	5 213 232	5 474 375
Receipts	1 122 895	672 592

22. GOING CONCERN

The Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The impact of the Covid-19 pandemic on the South African economy was challenging; however, Mahube's portfolio has shown resilience and has given it confidence that it is well positioned to weather this storm and overcome the unique challenges that this crisis presents. Mahube will monitor the impact of the pandemic especially the potential of any future waves of Covid-19 on our underlying investee companies, our shareholders and employees closely. Mahube remains confident about the prospects and our ability as well as our underlying investee companies, and as a result to continue to operate as a going concern.

23. EVENTS AFTER THE REPORTING PERIOD

No material facts or circumstances have arisen between the reporting date and the date of this report which affect the financial position of the Company as reflected in these Annual Financial Statements.

24. DIVIDENDS PAID

Further to the interim cash dividend of 28.00 cents per share (R15.4 million) for the six months ended 31 August 2021, which was paid on 28 December 2021, the Board has declared a final gross cash dividend of 32.00 cents per ordinary share for the year ended 28 February 2022. The total dividend relating to the 2022 financial year is 60.00 cents per share compared to 50.00 cents per share declared and paid in the 2020 financial year.

- The dividend has been declared from income reserves.
- The dividend withholding tax rate is 20%, and a net dividend of 25.60 cents (February 2021: 25.60 cents) per share is paid to those shareholders who are not exempt from dividend withholding tax.
- The Company's income tax number is 9473/844/17/4.
- The issued share capital at the declaration date is 55 151 000 ordinary shares.

The payment date for the dividend is Monday, 25 July 2022.



Jasper Solar PV Farm

SHAREHOLDERS' INFORMATION

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SHAREHOLDER ANALYSIS

for the year ended 28 February 2022

Company: Mahube Infrastructure Limited

Register date: 25 February 2022

Issued stated capital: 55 151 000

Shareholder spread	Number of shareholdings	%	Number of shares	%
1 – 1 000 shares	923	77.96	109 181	0.20
1 001 – 10 000 shares	171	14.44	713 092	1.29
10 001 – 100 000 shares	59	4.98	1 885 095	3.42
100 001 – 1 000 000 shares	27	2.28	7 891 883	14.31
1 000 001 shares and over	4	0.34	44 550 749	80.78
Total	1 184	100.00	55 151 000	100.00
Distribution of shareholders				
Banks/brokers	2	0.17	599 260	1.09
Close corporations	7	0.59	65 849	0.12
Endowment funds	2	0.17	85 671	0.16
Government	1	0.08	128 569	0.23
Individuals	1 081	91.30	1 843 656	3.45
Hedge Fund	1	0.08	348 348	0.63
Insurance companies	3	0.25	604 680	1.10
Medical schemes	1	0.08	101 534	0.18
Mutual funds	4	0.34	901 076	1.63
Other corporations	11	0.93	103 954	0.19
Private companies	21	1.77	4 183 775	7.59
Private equity	1	0.08	19 247 699	34.90
Public company	1	0.08	879 261	1.59
Retirement funds	16	1.35	25 018 660	45.36
Trusts	32	2.70	1 038 008	1.88
Total	1 184	100.00	55 151 000	100.00
Public/non-public shareholders				
Non-public shareholders	4	0.38	43 616 198	79.09
Directors and associates	1	0.13	330 544	0.60
Strategic holders more than 10%	3	0.25	43 285 654	78.49
Public shareholders	782	99.62	11 534 802	21.71
Total	787	100.00	55 151 000	100.00

Beneficial shareholders holding 3% or more	Number of shares	%
Government Employees Pension Fund	24 037 955	43.59
Specialised Listed Infrastructure Equity En Commandite Partnership	19 247 699	34.90
Satyrrium Properties (Pty) Ltd	1 265 095	2.29
Total	44 550 749	80.78

NOTICE OF ANNUAL GENERAL MEETING

for the year ended 28 February 2022

Mahube Infrastructure Limited

(formerly GAIA Infrastructure Capital Limited)

(Incorporated in the Republic of South Africa)

(Registration number: 2015/115237/06)

Share code: MHB ISIN: ZAE000290763

("Mahube" or "the Company")

In terms of section 62(3)(a) of the Companies Act 71 of 2008, as amended ("the Companies Act"), notice is hereby given to the shareholders of Mahube that the Annual General Meeting ("AGM") of shareholders of Mahube will be held at 10:00 on Tuesday, 20 September 2022 at Marriott Hotel Melrose Arch (42 The High Street, Melrose Arch, Johannesburg, 2076), for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions set out in this notice of AGM ("notice"), as well as such other matters as may be required to be dealt with at the AGM in terms of the Companies Act.

COVID-19 PANDEMIC DEVELOPMENTS

One of Mahube's top priorities is to protect the health and safety of all our stakeholders and with this in mind we will continue to closely monitor developments around Covid-19 (coronavirus).

Although the intention is to hold the AGM as scheduled on Tuesday 20 September 2022 at the set venue, Mahube strongly encourages its shareholders not to attend in person but to exercise their voting rights by way of electronic or written proxy and to submit their questions relating to the 2022 AGM agenda in advance by email to the Company Secretary melinda@fusioncorp.co.za or monica@fusioncorp.co.za.

Shareholders will also be able to follow the AGM remotely via a live audio webcast to be provided on our website www.mahube.africa.

Mahube reserves the right to make further changes, such as limiting the number of attendees to enable social distancing, changing the venue, providing live voting facilities, or even prohibiting physical attendance, should same be required.

Shareholders should regularly check the release of SENS announcements on the JSE Limited's platform and on the Mahube website for any further updates.

Mahube will continue to evaluate the implications of regulations announced by the South African government, as well as any potential future measures that may be imposed by the government or recommended by the World Health Organisation.

SALIENT DATES

Record date to be registered in the shareholders' register in order to receive the notice of AGM	Friday, 17 June 2022
Date of posting the notice of AGM	Friday, 24 September 2022
Last date to trade to be eligible to attend, participate in and vote at the AGM	Tuesday 6 September 2022
Record date to be eligible to attend the AGM	Friday, 9 September 2022
Forms of proxy to be lodged preferably by 10:00	Friday, 16 September 2022
AGM at 10:00 on	Tuesday, 20 September 2022

ACTION BY SHAREHOLDERS

Certificated shareholders or "own-name" registered dematerialised shareholders are entitled to attend, participate and vote at the AGM or any adjournment thereof or may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the Board. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM or any adjournment thereof.

Dematerialised shareholders (not with "own-name" registration) must notify their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the AGM in order for such CSDP or broker to be able to issue them with the necessary authorisation letter to enable them to attend the AGM, or, alternatively, should the dematerialised shareholder not wish to attend the AGM, they should provide their CSDP or broker with their voting instructions.

NOTICE OF ANNUAL GENERAL MEETING (continued)

for the year ended 28 February 2022

For administrative purposes only, we request that forms of proxy be delivered to Mahube's transfer secretaries situated at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or be posted to Private Bag X9000, Saxonwold, 2132, South Africa, to be received by them by no later than 10:00 on Friday, 16 September 2022 (or 48 hours before any adjournments of the AGM, which date, if necessary, will be notified on SENS). Thereafter, forms of proxy may be delivered to the Chairperson of the AGM, at the AGM, before voting on a particular resolution commences.

At the AGM, each shareholder will have voting rights determined in terms of the voting rights attaching to the shares held by such shareholder as set out in the memorandum of incorporation of the Company ("MOI").

AGM participants may be required to provide identification to the reasonable satisfaction of the Chairperson of the AGM. An official identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted as sufficient identification.

Shareholders who have any doubt as to the action they are required to take in respect of the following resolutions should consult their CSDP, broker, banker, attorney, accountant, or other professional adviser immediately.

PURPOSE

The purpose of the AGM is for the following business to be transacted:

- (a) The Board will present the audited Annual Financial Statements of Mahube for the financial year ended 28 February 2022 (as approved by the Board as required in terms of section 30(3)(c) of the Companies Act) (2021 AFS), including the reports of the independent auditors, the Directors, the Social and Ethics Committee and the Audit and Risk Committee to shareholders;
- (b) The shareholders will consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions ("resolutions") set out in this notice (which are to be proposed at the AGM) in accordance with the requirements of the MOI, the Companies Act, the JSE Listings Requirements ("Listings Requirements") and to the extent applicable, in accordance with the principles and recommended practices set out in the King IV™ Report on Corporate Governance for South Africa, 2016 ("King IV™"); and
- (c) Consider any matters as may lawfully be dealt with at the AGM, in terms of the Companies Act.

AGENDA

Presentation of the 2022 AFS

The Integrated Annual Report of Mahube for 2022, incorporating, inter alia, the Directors' report, the 2022 AFS, the report of the independent auditors, the report of the Social and Ethics Committee and the report of the Audit and Risk Committee found in the Integrated Annual Report of Mahube for 2022 was made available to shareholders on 30 June 2022.

The 2022 AFS, the report of the independent auditors, the report of the Social and Ethics Committee and the report of the Audit and Risk Committee will be presented to the shareholders at the AGM as required in terms of the Companies Act, read with the Companies Regulations, 2011.

Report on the Social and Ethics Committee

The Company's Social and Ethics Committee report, included in the Integrated Annual Report, will serve as the Social and Ethics Committee's report to the Company's shareholders on the matters within its mandate at the AGM. Any specific questions to the Committee may be sent to the Company Secretary prior to the AGM.

Ordinary resolutions

To consider and, if deemed fit, to pass, with or without modification, the ordinary resolutions relating to the business set out below. Same as contemplated below, 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 and entitled to vote at the AGM.

NOTICE OF ANNUAL GENERAL MEETING (continued)

for the year ended 28 February 2022

1. RETIREMENT AND RE-ELECTION OF DIRECTOR

1.1 Ordinary resolution number 1

"Resolved that Mr T Bukula who retires by rotation in terms of Article 28 of the MOI and, being eligible, offers himself for re-election, be and is hereby re-elected as an Independent Non-Executive Director."

An abbreviated curriculum vitae of Mr T Bukula appears on page 34 of the Integrated Annual Report.

In accordance with the MOI, one-third of all Directors are required to retire at the AGM. Accordingly, Mr T Bukula will retire and, being eligible, offers himself for re-election to serve as a Director of Mahube. The Nomination Committee reviewed the composition of the Board against corporate governance, individual performance and diversity requirements and has recommended the re-election of Mr T Bukula.

Following such review, the Board recommends to shareholders the re-election of Mr T Bukula as Director, as required under section 68(2) of the Companies Act.

2. APPOINTMENT AND REAPPOINTMENT OF THE MEMBERS OF THE AUDIT AND RISK COMMITTEE OF THE COMPANY

Note:

For avoidance of doubt, all references to the Audit and Risk Committee of the Company is a reference to the Audit Committee as contemplated in the Companies Act.

"Resolved to individually elect and/or re-elect the following Directors (ordinary resolutions 2 to 4 to be voted on and adopted as separate resolutions) of Mahube as the Chairperson and members of the Audit and Risk Committee until the conclusion of the next AGM of Mahube. The Board recommends the appointment of these members."

2.1 Ordinary resolution number 2.1

"Resolved that Ms S Tuku, being eligible, be and is reappointed as a member of the Audit and Risk Committee of the Company, until the conclusion of the next AGM of the Company."

2.2 Ordinary resolution number 2.2

"Resolved that, subject to the passing of Ordinary Resolution 1.1, Mr T Bukula, being eligible, be and is hereby reappointed as a member of the Audit and Risk Committee of the Company, until the conclusion of the next AGM of the Company."

2.3 Ordinary resolution number 2.3

"Resolved that Mrs K Breytenbach, being eligible, be and is hereby reappointed as a member of the Audit and Risk Committee of the Company, until the conclusion of the next AGM of the Company."

In terms of section 94(2) of the Companies Act, an audit committee comprising at least three members must be elected by shareholders at each annual general meeting of a public company. Further, in terms of regulation 42 of the Companies Regulations, 2011, at least one-third of the members of a public company's audit committee members must have appropriate academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs, or human resource management.

Having reviewed the composition of the Audit and Risk Committee and the qualifications, experience, expertise, and independence of each of the members of the Audit and Risk Committee, the Nomination Committee satisfied itself that the members of the Audit and Risk Committee continue to meet the requirements of the Companies Act and King IV™.

The Nomination Committee accordingly unanimously recommends and supports the re-election of Ms S Tuku, Mrs K Breytenbach and Mr T Bukula to the Audit and Risk Committee.

A brief curriculum vitae of each of the Directors up for election to the Audit and Risk Committee appears on page 34 in the Integrated Annual Report.

NOTICE OF ANNUAL GENERAL MEETING (continued)

for the year ended 28 February 2022

3. APPOINTMENT OF INDEPENDENT AUDITOR AND DESIGNATED AUDIT PARTNER

3.1 Ordinary resolution number 3

"Resolved that BDO South Africa Incorporated, with the designated audit partner being Mohamed Zakaria Sadek, be and is hereby reappointed as the independent external auditor of the Company, for the ensuing year on the recommendation of the Audit and Risk Committee of the Company, and that shareholders authorise the Audit and Risk Committee to determine the auditor's remuneration."

The Audit and Risk Committee assessed the performance and accreditation of the proposed independent auditor and the proposed individual registered auditor (i.e., the designated auditor) in terms of the applicable regulations and legislation and is satisfied with their independence, accreditation and performance. The Audit and Risk Committee is also satisfied that the audit firm is accredited to appear on the JSE List of Accredited Auditors and that the individual registered auditor of the Company does not appear on the JSE List of Disqualified Auditors.

4. NON-BINDING ENDORSEMENT OF MAHUBE INFRASTRUCTURE LIMITED'S REMUNERATION POLICY AND IMPLEMENTATION REPORT

4.1 Non-binding advisory resolution number 1

"Resolved that the Company's remuneration policy as set out in the Integrated Annual Report, be and is hereby endorsed by way of a non-binding advisory vote."

4.2 Non-binding advisory resolution number 2

"Resolved that the Company's remuneration implementation report in regard to its remuneration policy, as contained in the Integrated Annual Report, be and is hereby endorsed by way of a non-binding advisory vote."

The reason for non-binding advisory resolution numbers 1 and 2 is that King IV™ and the Listings Requirements recommend that the remuneration policy and implementation report of the Company be endorsed through a non-binding advisory vote by shareholders at each AGM of the Company.

The non-binding advisory vote enables shareholders to express their views on the remuneration policies adopted and on the manner in which the Company implements the remuneration policy. Non-binding advisory resolution numbers 1 and 2 are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences relating to existing remuneration arrangements.

However, the Board will engage with dissenting shareholders in good faith in the event that a vote of 25% or more is recorded against either non-binding advisory resolution number 1 or non-binding advisory resolution number 2, to ascertain with best reasonable effort the reasons for the dissenting votes, and to address legitimate and reasonable objections.

Shareholder engagements were held in relation to the previous AGM and Mahube has taken steps to address shareholders' concerns as detailed in the Company's Remuneration Report. The Board will take the outcome of the vote, and any subsequent engagement with dissenting shareholders, into consideration when considering amendments to the Company's remuneration policy and appropriate action may be taken to address issues raised as envisaged in the King IV™ and the JSE Listings Requirements.

NOTICE OF ANNUAL GENERAL MEETING (continued)

for the year ended 28 February 2022

5. SPECIAL RESOLUTIONS

To consider and, if deemed fit, to pass, with or without modification, the special resolution relating to the business set out below. At least 75% (seventy-five percent) of the voting rights exercised on this resolution must be exercised in favour of such resolution in order for it to be validly adopted.

Remuneration of Non-Executive Directors

"Resolved that the Company be and is hereby authorised to remunerate its Non-Executive Directors for their services as Directors on the basis set out below (exclusive of value-added tax), in terms of section 66(9) of the Companies Act.

	2022/2023 R	2021/2022 R
Retainer		
Chairperson	79 161	74 680
Non-Executive Director	79 161	74 680
Attendance fees per meeting		
Board Chairperson	24 079	22 716
Board Non-Executive Director	13 194	12 447
Audit and Risk Committee Chairperson	17 588	16 582
Audit and Risk Committee Member	13 194	12 447
Nomination Committee Chairperson	17 588	16 592
Nomination Committee Member	13 194	12 447
Social and Ethics Committee Chairperson	17 588	16 592
Social and Ethics Committee Member	13 194	12 447
Remuneration Committee Chairperson	17 588	16 592
Remuneration Committee Member	13 194	12 447
Special/Ad Hoc Committee Chairperson	17 588	16 592
Special/Ad Hoc Committee Member	13 194	12 447

The reason for special resolution number 1 is for the Company to obtain the approval of shareholders, by way of a special resolution, for the payment of remuneration to its Non-Executive Directors in accordance with the requirements of the Companies Act.

The effect of special resolution number 1 is that the Company will be able to pay its Non-Executive Directors for the services they render to the Company as Directors without requiring further shareholder approval until the next AGM of the Company.

For this resolution to be adopted, at least 75% of the shareholders present in person or by proxy and entitled to vote on this resolution at the AGM must cast their vote in favour of this resolution.

NOTICE OF ANNUAL GENERAL MEETING (continued)

for the year ended 28 February 2022

6. OTHER BUSINESS

To transact such other business as may be transacted at an AGM or raised by shareholders with or without advance notice to the Company.

Electronic participation

In terms of section 61(10) of the Companies Act, every shareholders' meeting of a public company must be reasonably accessible within South Africa for electronic participation by shareholders. Therefore, shareholders or their proxies may participate in (but not vote at) a meeting by way of a teleconference call if they wish to do so. In this event:

- written notice to participate via electronic communication must be sent to Mahube's Company Secretary, Fusion Corporate Secretarial Services Proprietary Limited, to melinda@fusioncorp.co.za or monica@fusioncorp.co.za to be received by no later than 10:00 on Tuesday, 12 September 2022;
- a pin number and dial-in details for the conference call will be provided;
- shareholders will be billed separately by their own telephone service providers for the teleconference call to participate in the AGM; and
- valid identification will be required:
 - if the shareholder is an individual, a certified copy of their identity document and/or passport;
 - if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, specifying the name of the individual that is authorised to represent the relevant entity at the AGM by way of teleconference call; and
 - a valid email address and/or facsimile number.

Shareholders participating in this manner and who may wish to vote will still have to appoint a proxy to vote on their behalf at the AGM.

VOTING

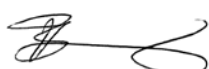
1. The Directors have determined that the record date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the Company ("the share register") for purposes of being entitled to receive this notice is 17 June 2022.
2. The Directors have determined that the record date on which shareholders must be recorded in the share register for purposes of being entitled to attend and vote at this AGM is 15 August 2022, with the last day to trade being 15 August 2022.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the Chairperson of the AGM that the person is either a shareholder or a proxy for a shareholder and must accordingly bring a copy of their identity document, passport, or driver's licence to the AGM. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.
4. Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder of the Company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed for use by a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the AGM. Completion of a form of proxy will not preclude such shareholders from attending and voting (in preference to that shareholder's proxy) at the AGM.
5. The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries of the Company at the address given below by not later than 10:00 on Friday, 16 September 2022 (for administrative purposes only), provided that any form of proxy not delivered to the transfer secretary by this time may be handed to the Chairperson of the AGM at any time prior to the commencement of the AGM.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM in person, will need to request their Central Securities Depository Participant ("CSDP") or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.

NOTICE OF ANNUAL GENERAL MEETING (continued)

for the year ended 28 February 2022

7. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the AGM and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.
8. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.
9. Equity securities held by a share trust or scheme, and unlisted securities will not have their votes taken into account at the AGM for the purposes of resolutions proposed in terms of the Listings Requirements.

By order of the Board



Fusion Corporate Secretarial Services (Pty) Limited

Registration number 2007/008376/07

Company Secretary

30 June 2022

Registered office

Suite E014, Midlands Office Park East
Mount Quray Street
Midlands Estate
Midstream

PO Box 68528
Highveld
0169

Transfer secretaries

Computershare Investor Services (Pty) Limited
Registration number 2004/003647/07

Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

Private Bag X9000
Saxonwold
2132
South Africa

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

MAHUBE INFRASTRUCTURE LIMITED

(formerly GAIA Infrastructure Capital Limited)

(Incorporated in the Republic of South Africa)

Registration number: 2015/115237/06

JSE share code: MHB ISIN: ZAE000290763

("Mahube" or "the Company")

TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WHO HOLD ORDINARY SHARES THROUGH A CENTRAL SECURITIES DEPOSITORY PARTICIPANT ("CSDP") OR BROKER WHO HAVE SELECTED "OWN-NAME" REGISTRATION ONLY.

If you are a shareholder referred to above, and entitled to attend and vote at the Annual General Meeting, you can appoint a proxy or proxies to attend, vote, and speak in your stead at the Annual General Meeting of Mahube Infrastructure Limited to be held at 10:00 on Tuesday 20 September 2022 at Marriott Hotel Melrose Arch (42 The High Street, Melrose Arch, Johannesburg, 2076) or at any adjournment or postponement of that meeting. A proxy need not be a shareholder of the Company.

If you are an ordinary shareholder and have dematerialised your ordinary shares through a CSDP (and have not selected "own-name" registration in the sub-register maintained by a CSDP), do not complete this form of proxy but instruct your CSDP to issue you with the necessary authority to attend the Annual General Meeting, or if you do not wish to attend, provide your CSDP with your voting instructions in terms of your custody agreement entered into with it.

I/We (please print names in full)

of (address) (contact number)

being the holder/s of shares in the Company,

do hereby appoint:

1. or, failing him/her
2. or, failing him/her
3. the Chairperson of the AGM, as my/our proxy to attend, participate in, speak and, on a poll, vote on my/our behalf at the AGM of shareholders to be held at 10:00 on Tuesday 20 September 2022 at Marriott Hotel Melrose Arch (42 The High Street, Melrose Arch, Johannesburg, 2076) or at any adjournment or postponement of that meeting, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

Please indicate with an "x" in the appropriate spaces provided below how you wish your vote to be cast.

	For	Against	Abstain
1. Retirement and re-election of Director			
1.1 Ordinary resolution number 1: Re-election of Mr T Bukula who retires by rotation			
2. Reappointment of the members of the Audit and Risk Committee of the Company			
2.1 Ordinary resolution number 2.1: Reappointment of Ms Tuku as member of the Audit and Risk Committee			
2.2 Ordinary resolution number 2.2: Reappointment of Mr T Bukula as member of the Audit and Risk Committee			
2.3 Ordinary resolution number 2.3: Reappointment of Mrs K Breytenbach as member of the Audit and Risk Committee			
3. Appointment of independent auditor and designated audit partner			
3.1 Ordinary resolution number 3: Appointment of BDO South Africa Incorporated			
4. Non-binding endorsement of Mahube Infrastructure Limited's remuneration policy and implementation report			
4.1 Non-binding advisory resolution number 1: Non-binding endorsement of Mahube Infrastructure Limited's remuneration policy			
4.2 Non-binding advisory resolution number 2: Non-binding endorsement of Mahube Infrastructure Limited's implementation report			
5. Remuneration of Non-Executive Directors			
5.1 Special resolution number 1: Remuneration of Non-Executive Directors			

If no indication is given, the proxy may vote or abstain as he/she sees fit.

Signed at this day of 2022

Signature

Assisted by me, where applicable (name and signature)

Please read the notes overleaf.

NOTES TO THE FORM OF PROXY

(which include, inter alia, a summary of the rights established by section 58 of the Companies Act, as amended ("Companies Act"))

1. A Mahube shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the Chairperson of the AGM". The person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A Mahube shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the Chairperson of the AGM, if he/she is the authorised proxy, to vote in favour of the resolutions at the meeting, or any other proxy to vote or to abstain from voting at the meeting as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.
3. When there are joint registered holders of any shares, any one of such persons may vote at the meeting in respect of such shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any meeting, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member, in whose name any shares stand, shall be deemed joint holders thereof.
4. It is recommended that the proxy forms should be lodged with the transfer secretaries of the Company, Computershare Investor Services (Pty) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or posted to the transfer secretaries at Private Bag X9000, Saxonwold, 2132, South Africa, to be received by them not later than Friday, 16 September 2022 at 10:00 (for administrative purposes only) provided that any form of proxy not delivered to the transfer secretary by this time may be handed to the Chairperson of the AGM/General Meeting prior to the commencement of the AGM/General Meeting, at any time before the appointed proxy exercises any shareholder rights at the Annual General Meeting. The form may also be emailed to proxy@computershare.co.za
5. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
6. 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's transfer secretaries or waived by the Chairperson of the AGM.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- a shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder
- a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy
- irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder
- any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise
- if an appointment of a proxy 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 relevant company
- a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's Memorandum of Incorporation ("MOI"), or the instrument appointing the proxy, provides otherwise
- if the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's MOI to be delivered to a shareholder must be delivered by such company to:
 - the relevant shareholder; or
 - the proxy or proxies, if the relevant shareholder has:
 - (i) directed such company to do so, in writing; and
 - (ii) paid any reasonable fee charged by such company for doing so.

GENERAL INFORMATION

Country of incorporation and domicile

South Africa

Directors

GS Moseneke (CEO)

P Lewis (FD)

KE Mbalo* (Chairperson)

S Tuku*

T Bukula*

K Breytenbach*

** Independent Non-Executive*

Registered office

Penthouse 5

4 The High Street

Melrose Arch

Johannesburg

2196

Business address

3rd Floor

Penthouse 5

4 The High Street

Melrose Arch

Johannesburg

2196

Postal address

Postnet Suite 43

Private Bag X1

Melrose Arch

Gauteng

2076

Bankers

FirstRand Bank Ltd

Auditors

BDO South Africa Incorporated

Company Secretary

Fusion Corporate Secretarial Services (Pty) Ltd

Company registration number

2015/115237/06

Tax reference number

9473/844/17/4

Level of assurance

These Annual Financial Statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer

The Annual Financial Statements were compiled by

Petro Lewis, CA(SA)

Issued

30 June 2022

MAHUBE INFRASTRUCTURE LTD

Registered address

3rd Floor, Penthouse 5, 4 The High Street Melrose Arch, 2196

Tel: +27 11 684 1230

Email: info@mahube.africa

Website: www.mahube.africa



www.mahube.africa