



ANNUAL REPORT

FOR THE YEAR ENDED
28 FEBRUARY 2023

**ALPHA NAMIBIA INDUSTRIES RENEWABLE
POWER LIMITED**

(Incorporated in the Republic of Namibia)
(Registration Number 2018/0148)
(Date of Registration 08/03/2018)
(Share Code: ANE ISIN NAN000A2JQ364)


ANIREP





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OVERVIEW

Who is ANIREP and why do we exist

ANIREP listed on the Namibian Stock Exchange ("NSX") on 12 September 2019, raising N\$ 167 million. ANIREP is the first listed strategic investor of renewable energy projects in Namibia and provides a bridge for capital markets into utility scale renewable energy projects. The company's objective is to provide investors with stable predictable, long term investments generating and yielding a consistent return on equity.

ANIREP is taking advantage of the environment created by the Namibian government for mobilising private sector investment into power projects, well ahead of its peer governments in the SADC region. This includes cost reflective tariffs, an independent and functional regulator, and significant steps towards a competitive market structure, including

the ability to purchase power from Independent Power Producer (IPP), other than NamPower.

Our strategic objective upon listing 2019, was to raise sufficient equity capital from long term institutional shareholders to establish an IPP platform through the acquisition of renewable energy IPPs and the in-house EPC capabilities and track record to develop our own assets going forwards. This platform has been successfully secured, with predictable and sustainable long-term cash flows which generated normalised EBITDA of N\$37.9 million, Turnover of N\$79 million against a headline earnings of N\$8.4 million for the Feb 2023 financial year, this translates into basic earnings per share of 72 Namibian cents and headline earnings per share of 25 Namibia Cents all delivered by human resources of over 50 permanent staff and up to 400 seasonal employees depending on the EPC projects running at any given time.

The Journey

2018

Incorporate

This after more circa 2 years of feasibility, financial and technical studies.

2019

12th September 2020: Listed on NSX Development Board

After successfully book build up of N\$167m.

2020

January 2020: Sought Shareholders Approval

After successfully concluded negotiations and DD with Hopsol Africa and Hopsol Power Generation.

2020

June 2020

Successfully acquired Hopsol Africa and Hopsol Power Generation (10.73MW).

2020

1st October 2020

List of NSX Main Board.

2021

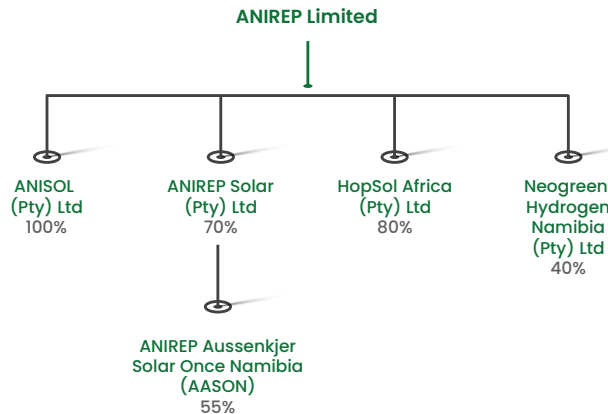
September 2021: Acquired AASON 20MW IPP at Khan

at a cost of N\$9m for 55%.

2022

May 2022: Awarded 18, 5MW IPP by Dundee Precious Metals under MSB to be situated at Kokerboom.

ANIREP Group Structure Our core business objective is to:



Our core business is to:

- Operate, develop, build, acquire and invest in utility scale renewable energy in a sustainable manner in order to supply (and trade)
- Bulk renewable energy in Namibia and the Southern African Power Pool (SAPP) on the basis of long-term PPAs with creditworthy counterparties, generating long term predictable cash flows



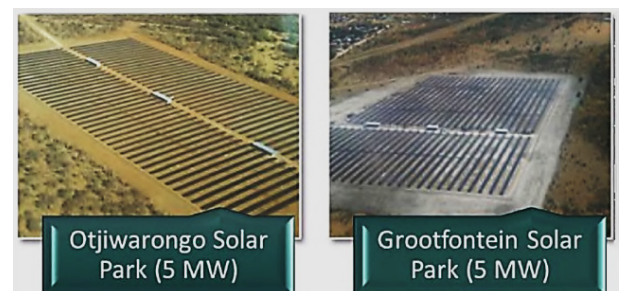
ANIREP Businesses



ANIREP Solar (Pty) Ltd (formerly HopSol Power Generation) is owned 70% by ANIREP Limited. ANIREP Solar is the Independent Power Producer (IPP) arm of the Group. Power Plants are either directly Owned by ANIREP Solar or through Special Purpose Vehicles owned by ANIREP Solar. ANIREP Solar owns 2 Solar plants at:

- Otjiwarongo – 5MW – with 25 Year PPA with CENORED
- Grootfontein – 5.73MW – (25 Year PPA with NAMPOWER)

The two plants owned and operated IPPs have a combined installed capacity of 10.73 MWp. We sell solar power on long-term fixed tariff (with annual escalations) contracts to our customers, at prices which in many cases are at or below prevailing alternatives for these customers.



HOPSOL
Smart Energy Solutions

HopSol is an EPC (Engineering, Procurement and Construction) and Operates and Maintenance (O&M) Company for designing, building, operating and maintaining photovoltaic solar power plants. Owned 80% by ANIREP Limited. HopSol is a technology leader for on – and off-grid solar power plants, fuel save controllers, storage solutions, in addition to owning and managing a portfolio of corporate and industrial scale solar PV generating plants.



ANIREP Aussekner Solar One Namibia (Pty) Ltd (AASON) is a special purpose vehicle for a 25MWp Solar PV Plant that has a 25 year Power Purchase Agreement with Nampower known as Khan Project. AASON is owed 55% by ANIREP Solar which is the IPP arm of the Group. The Khan Project is currently under construction with a target Commercial Operation Date of Quarter 2 of 2024.



NeoGreen Hydrogen Energy Namibia (Pty) Ltd is majority owned by NeoGreen Hydrogen Energy Namibia, a leading green hydrogen development platform with 10-gigawatt project pipeline across three continents. NeoGreen Hydrogen Energy Namibia is focused on the production of price competitive green hydrogen and derivative energy carriers such as ammonia and synthetic fuels. As an integrated, pure-play green hydrogen developer, NeoGreen utilizes a full life-cycle inception-to-operation business model, to generate and distribute environmentally sustainable fuels to decarbonize heavy industry.

What do we do

ANIREP Group adheres to the highest health and safety, environmental and social standards and as we grow, we invest in improving the communities where we operate in.

Our output has a positive impact powering communities and enabling modern life to take place. Through our use of solar power, we estimate that we may have avoided the release of approximately 132 million tons CO₂ since inception.



With the pipeline under development, we we have now entered in the next stage of our strategy, to increase our renewable energy generation capacity, targeting a market share of around 30% of the Namibian Renewable Electricity market. ANIREP has established a platform with a lean and efficient execution team, which enables us to easily scale our operations without significant increases to overhead.

OMBURU 20MW PV POWER PLANT	
	CLIENT NAMPPOWER
	CONTRACTOR HOPSOL AFRICA (PTY) LTD AND TULIVE PRIVATE EQUITY (PTY) LTD JV
	EMPLOYER'S REPRESENTATIVE MPAMOT
	CONTRACTOR'S REPRESENTATIVE EMCON
	ELECTRICAL/MECHANICAL ENGINEERS GS FAINSINGER AND ASSOCIATES CONSULTING ENGINEERS
	CIVIL/STRUCTURAL CONSULTING ENGINEERS SEELNBINDER CONSULTING ENGINEERS
	PROJECT CONTROLLER MUTSCHLER CONSULTING SERVICES



- On 29th of March 2022, we successfully commissioned an EPC & O+M project with installed capacity of 25MWp for and on behalf of NamPower as part of the JV awarded contract at Omburu.
- On the same day that Omburu project was commissioned, we launched the development of the majority acquired IPP. The third IPP for the ANIREP Group, at Khan with an installed capacity of 25 MWp for Nampower.
- In addition, we will soon embark on expanding Otjiwarongo plant with a PPA with CENORED by 6MWp from 5MWp to 11MWp solar and 3MWh/21MWh BESS (the first of its kind in Namibia). This will enable us to reduce the current tariff substantially for our off-taker, as the tariff was otherwise on an escalation path to unsustainable levels in the future.
- On 18th of May 2022 ANIREP announced additional IPP project under an MSB Market Framework planned for Kokerboom to serve the Dundee Precious Metals Tsumeb Pty Ltd with deemed power capacity of 18,5MWac with an installed capacity of 25MWp.

We are pursuing studies with various partners, as part of our (community development and social goals), to provide for electrification in areas that do not have electricity, by using these older panels as a base.

KHAN 20MW PV POWER PLANT	
	EMPLOYER ACCESS AUSSENKJER SOLAR ONE NAMIBIA (PTY) LTD
	CONTRACTOR HOPSOL AFRICA (PTY) LTD
	EMPLOYER'S REPRESENTATIVE EMCON CONSULTING GROUP
	CONTRACTOR'S REPRESENTATIVE MUTSCHLER CONSULTING SERVICES
	ELECTRICAL ENGINEERS GS FAINSINGER AND ASSOCIATES CONSULTING ENGINEERS
	CIVIL/STRUCTURAL CONSULTING ENGINEERS SEELNBINDER CONSULTING ENGINEERS
	EMPLOYER'S QUANTITY SURVEYORS JORDAAN OOSTHUYSEN NANGOLO

In February 2023, concluded a project swap out the low-capacity panels that were installed in 2015 at our Otjiwarongo plant, with higher capacity panels of incorporating the latest solar plant technology which ensures security of supply to our customer.

		Market share (current / target)
Generation IPP capacity at the beginning of the year	0	0%
Generation IPP capacity acquired during 2020 year	10.73 MWp	
Generation IPP capacity o/b at Feb 2022 year end	10.73MWp	7%
Generation commissioned as EPC in Mar 2022	25MWp	
Generation IPP under development in Mar 2022	25MWp	
Generation IPP under planning for development	31MWp	
Expected total IPP generation capacity 2022-2024	66.73MWp	29%

Our expected IPP generation capacity of 66.73MWp operating by Quarter 3 of 2024 is subject to risks related to cost of capital, exchange control movements, availability and pricing of solar equipment, raising adequate project financing, our ability to execute the increased capacity, as well as any other risks and challenges we may encounter.

In 2020, the total commercial renewable energy plants installed grew to 150MW with expected growth to 360MW by 2024. This excludes the participation in the Modified Single Buyer (MSB) market, which may have a potential participation of up to ~ 400MW of PV and wind power plants.

ANIREP is geared up to play a major role in **increasing the commercial installed renewable energy generation in Namibia from the current 150MW to 760MW by 2025**. Our next step is to raise equity of about N\$1,2 billion in the short to medium term, as we develop and acquire more renewable energy generation, to increase our market share of renewable energy generation in the country, from 7% @ Feb 2023 (up from 0% in 2020) to our target of **30% of the forecasted installed capacity of 760MW by 2025 i.e. 230MW**.

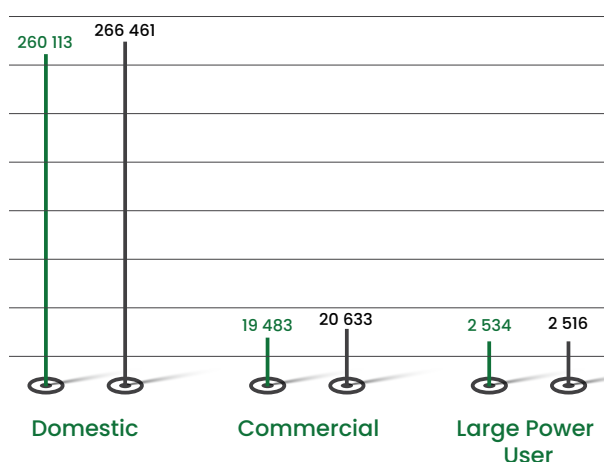
In conjunction with the above stated generation capacity target, this will be accompanied by a build programme that includes Battery Energy Storage Systems and Hydrogen Generators to provide for peak consumption during the evening and morning peak hours. This will go a long way towards the elimination of the current imports of

about 450MW, of which there is an ongoing risk of termination of supply taking into account the energy shortage within the region.

ANIREP is mindful that the tariffs agreed in the FIT and REFIT programmes, with the annual escalations are not sustainable, as the price of solar plant technology has decreased substantially since when these plants were brought onto the Namibian grid.

The Electricity Landscape we operate in

In Namibia, electricity users are collated by Electricity Control Board (ECB) into three main categories namely domestic (residential), commercial (corporates) and large power users (industrial). ECB also regulates corresponding tariffs for these categories. ANIREP as a generator and developer strategically strives to serve customers referred as Contestable Customers under Namibia Electricity Supply Industry Market Framework (MME, April 2019). In general, Contestable Customers form a subset of industrial users, the Large Power Users (LPU), whose numbers were more than 2500 users in 2019. The MSB Frame Phase 1b which came into full effect in July 2021, enables not only bilateral wheeling and trading, but also exports of the power into Southern African Power Pool (SAPP). LPU are defined as customers connected with demand meters (see the table below).



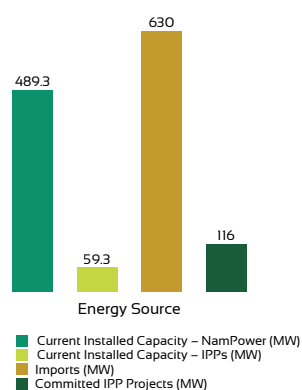
Contestable Customers	Contestable Purchases	Indicative date
Phase 1a NamPower Transmission connected customers	30% of total	Sep 2019 – Jun 2021
Phase 1b - NamPower Transmission connected customers - Distribution customers (1 MVA and above) - Distribution customers (below 1 MVA) – TBC	30% of total - Increasing cap >30% – TBC	Jul 2021 – Jun 2026
Phase 2 - As above - Further customers TBC by the ECB	TBC by ECB	Jul 2026 – Ongoing

ANIREP aims to sustainably provide competitively priced affordable renewable energy and energy storage solutions for the purpose of:

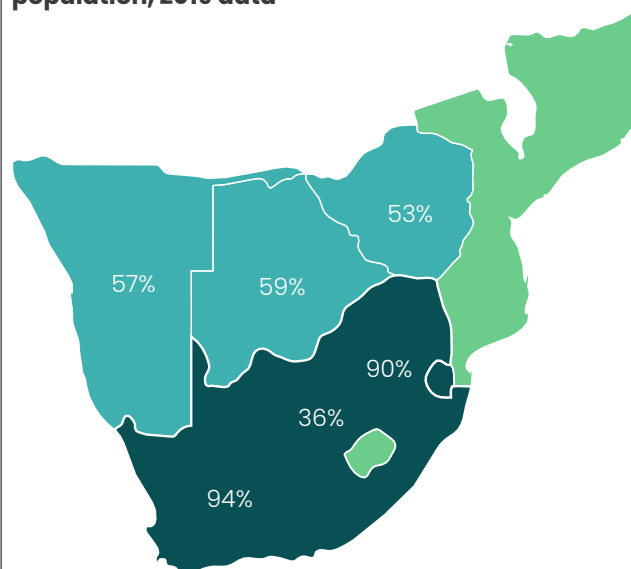
Making our country self-sufficient thereby eliminating the 450MWp currently imported by Nampower, which expire 2021–2025 (being 100MWp from Eskom, 200MWp from ZESCO, and 80MWp from Zimbabwe Power Company)

Enabling the increase in the electrification from the current 57% of Namibian households with access to electricity (At present, almost 30 years after independence, only 57% of rural households have access to electricity)

Current and committed installed and imported capacity (MW)

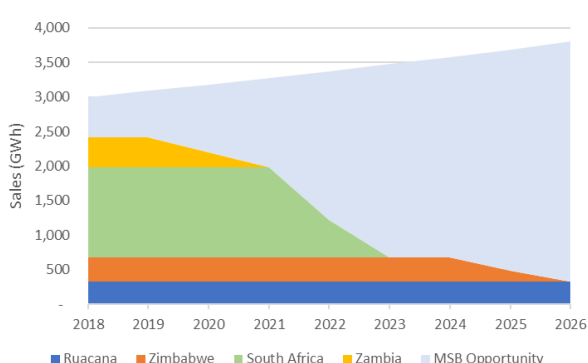


Access to electricity by the proportion of the population, 2019 data



Contestability/Eligibility

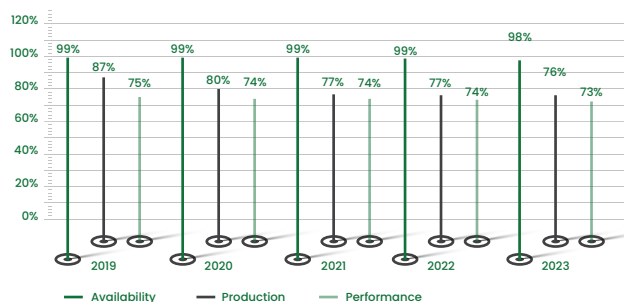
Relaxation of the Contestability Criteria – unwinding of import contracts



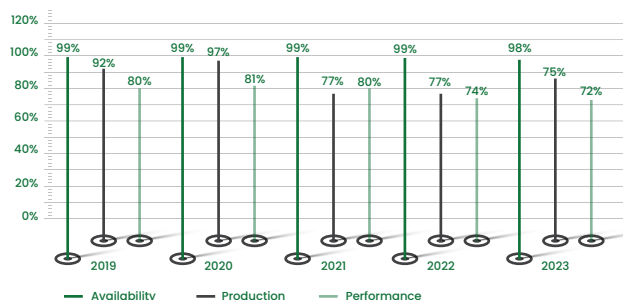
Driving the industrialisation and economic growth of our country and region.

Key Matrices

Otjiwarongo Plant



Grootfontein Plant



	Year ended 28 February 2023	Year ended 28 February 2022 Restated	Year ended 28 February 2022
	N\$	N\$	N\$ Old
Revenue			
Sale of electricity	38,105,121	38,089,202	38,089,202
Sale of goods (recurring O&M revenue)	13,216,229	11,945,695	11,945,695
Recurring annuity revenue	51,321,350	50,034,897	50,034,897
EPC revenue	27,658,042	207,470,236	116,881,465
Total Group Revenue	78,979,391	257,505,133	166,916,362
Gross profit	69,698,370	79,865,420	65,157,916
Operating profit			
Normalised operating profit	27,782,186	21,496,072	25,598,775
ANIREP Solar - normalised operating profit from sale of electricity	25,392,707	23,232,072	23,232,072
HopSol Africa and other - normalised operating profit	2,389,479	(1,736,000)	2,366,703
Warrant proceeds	24,433,487		
Solar panels written off	(9,090,567)		
Reported operating profit	43,125,106	21,496,072	25,598,775
Profit before taxation	28,711,817	6,632,131	13,899,068
Taxation	(8,854,782)	(3,064,803)	(5,390,222)
Profit for the year – Basic earnings	19,857,035	3,567,328	8,508,846
Attributable to Ordinary equity holders	12,221,797	1,713,323	4,543,177
Attributable to non-controlling interest	7,635,238	1,854,005	3,965,669



	Year ended 28 February 2023	Year ended 28 February 2022 Restated	Year ended 28 February 2022
	N\$	N\$	N\$ Old
Reported EBITDA	53,210,505	30,958,201	35,060,904
Normalised EBITDA	37,864,636	30,958,201	35,060,904
Number of shares in issue	16,881,847	16,881,847	16,881,847
Headline earnings	8,392,757	3,567,328	8,508,846
Attributable to ordinary equity holders	4,196,802	1,713,323	4,543,177
Attributable to non-controlling interest	4,195,955	1,854,005	3,965,669
Net asset value per share (cents per share)	1,138	1,020	1048
Basic earnings per share (cents)	72	10	27
Headline earnings per share	25	10	27
Dividend per share	Nil	Nil	Nil

Key metrics		February	February	% Increases
	Unit	2023	2022	
Cash generated/(used) in operations	N\$ m	95.6	3.6	2,556
Plant load factor - Otjiwarongo	%	74	75	<1.3>
Plant load factor - Grootfontein	%	80	81	<1.2>
Plant availability - Otjiwarongo	%	99	98	<1.0>
Plant availability - Grootfontein	%	99	98	<1.0>
Electricity Generation - Otjiwarongo	GWh	10.331	10.331	
Electricity Generation - Grootfontein	GWh	12.69	12.69	
Plan Gx (2023)-Otjiwarongo (pending)	GWh (7.97)	N/A	N/A	N/A
Plan Gx (2023)-Khan (pending)	GWh (67.7)	N/A	N/A	N/A
Plan Gx ('23)-Kokerboom (pending)	GWh (67.9)	N/A	N/A	N/A

ANIREP Group generates revenue from three (3) revenue streams being:

- Sale of Electricity
- Operations and Maintenance (O&M)
- And Engineering Procurement and Construction (EPC)

The core annuity revenue for the Group, being the IPP Sale of Electricity and Operations and Maintenance (O&M) was steady at N\$51.3 million.

- ANIREP Solar (Pty) Ltd continued to generate a steady income of N\$38.1 million for the year on the back of the PPAs with NamPower and CENORED which are in place until 2040 and 2041 respectively.
- Recurring Operations and Maintenance (“O&M”) revenue of N\$13.2 million in Hopsol Africa increased by 10.64% due to new business. This is in line with the long-term strategy for the group to grow annuity income.
- The business continues to generate cash in line with the nature of the long-term power purchase agreements.
- Engineering Procurement and Construction (“EPC”) Revenue fluctuates in line with the contracts that HopSol Africa will be working on and reduced by 86.6% for the year to N\$27.6 million. Prior year revenue of N\$207.5 million included income generated from the Omburu 25MWp PV Power Plant that was constructed for NamPower. The next major project, being another 25MWp PV Power Plant construction, commenced during the year, however, the bulk of that revenue will be realized in the February 2024 financial year. This delay in revenue recognition is inherent to the nature of our EPC work, as it takes time to complete and close out such projects.
- 29% increase in normalised operating profit for the year, from N\$21.5 million to N\$27.7 million.
- 22% increase in normalised EBITDA for the year, from N\$30.9 million to N\$37.9 million.

Our Business Strategy and Approach

Our aim is to become the largest developer and operator of utility scale renewable energy assets in Namibia, and grow a well-established brand,

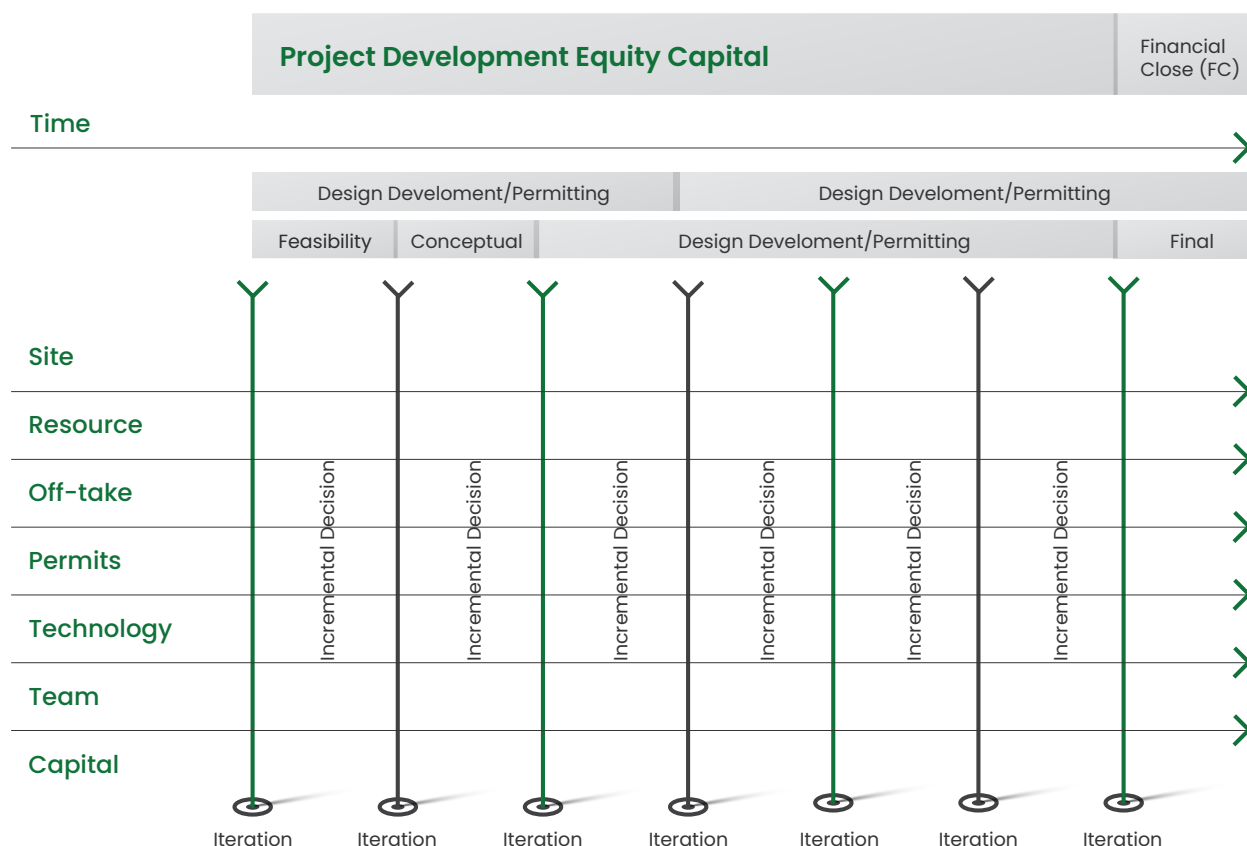
leveraging on the track record of Hopsol Africa and ANIREP Solar.

Scale is vital for us, since the largest renewable energy operator will have greater negotiating power with original equipment manufacturers and project finance lenders. This in turn improves our cost and capital structure, which enables us to lower our tariffs and secure more clients. We have already proven to be a reliable EPC that successfully and expediently executes on our development pipeline and wins repeat business. We will continue to leverage on the platform we have established to become the largest renewable energy company in Namibia and, in due course, in the region.

We seek to drive the levelised cost of electricity towards the long term goal of U\$ 0,03 cents per KWh, using our in-house EPC capabilities to reduce the development cost and an appropriate capital structure to reduce the funding cost, by mobilising significant long term equity capital and competitively priced debt. Solar power is a cleaner, faster-to-build and cost-effective alternative energy solution. The typical project plan timeline for our projects is approximately eighteen months. The major stages of project life cycle are bidding, PPA, EIA, land permits, financing, material ordering and delivery, installation, commissioning, as well as monitoring and maintenance.

- Once a bid is won, a PPA is signed, which reflects the commercial operation date before which a plant should be commissioned.
- Once land permits are obtained, our EPC team works very closely to construct and deliver the plant in the most efficient manner.
- Once commissioned, our O&M team monitors performance of all the projects near real time.
- We finance our projects with a mix of equity and project debt.

We utilize our integrated project development, EPC, financing and O&M services without involving multiple third-party services. This approach allows us to generate efficiencies of scale that further drive down system costs and improve our returns. We also utilize our in-house operational capabilities to maximise project yield and performance through proprietary system monitoring and adjustments. We continue to innovate further to reduce the cost of energy for our customers and position ourselves and our country as a large scale and low cost producer of renewable energy.



Before Bid	Post Bid	Project Finance	EPC
- Auction tendered - Land substation identification - Project analysis - Bid compilation and submission	- PPA signed - Land identified and acquired / leased - Permits obtained - SPVs formed	- Term sheet signed - Due diligence conducted - Loan documents disbursed	- DC, mechanical and AC designs created - Block components procured - Project constructed - Commercial operation date

We work with our partners, to provide our customers with the latest technology and innovation for:

- Seasonal solar tracking system;
- Remote tracking for photovoltaic power generation through National Operations Control Center ("NOCC");
- Battery Energy Solar System
- Hydrogen Generators
- Developing systems for scheduling and forecasting platform; and
- Plant performance analytics to identify areas for current and future loss minimization.

Feedback from our operating projects also serves to further enhance our project designs, resulting in enhancements for current and new plants.

We believe the execution of our strategy provides attractive opportunities for profitable growth over the long term.

In general our operational framework involves performing six carefully balanced and controlled stages to deliver quality, on time and within budgetary constraints contracted to our clients. At all material times, ANIREP strives to conform to standards with special attention to mitigate risks and while prioritising safety of natural and social environment;

- **Develop a Design Solution to Client Requirements and Secure Viability**

Special attention is exerted to conform to requirements of feasibility studies complete with site solar yield appraisals and site assessments, PV Module factory test, technical designs review and foundations designs testing, review and simulation.

- **Secure Permits to Reduce Inherited Development Risk**

We take good care to secure necessary permits from regulators, risks appraisal and analysis, conducting Environmental Impact Assessment, Geotechnical Studies, Grid Connection studies and support, gain investors and lender support to secure bankability of our plants.

- **Conduct Procurement to Access a Global Reliable Supply Chain**

In general we conduct supply chain technical assessments by leveraging our vast experience in technical procurement through quality assurance and quality control. This includes Factory Acceptance Test, pre-shipment testing, packaging, transport, loading and unloading supervision of the equipment.

- **Carry out Construction Safely and Scheduling**

Our experienced team of tried and tested staff is committed to deliver project and construction management, through quality assurance, quality control and cost control. This is in addition to, on site management of Safety Health and Environment Management Plans, commissioning and testing complete with take-over and end of warranty inspections.

- **Asset Operation To Ensure Availability And Shorten Outage Time**

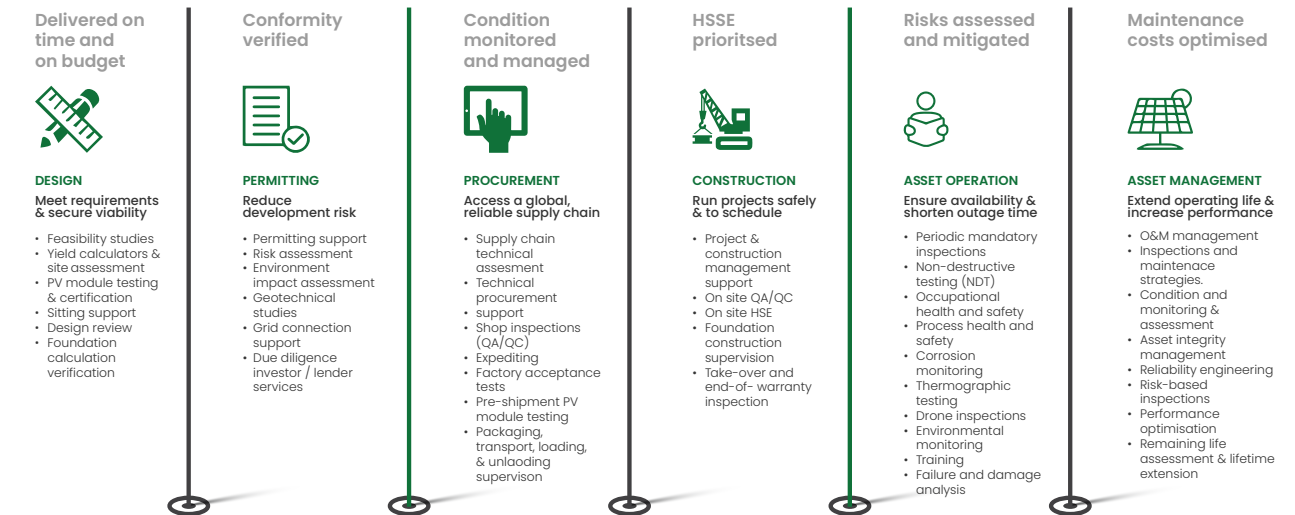
We subject our plants to periodic mandatory inspections. These inspections are coupled with; Non Destructive testing (NDT), corrosion monitoring, thermographic testing, drone inspections, environment monitoring, occupational health and safety, process health and safety, training and failure and damage analysis and assessment.

- **Asset Management to Extend Operations**

We provide Operation and Maintenance (O&M) within our well-conceived inspection and maintenance strategy, ranging from; plant condition monitoring and assessment, to plant integrity management, to reliability engineering, to risk based inspections, to performance optimisation, to remaining life assessment and lifetime extension.

FOR A BRIGHTER TOMORROW SOLAR PANEL

Dedicated solutions for photovoltaic systems and concentrated solar power



Capital discipline

We are focused on delivering returns above our cost of capital and all new projects are expected to deliver returns that ANIREP gauges based on IRR against Investment risk at different stages of development/acquisition from Pre - Commercial Operation Date to Post Commercial Operation Date contingent on factors that are attributable to lifecycle of business. Due to this, risk is identified in certain categories with the relevant required IRR, required for each investment stages as below:

Risk	Stage	Return
1. High	Development	CPI + 10.5% JIBAR + 6.0%
2. Medium	At a stage that a project requires funding and construction and is centred around financial close	CPI + 8.5% JIBAR + 4.0%
3. Low	Project has reached commercial operation stage	CPI + 6.5% JIBAR + 4%

CPI as at 31 July 2023 was 4.50%.
JIBAR as at 31 July 2022 was 8.45%.

We apply our highly disciplined strategy towards growth and capital allocation, concentrating on developing projects which fit within our investment criteria of long-term contracted projects that can leverage the expertise we have built through our operating platform.

By comparison, secondary data suggest that the IRR for renewable energy projects globally is about 8-9%, with an initial dividend yield of about 6% and positive real dividend growth (IEEFA, 2017; Edwardson, 2019; Tweed, 2016). Projects in emerging and developing markets usually bring higher returns. Based on data from the Mercatus' platform of more than 80 GW of renewable energy projects, the average return (expressed as unleveraged IRR) on solar projects was 10.4% in the Middle East and 10.3% in Africa in 2016 (Tweed, 2016).

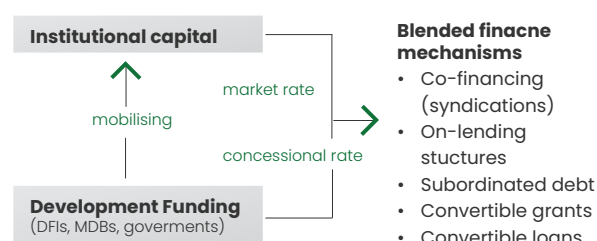
Financing strategy

Our long-term financing strategy is to access international capital markets, to enhance access to and lower the cost of capital leading to better economics for our customers and shareholders. We intend to diversify our capital sources by establishing global relationships and strategic partnership with various sources including international, regional and local pension funds, international green institutional investors, development finance institutions, export credits

institutions, domestic and international lenders, and public equity. We have commenced with the process of issuance of Green Bonds which is likely to happen in the next financial year.

Developing desirable capital market instruments to link institutional capital and development funding with renewable assets by delivering efficient investment vehicles of scale is the path we seek to walk.

Blended finance approach targeting the “Green” Debt/Equity Capital Markets



Cash flows from renewable energy projects typically last 20–30 years, with an average life span of about 25 years. Thanks to low and stable operating expenses with minimal volatility, and revenues supported by long-term 25 year power purchase agreements, our cash flows from renewable projects are relatively stable and predictable and similar to the pay-outs from fixed-income investments such as bonds. As such, they match the long-term investment horizons and liabilities of most institutional investors, such as pension funds, life insurance companies, some Sovereign Wealth Funds etc.

Capital allocation

We seek to optimize the cash flow generation from each of our projects. Our strong and predictable cash flow generation is the basis for funding new growth projects (acquisition opportunities and developments), and also supports our progressive dividend policy.

We view ANIREP as a dividend play in the short to medium term, with long term capital appreciation. We therefore intend to use the cash generated from operations to pay out dividends, not for reinvesting, with our yield to be benchmarked against cash and other industry players. We intend to source growth capital from the debt and equity capital markets, based on the strength of our opportunities.



A sustainable approach

Sustainability is core to our DNA, and we fully understand that we can only thrive in the long term through profitable solutions to the world’s problems, thereby creating value simultaneously for both shareholders and society.

Sustainability for us means **“providing clean affordable renewable energy while safeguarding the health and safety of our people and giving back to our environment and communities in a socially responsible way”**.

Our approach to sustainability is integrated across our core business activities. We are committed to making a meaningful positive impact on the communities we operate in and we continuously look for ways to give back and empower local communities around our projects. We strive to hire from local communities, providing local communities with a stream of discretionary cash flow without displacing alternative businesses. We intend to expand this to providing courses and training to the local community in order to be able to help with construction of the solar plants.





The MTC HopSol Youth Soccer League is a professionally organized youth development soccer program in Namibia that strives to uplift and better communities and individuals.

HopSol Africa in partnership with Mobile Tenecommunications Company (MTC) Namibia has a sponsorship agreement of N\$1 million over a three year period, to a youth soccer league whereby more than 2000 youth and children (120 teams) participate every weekend countrywide.

Taking our corporate social responsibility very seriously, in 2017 the HopSol Youth Soccer League started sponsored with N\$1 million by HopSol. One year after the launch of the HopSol Youth Soccer League the success of the league can only be named as phenomenal. Over 1,000 kids were participating in the soccer tournaments during 2017 and were inspired by the professional set-up and the challenging competitions between clubs and schools from all over the Windhoek region.

Six years later, the MTC HopSol Youth Soccer League is still experiencing rapid growth and shows high consistency. It is the only Youth league currently of such dimension. The league runs on a 10-month cycle per annum and is perfect for scouting for fresh blood for Premier League teams.



Our People

ANIREP Group has proven to be a reliable EPC that successfully and expediently executes on our projects, meets customer expectations and wins repeat and on-going business. We continue to leverage on the platform we have established and the track record of HopSol Africa and ANIREP Solar, as we embark on our journey to become one of the largest developers and operators of utility scale renewable assets in Namibia.

As a people-driven business, our success is dependent on the skills and experience of our 50 permanent employees and up to 400 employees depending on active projects at any given time. We work hard to recruit the right people who we know will perform well and thrive with us. We are a young, dynamic and growing, high performance company constantly looking for high achievers who are committed to excellence. We look for individuals who are motivated self-starters with a strong will to learn, to develop, work well within a team and are a good cultural fit.

The pandemic particularly showed the resilience of our employees, and we are incredibly proud of them.

Values like reliability, commitment, flexibility and professional competence are as important to us as being close to our clients, exceeding their expectations and executing their projects in a professional manner.

All this demands highly developed management skills as well as hands-on mentality which we consider both indispensable in order to satisfy the needs of our clients.

It is the policy of our company to recruit, train and promote persons in all job titles without regard to race, colour, religion, sex, age, national origin, veteran status, disability, sexual orientation or gender identity.



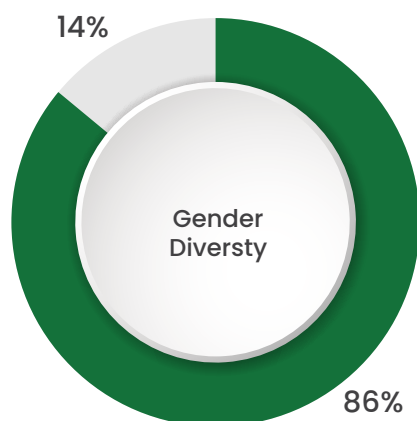
We are a young, dynamic and growing, high performance company constantly looking for high achievers who are committed to excellence.



Equality, diversity and inclusion.

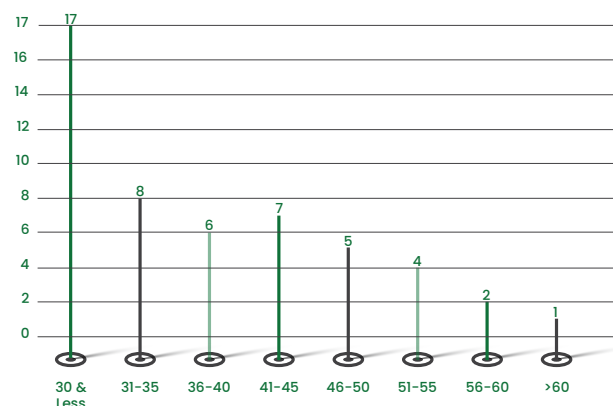
We need a diverse workforce to be successful as a company, especially as we advance in the field of energy transition, to help us solve complex challenges that matter, build long-term and trusted relationships, and make a real contribution to a low-carbon future. Therefore we value and respect each individual, the work-life balance and the importance of a diverse and inclusive workforce.

Gender diversity in numbers



The average age of employees stands at 38 years of age.

No of Employees Per Age



The company maintained sound company/union relations throughout the financial year.

Senior leadership and succession planning.

While we are still a young and growing team, we are mindful of the need for succession planning and we will be introducing a program to identify and develop talent, designed to select individuals who are ready to step up to new challenges outside their comfort zone; following evaluation and any adjustment necessary, we expect this to result in a reliable system for growth and succession planning.

Health and Safety

The Group is committed to comply with Namibian Legislation, international standards and the Group's health, Safety, Security & Environment (HSSE) Management System and ensuring the health, safety and welfare of all our employees, contractors, visitors and all stakeholders and the environment.

The Group statement on HSSE is to:

- Provide adequate control of the health and safety and environment risks arising out of work activities
- Consult with our employees on matters affecting their health and safety
- Provide and maintain safe plant equipment
- Ensure safe handling and use of substances
- Provide information, instructions and supervision for employees
- Ensure all employees are compelled to do their tasks, and to give them adequate training
- Prevent accidents and cases of work related ill health
- Maintain safe and health working conditions
- Protect the environment and use as less natural resources as possible.

ANIREP continued to maintain high Health and Safety high standards throughout the year with no major incidences reported

Stakeholder engagement

At ANIREP, we recognise that a sustainable strategy is one which is reflective of stakeholder views and input, in support of our strategic approach of creating value for shareholders and society. We therefore promote an open and transparent approach to stakeholder engagement, demonstrating how

Markets and Regulatory

An efficient, resilient, and financially robust power sector is essential for the growth of the Namibian economy. A series of reforms, including the modified single buyer model ("MSBM") which became effective 1 July 2021, are moving the Namibian power sector towards being a competitive market with multiple buyers and sellers supported by regulatory oversight. The introduction of the MSBM is a key step in market liberalisation and establishing a wholesale power market in Namibia.

- IPPs can generate and sell power directly to municipalities, large industrial and mining companies, and regional electricity distributors. The regional electricity distributors, municipalities, large industrial and mining companies can purchase up to 30% of their energy demand from IPPs.
- IPPs have access to the transmission network.
- ECB licenced export/import vendors now have access to cross border markets of sub-Saharan Africa; and can sell electricity in bilateral terms by becoming South African Power Pool members.
- The system operation shall be a fully transparent entity, publishing its supply and demand balance in near real-time.

The Modified Single Buyer framework which became effective on 1st July 2021, builds incrementally on the Single Buyer (SB) model. The main change to the Single Buyer model is that the Modified Single Buyer allows transmission electricity consumers and Independent Power Producers (IPPs) to transact with each other directly for the supply of electricity. Transmission customers are now able to buy a portion (up to 30 percent) of their energy requirements directly from a private Generator.





CHAIRMAN'S REPORT



Mac Hangari

Chairperson of Board of Directors

It is my distinct honour to report on the past financial year which ended on 28th February 2023 and happens to be ANIREP's third year on the Main Board of the Namibian Stock Exchange (NSX). As the chairman of ANIREP group, I am immeasurably pleased of ANIREP's achievements in returning yet another dynamic set of results for the year just ended.

ANIREP achieved these outstanding results against the challenges of high interest and inflationary global market, in addition to the challenges of on-boarding new acquisitions into ANIREP's governance structures, all not an easy feat. This past year's results continue to demonstrate ANIREP's commitment to its stakeholders and our understanding of investors' requirements for consistent returns from capital appreciation and income preservation.

ANIREP operates in a competitive market that offers both challenges and rich pickings for an astute and agile player. While Namibian economy continues to recover stoically from the COVID-19 pandemic, the industry is still experiencing pressures from an unprecedented inflationary, exchange rate deterioration and interest rate upwards forces which amplifies the pre- COVID-19 social economic imbalances and structural challenges.

Although, according to the World Bank Group report in 2022, Namibian real Gross Domestic Product (GDP) climbed by 4.6% year-on-year ; a huge challenge of human resources skills persists.

With a low capital development index of 0.615 little can be expected of Namibia to take advantage of this notable GDP growth to progress it into a developmental state. This is due to educational and societal wellbeing of the majority of the population. This as Namibia has only 57% access to grid electricity. Namibia will always face persistence headwind unless it leverages its vast renewable resources. As it overcomes socio-economic challenges inherited inequalities remain too high to hamper growth in job and value creation. This as Namibian registered total industrial value addition as percentage of the GDP at 27.98% in year 2022. This value added percentage comprises value added in mining, manufacturing (also reported

as a separate subgroup), construction, electricity, water, and gas. Calculated as determined by the International Standard Industrial Classification (ISIC)], industry the average value for Namibia during that period was 28.61% with a minimum of 21.2% in 1996 and a maximum of 48.6 percent in 1980. The latest value from 2022 is 27.98% is therefore indicative sign that the economy is turning corner to a growth stand.

This report by the World Bank Group demonstrates that the Namibian economy performance is still below its long term expectations going forward, as it struggles to catch up to its grand performance of the two past decades or even its high of 1980. However, our country remains an upper-middle-income developing country with rich natural resources, political and macroeconomic stability and therefore a sound investment destination in which we at ANIREP have confidence.

We can only deal with our country's challenges of high levels of poverty, inequality, and unemployment through the sustainable exploitation of our enormous natural resources. The weakening of growth in the past few years combined with the COVID-19 shock further put at risk social and economic development progress. ANIREP's goal of becoming a leading clean and affordable renewable energy developer and generator, will continue contributing to Namibia's development efforts aimed at addressing the wicked challenges of poverty, inequality and unemployment.

We can only deal with our country's wicked challenges of high levels of poverty, inequality, and unemployment through the sustainable exploitation of our enormous natural resources.

ANIREP as part of its growth strategy supports Namibia's quest to free itself from heavy reliance on imported power and its need to boost local viable power generation. This, ANIREP believes can be achieved through participation in MSBM as well as the Namibian government driven green hydrogen for export which should be a catalyst to the realization of abundant clean power for the 4th industrial revolution to take hold in Africa.

Namibia boasts great potential to be net exporter of renewable energies by developing surplus renewables combined with regulated energy storage systems, at a competitive price than



current fossil fuel generated power fed into the national grid. If record high global temperatures, wildfires, prolonged droughts and floods are not enough to convince that alternative and renewable energies are worth the effort. One should not forget that indeed renewables are cheaper and faster to develop than fossil fuel mega projects. Also this afford countries independence of energy security. Meaning countries are no longer at the whim of global oil, gas and coal prices or even their neighbours stopping supply. In line with this strategy, Iceland, started shifting away from coal and oil to leverage on its vast geothermal natural resources in 1990s, around the same time when Namibia gained its independence. This move helped to turn Iceland from a poor European country to one of the richest per capital in the world, all this while dramatically reducing its carbon emissions per capita. Not a small feat, for thirty years of determined energy shift effort and

investment. Namibia should and must draw lessons from Iceland by leveraging its own enormous solar and wind resources supported by very affordable battery technologies to seek independent, clean, affordable and secured energy.

Although the pandemic resulted in improved environmental conditions, there have been other negative effects, some of which are obvious, others less so. In brief, the positive effects have been reduced Greenhouse Gas (GHG) emissions, improved water quality, reduced noise pollution, improved air quality and in some cases, wildlife restoration.

The post pandemic world is also bolstered by the USA Biden Administration initiative to championing green energy transition investments towards carbon neutrality by 2050. In addition, the European Union has rolled out the Green hydrogen strategy as a key priority to achieve the European Green Deal



and Europe's clean energy transition. It is seen as a technology which can bridge the gap between electricity production from renewable energy and the goal of decarbonising a large share of the EU's energy consumption by 2050. The aim of the EU Hydrogen Strategy is to decarbonise hydrogen production and expand its use in sectors where it can replace fossil fuels. EU Green hydrogen strategy sets a 6 GW target by 2024 and 40GW target by 2030 to create significant business cases for private investors.

The trajectory of ANIREP is well above envisaged path despite challenges outlined above. This as we have managed to strategically increase our business prospects, at both HopSol Africa and ANIREP Solar levels, through organic means in a very competitive market place. The management and staff of ANIREP group deserve credit in steering ANIREP during these difficult and challenging times.

Thanks to governments (internationally, regionally and specifically the Namibian government)

which have continued to advocate for macro-economic and climate change policies that are conducive to ANIREP's mission and goals. This conducive environment has so far allowed ANIREP, and will equally advantage ANIREP in the future, to flourish significantly through taking advantage of government initiatives to increase the renewable percentage of Namibian energy mix and in order to meet their Nationally Determined Contribution (NDC), to cut emissions and adapt to climate impact goals under Paris Accord and for Namibia to curb the importation of fossil fuel-based energy. This policy stance is reassuring to ANIREP's investors and stakeholders especially given that we are the only NSX-listed play focused on the renewable energy space. We are able to leverage our natural renewable resources for Namibia's development and for sound returns to our investors.

ANIREP will continue to drive the NDC goals for Namibia to enable a speedy transition to lower-carbon energy within the national grid and off-grid as an invaluable enabler to sustainable projects to reduce the country's dependence on imported energy sourced from finite supply of fossil fuels.

As the chairman of ANIREP Group, I invite both retail and institutional investors to subscribe into ANIREP shares on the NSX. This as ANIREP provides the only bridge for capital markets into a fast-growing renewable electricity sector as we journey toward the 30% of market share.

Let me take this opportunity to thank the shareholders for entrusting us with their investments. Equally, I would like to pay homage to all stakeholders and specifically to my colleagues on the board of directors, the management and staff for their hard work, dedication and commitments in navigating ANIREP in its course. This has been a historic and exciting journey towards being part and parcel of energy sufficiency plans, that continue to offer upside gains for ANIREP and electricity supply industry in Namibia and in the region.

Mac Hengari

Chairperson of Board of Directors

MANAGING DIRECTOR'S REPORT



Iyaloo Nangolo

Managing Director

ALPHA NAMIBIA INDUSTRIES RENEWABLE POWER LIMITED

(Incorporated in the Republic of Namibia) (Registration Number 2018/0148) (Date of Registration 08/03/2018) (Share Code: ANE ISIN NAN000A2JQ364)

ANIREP continues to report excellent performance buttressed by strong execution of its Independent Power Producer, Engineering Procurement Construction and Operation and Maintenance verticals. I am hereby pleased to report to you, our shareholders, on our third year as a main board listed company.

ANIREP has established a solid platform with predictable and sustainable long-term cash flows which generated an EBITDA of N\$ 53,2 million which normalizes at N\$37.9 million and with a record operating profit N\$43.1 million for the year. This is underpinned by the high quality cash yielding 13.34MWp solar PV IPP with 25 year power purchase agreements, concluded in 2015 and 2016 with CENORED and NamPower respectively and a strong performance from Hopsol Africa, the largest EPC and O&M contractor in Namibia.

In keeping with the promises to our stakeholders, ANIREP continues to demonstrate its ability to return strong performance that is necessary towards achieving goals. These promises towards adding capacity in Namibia is profound as validated by continual work in progress at the acquired ANIREP Aussenkjer Solar One Namibia (AASON). Once energized (expected commercial operation date in the third quarter of 2024), AASON expects to bring into the ANIREP's stable a 25MWp IPP PV Plant in Khan. Moreover, ANIREP expects to commence the expansion works of Otjiwarongo Solar PV plant with 6.8MWp/9MWh in fourth quarter of 2023 with expected commercial operation date in second quarter of 2024. At same time, ANIREP is committed to deliver 25MWp IPP for Dundee Precious Metal Tsumeb under MSBM. This will be in addition to the commissioned 25MWp Solar PV Plant at Omburu near Omaruru for Nampower, which was commissioned in March 2022, and will reach the end of defect notification period in March 2024.

ANIREP is thus set strategically to take advantage of optimal capital market instruments to link institutional capital and development funding to deliver renewable assets through efficient resource management. This creates an effective bridge for Capital Markets into Renewable Energy Projects in fulfillment of goal number 7 of United Nations Sustainable Development Goals (SDG 7), "ensuring access to clean and affordable energy" which we regard as the key catalyst for the achievement of the other SDGs.

Renewable energy and its sustainability is core to our DNA, as we believe that we can only thrive in the long term through profitable solutions to the world's problems, thereby creating value simultaneously for both shareholders and society.

Deployment of capital needed for clean renewable and affordable power, still remain a critical forerunner to lighting up every corner of the African continent for each deserving child's homework's desktop wherever they are. ANIREP is able to provide investors with good, predictable, and long-term yielding investments generating a consistent return on equity over the long term.

At ANIREP, we prioritize the stewardship of the capital entrusted to us, in our quest to deliver on SDG 7, and we can only achieve this by successful execution of the projects under our stewardship; through professional project preparation, structuring, packaging, engineering, procurement and construction, operation and maintenance, overcoming technical, legal and human barriers; thereby making renewable power projects bankable, which then completes the loop back, via innovative access to blended finance mechanisms.

As we implement our strategy, we signed on 16th February 2023, a 25MWp solar PV IPP, EPC and O&M project contract under Modified Single Buyer Model (MSBM) with Dundee Precious Metals Tsumeb (Dundee) to be implemented at Kokerboom, near Keetmanshop in Ikaras region. This solidifies ANIREP's position as the country's foremost and leading IPP, EPC and O&M Contractor in Solar PV renewable energy sector. The Dundee project is expected to reach Commercial operation Date in fourth quarter of 2024. The energizing of Dundee, Khan and expanded Otjiwarongo will pivot ANIREP into a major renewable utility in Namibia. This reinforces our strategic focus in the Namibia electricity supply industry, towards the journey of becoming a 1 GW play, beginning with a small 11.43MWp IPP acquisitions in 2020.

In reflection, the implementation of Omburu and Khan under constraining COVID 19 conditions posed myriads of continual challenges to ANIREP's capacity to safely navigate COVID 19 triggered constrains in engineering design works, in local and international procurement as factors such a rare backwardation were experienced in copper and steel price key inputs on modules, trackers and other major electrical and electronic equipment, with

more than 160 employees at Omburu, executing various activities; and the site construction works have been decongested, sanitized and equipped with additional personal protective equipment (PPE) to meet our stringent health and safety standards. The challenges offered valuable experience which will become enablers in future projects.

ANIREP's total quality management commitment strongly provides for and maintains a safe and health workplace for all employees, contractors, sub-contractors, customers and stakeholders. This is achieved by continuous improvement in setting targets and objectives for health and safety, while at the same time striving to conserve natural resources, minimize waste and provide an environmentally-friendly workplace. This principle allows ANIREP to implement, depending on the risks, operational changes for employees and contractors, as a proactive and assertive way to ensure the safety of every ANIREP employee, visitors, third parties and customers. To that end, ANIREP continues to evaluate and refine practices and policies to ensure that employees can work safely and are furnished with the resources needed timely.

Typically on a project implementation, ANIREP establishes of a Response Core Team at each business unit/site task forces. These entities meet at least twice each week to stay ahead of evolving issues, including monitoring social distancing, hygiene and PPE requirements. In addition, where necessary ANIREP facilitates remote work by implementing flexible work policies and by supporting employees in obtaining the equipment necessary to perform their site assigned duties.

ANIREP will continue to take full advantage of Namibia's enabling environment for mobilizing private sector funding in power projects, with Net Metering and MSBM offering rich pickings. Especially that since 1st of July 2021, when the MSBM moved into Phase 1b which opened the market with multiple opportunities for both Contestable buyers and sellers, such as ANIREP. To that end, ANIREP continues to leverage the uniquely Namibian electricity supply industry merits, of having cost reflective tariffs, strong independent and functional regulator, and significant steps towards a competitive market structure, including the ability to purchase power from any generator, other than NamPower.

Even with transitory constrain of backwardation due to global upward inflationary forces and high interest rates, which increase costs of acquiring, developing and maintaining of renewable energy plants have competitively fallen to levels same or lower than fossil fuel assets over time. The renewable energies cost decline are driven by innovation and competition in solar photovoltaic (PV), biogas, wind, and geothermal energy, now make renewable energy among the cheapest electricity sources in many countries, including Namibia. As renewable energy becomes more and more cost effective to use in place of fossil fuels, end-user economics are increasingly driving solar power adoption. Renewable energy combined

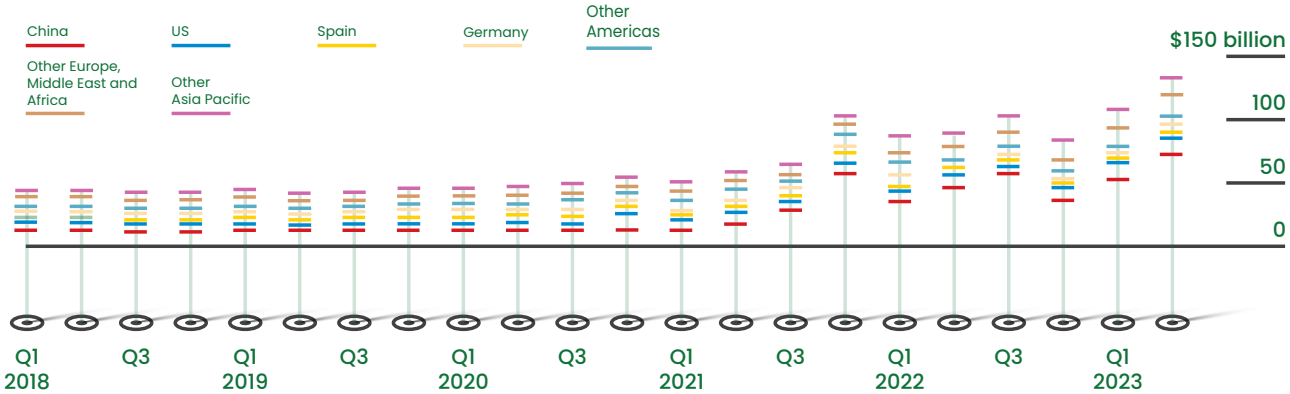


with battery energy storage systems offer reliable electricity supply. Recent and continuing innovation in electricity storage is a game changer and ANIREP believes renewable energy will become the world's predominant source of energy.

Bloomberg NEF (2023) reports that a figure of USD\$ 358 billion was spent globally on energy transition investments in first half of 2023 alone. This is an equivalent increase of 14% year on year, constituting investment in projects, such as solar, wind and other renewables, storage, charging infrastructure,

hydrogen production, nuclear, recycling and Carbon Capture Storage (CCS) projects – as well as end-user purchases of low- carbon energy devices, such as small-scale solar systems, heat pumps and zero-emission vehicles. Solar was the key driver of the stellar first half of 2023 results. This number also captures a record breaking total of USD\$239 billion invested in large- and small-scale solar systems, making up two-thirds of total global renewable energy investment over the first six months of the year and marking a staggering 43% rise compared to first half of 2022.

Solar Investment Reached New Highs in both 1Q and 2Q 2023
Investment in new large-and small-scale solar assets by region



ANIREP is pitched to play a meaningful role in the Namibia's quest to liberate itself from heavy reliance on imported power and its need to boost local viable power generation.

ANIREP continues to engage partners in order to participate in fledging and budding Namibia Green Hydrogen sector to leverage its natural energy renewable resources to develop Green Hydrogen and convert into synthetic products such as methanol, ammonia for local, regional and world markets.

ANIREP as the only NSX renewable energy listed entity mobilises and harnesses capital within its mandate, to provide renewable energy capacity to meet the demand under power purchase agreement as upstream for manufacturers of Green Hydrogen.

Our research has modelled and established a Namibian Clean Energy U- Curve. It shows that, if Namibia were to develop, 1,37 multiple of its current energy load via developing a total of 1,080 MW of Solar PV, 650MW of Wind, 600MW Regulated

Energy Storage System (RESS), at a total estimated cost of USD\$2.1 billion, approximately N\$ 30 billion, Namibia will have achieved a surplus, affordable and clean energy at cost of 50 to 100 Nc per kWh for an around the clock clean energy. This is in line with competitive international rates, with surplus 563 GWh per annum of "Surplus Power" for sustainable industrialisation, decarbonisation of hard to abate sectors of the economy such as mining, construction and transport, and export within region- via the Southern Africa Power Pool (SAPP); thereby curtailing the importation of power. The exercise is bankable and estimated to attract development cost of more than N\$30 billion. Which is a mere 8% of all Investment Capital in the Namibian financial and capital markets today, put it differently, this cost represents about a quarter of Namibian GDP, which can guarantee energy security, propel the economy, and serve as a solid building block towards achieving vision 2030 goals as envisioned by the government.

Following on ANIREP's ability to attract institutional investors on listing through their listed equity portfolios, a further potential to unlock even higher investment allocations to renewable energy infrastructural projects from institutional investors exists through sustainable long-term cash flows over time. Similarly, we believe that retail investors with appetite for predictable long-term dividends will in due course allocate investments into ANIREP.

We have thus announced rights issue to existing shareholders and potential new investors in respect of funding requirements to close our project pipeline.

The ANIREP Group satisfactory performance over the last couple of years exhibits our capacity to create value through strong EBITDA and net profit generation, which differentiate and distinguish ANIREP on its journey to become a significant utility with solid sustainable cash flows, and facilitate further allocation of capital by investors.

Outlook and prospects

ANIREP strategy remains endowed in development and acquisition stakes in operating renewable energy infrastructure assets with sustainable long-term cash flows, which can be paid to investors as dividends. These operating assets serve as a

platform for ANIREP to ramp up generating capacity by expanding the installed capacity or by directly investing in other infrastructural renewable energy projects, providing equity funding to developers and projects.

ANIREP maintains its momentum of executing our strategy, by increasing our renewable energy generation capacity with a target minimum market share of 30% of the Namibian Renewable Electricity market. The National Integrated Resource Plan forecasts generation capacity for Namibia of 1,328 MWp, with over 70% being renewable sources i.e. 928 MWp.

Our market share grew from 0MWp in 2019 to 13.43MWp (in 2023) as an IPP, being a market share of 6.3% out of 210MWp of renewable energy IPP installed in Namibia. With current development pipeline of 81MWp this will grow ANIREP's market share to above 30% of 290MWp estimated at completion by quarter two of 2025.

Accordingly, we have commenced engaging with shareholders and potential investors in respect of rights offer as announced, for our funding requirements, to close projects and prospects under development.

I close by thanking ANIREP's employees, our customers, the management, general partners, consultants, contractors, the board of directors and stakeholders for their continual commitment to deliver positive outcomes and for their roles in facilitating a sustainable ANIREP, albeit at such constraining inflationary and high interest forces. I am eternally grateful to the shareholders who underpinned our vision towards a clean, renewable and affordable energy enterprise in conformity to the golden goal number 7 of United Nation Sustainable Development Goals for every African child's dreams, just like mine, to be realized.



Iyaloo Nangolo
Managing Director

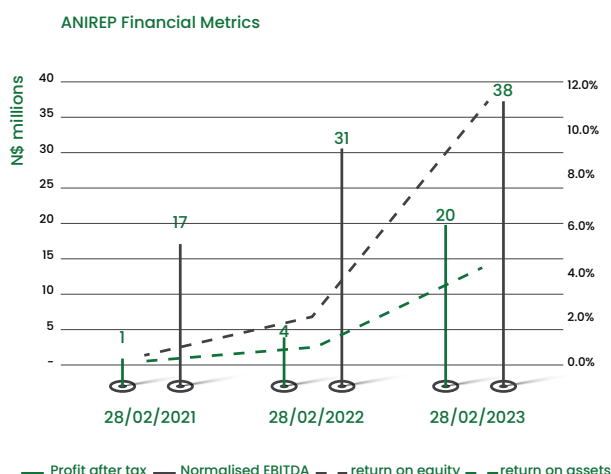


CHIEF FINANCIAL OFFICER'S REPORT



James Nyandoro

Chief Financial Officer's Report



Group Financial Performance

For the year ended 28th February 2023, ANIREP Limited did not acquire any new businesses. The revenue generated for the year amounts to N\$79 million compared to N\$257.5 million in prior year. Whereas previous year included revenue from 25MWp PV Power plant constructed by HopSol for Nampower, for the current year there were no significant projects that HopSol Africa was involved in. This is in line with the nature of EPC contracts where revenue is expected to spike depending on projects being constructed for third party customers. In years that HopSol Africa is involved with internal projects, this will result in the increase in Property Plant and Equipment for the group although HopSol Africa will record such revenue in their income statement.

ANIREP generated the following for the year:

- 29% increase in normalised operating profit for the year, from N\$21.5 million to N\$27.7 million.
- 22% increase in normalised EBITDA for the year, from N\$30.9 million to N\$37.9 million.
- The core annuity revenue for the Group, being the IPP Sale of Electricity and Operations and Maintenance (O&M) was steady at N\$51.3 million.
- ANIREP Solar (Pty) Ltd continued to generate a steady income of N\$38.1 million for the year on the back of the PPAs with NamPower and CENORED which are in place until 2040 and 2041 respectively and

- Recurring Operations and Maintenance ("O&M") revenue of N\$13.2 million in HopSol Africa increased by 10.64% due to new business. This is in line with the long-term strategy for the group to grow annuity income.
- The business continues to generate cash in line with the nature of the long-term power purchase agreements.

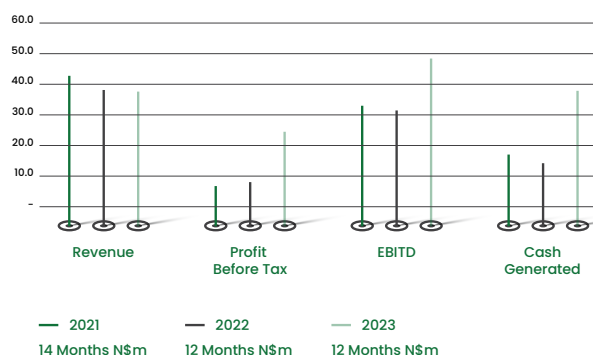
Profit for the year N\$19.9 million up from N\$3.6 million of which N\$12.2 million is attributable to owners of parent company compared to N\$1.7 for 2022. Property plant and equipment increased from N\$407 million to N\$434 million mainly due to new solar panels that were installed at Otjiwarongo as well as the costs to date for 25MWp PV Power plant under AASON at Khan Substation.

Current assets reduced from N\$N\$70 million to N\$48 Million mainly due to reduction in accounts receivable. This is mainly due to the fact that at end of 2022, there were amounts that were outstanding from Nampower for the Omburu Project and at 28 February 2023, no such amounts were outstanding as the project had been completed.

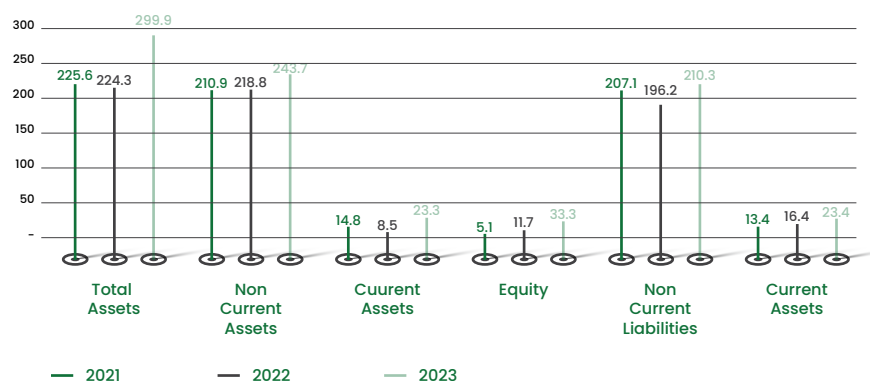
Net cash resources improved from negative N\$251,000 to a positive balance of N\$29 million.

Subsidiaries Performance

ANIREP Solar Performance



ANIREP Solar Financial Position



During the fiscal year, ANIREP Solar received a cash payment amounting to N\$24.3 million as compensation for a warranty claim related to solar panels installed at the Otjiwarongo Solar PV Plant. The panels installed at the plant had experienced adverse effects from the extreme weather conditions. Excessive delamination was observed on the panels, which significantly reduced their efficiency and output. In order to address this issue and mitigate the decrease in yield, the received funds were allocated towards the replacement of the delaminated panels with mono-perc crystal panels which are more suited for the environment at Otjiwarongo Plant. These new panels are designed to withstand demanding weather conditions, ensuring improved performance and resilience. The replacement exercise was completed by February 2023 and the yield has increased significantly.

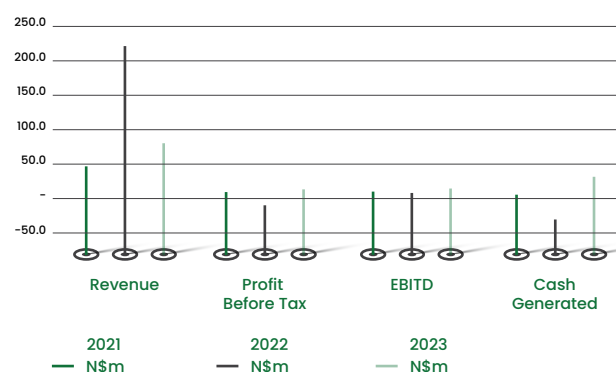
Following a technical assessment, solar panels with a value of N\$9 million were deemed commercially nonviable at the plant and subsequently written off. The assessment determined that these panels did not meet the necessary criteria for continued use.

ANIREP Solar achieved a revenue of N\$38.1 million in line with prior year (2022 N\$38.1 million) with a profit before tax of N\$26.3 million which is significantly higher compared to N\$9.7 million achieved in the prior year due to the warranty proceeds. Normalised Profit before tax for the year is N\$11 million representing a 13.4% increase. EBITDA for the period was N\$49.2 million (Normalised EBITDA N\$33.8 million which is 6.6% higher than prior year's of N\$31.7 million. Cash generated from operations for the year were N\$39.4 million up from N\$15.7 million for the previous year.

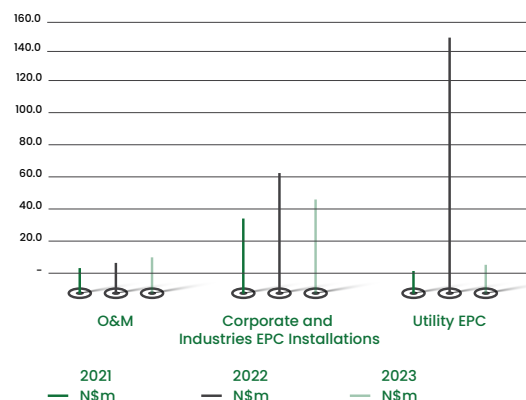
Non-Current assets for ANIREP Solar increased from N\$224 million to N\$243.7 million due to new panels that were installed at Otjiwarongo plant. Current assets increased from N\$8.5 million to N\$23.3 million. Non Current Liabilities increased from N\$196 million to N\$210 million due to increase in debt which was partly used to finance the replacement of old panels with new weather resistant mono-perc crystal panels.

HopSol Africa

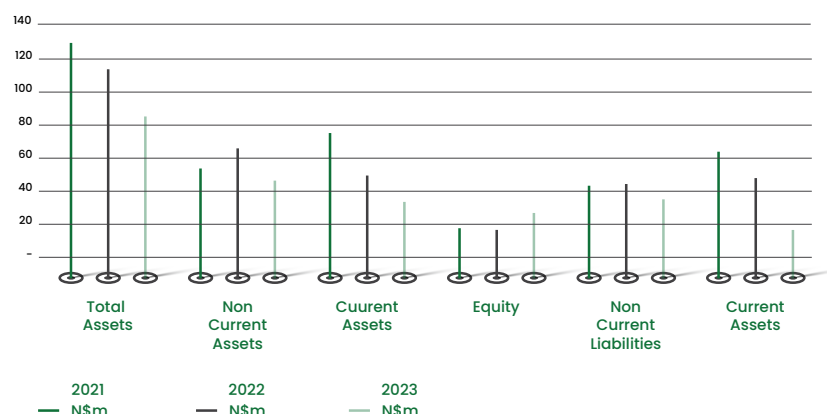
HopSol Africa Financial Performance



HopSol Africa Revenue Analysis



HopSol Africa Financial Position Metrics



Engineering Procurement and Construction (“EPC”) Revenue fluctuates in line with the contracts that HopSol Africa will be working on at any point. In the current financial year EPC revenue reduced by 89.3% for the year to N\$15.7 million. Prior year revenue of N\$221.9 million included income generated from the Omburu 25MWp PV Power Plant that was constructed for NamPower. The next major project, being another 25MWp PV Power Plant construction, commenced during the year, however, the bulk of that revenue will be realized in the February 2024 financial year. This delay in revenue recognition is inherent to the nature of our EPC work, as it takes time to complete and close out such projects.

During the previous reporting period ended 28 February 2022, results for the 50% owned joint venture that completed the Omburu EPC project for NamPower were not consolidated in the Group. As the project has been closed out these have now been consolidated, with prior year results for the year ended 28 February 2022 being restated to reflect the consolidation. For more details see Directors report section 2 and Note 39 the Audited Financial statement on pages 56 and 122 respectively.

HopSol Africa posted a revenue of N\$73.9 million (2022 N\$221.9 million) While prior year composed of revenue from the 25MWp solar PV Omburu project, current year’s revenue comprised mostly Industrial and commercial installations and O&M. Gross profit percentage for the year 44% compared to 20% for the previous year reflects the general improvement in the costs on Solar Plant inputs such as Solar panels, trackers and inverters which had shot up as a result of shut downs in the world due to Covid-19 pandemic. In addition market returns on third party projects tend to be more profitable compared to inhouse projects.

In the prior year HopSol Africa in addition to high costs of Solar PV Plant components that could not be passed on to the client, incurrent costs through the 50% HopSol JV that relate to guarantees that were required by NamPower and in addition currency exchange losses due to foreign exchange transactions that were entered into before Covid 19 and this resulted in loss before tax of N\$200,000, EBITDA of N\$9.9 million and negative cash generated from operations of N\$30.5 million. This positions improved significantly in the current financial year with HopSol Africa posting profit before tax of N\$12.3 million, EBITDA of N\$19.5 million and cash generated from operations of N\$30.8 million.

Financial Outlook

The Group will continue to provide investors with solid, predictable and long-term yields generating a consistent and growing return on equity over the long term by continuing to target investments in renewable energy plants that will deliver value to our shareholders. The targeted investments can either be existing IPPs or construction of renewable energy plants backed by long term power purchase agreements.

ANIREP intends to position the group as a dividend play in the short to medium term, with long term capital appreciation.

James Nyandoro
Chief Financial Officer

Governance

Our strategy is supported by high standards of corporate governance, which we review regularly to ensure robust reporting, strong relationships with our stakeholders and to align our businesses with global good practice.

Our approach to corporate governance

We understand that adhering to the highest standards of corporate governance is fundamental to the sustainability of our business. Our business practices are conducted in good faith, in the interests of the Group and all its stakeholders, with due regard for the principles of good corporate governance. The unitary Board of directors is the foundation of our corporate governance system and is accountable for our performance. The Board retains effective control of the business through a clear governance structure and has established committees to assist it in line with the provisions of our provisional Board Charter. The Board recognises that delegating authority does not reduce the responsibility of directors to discharge their statutory and fiduciary duties.

We continue to review our governance structures to ensure they support effective decision-making, establish a corporate culture aligned with ANIREP's purpose, foster sustainable growth and align to evolving best practice.

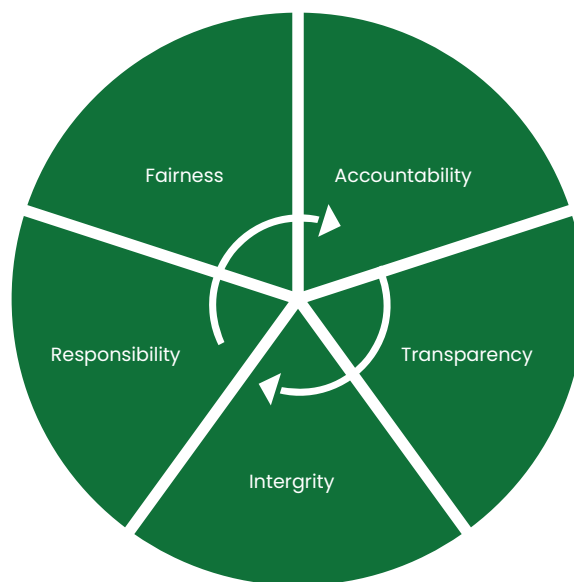
Applicable governing frameworks





ANIREP is subject to the NSX Listings Requirements and The Companies Act 28 of 2004.

ANIREP's philosophy on Corporate Governance is driven by ethical leadership, based on the overarching principles shown below:



Through ethical leadership, ANIREP continues to build a sustainable business by having regard for the company's economic, social and environmental impact on the communities in which we operate through effective strategy and operations.

This triple context of economic, social and environmental considerations enhances the company's potential to create economic value. It ensures that the economic, social and environmental resources that the company requires to remain in business are treated responsibly. By looking beyond immediate financial gain, the company protects its reputation – its most significant asset – and builds trust.

The Board of Directors

The NamCode confirms the role of the Board as the focal point for corporate governance. In doing this, the NamCode has embraced the term Responsible Leadership, under which it has characterised a model Board of Directors.

The Board has collective responsibility to provide and ensure good governance. As such, it is the responsibility of the directors to ensure, among others that the company:

- operates ethically and with integrity, and as a responsible corporate citizen;
- accounts for the interests of the community within which it operates;
- integrates strategy, performance and sustainability;
- complies with laws and regulations;
- identifies and manages risks; and
- employs structures and processes to ensure the integrity of its financial reporting.

The directors are ultimately accountable for adherence to best practice principles and the direct responsibility of the Board is focused on the design and adoption of adequate policies, inculcating the required culture to adhere to such policies, and the subsequent oversight of the implementation of such policies. Management bears responsibility for the implementation of policies.

Our success is founded on a clear strategy, which delivers competitive returns and sustainable value. The Board draws on the wealth of knowledge and experience of its members to guide the company in achieving its strategic priorities. With a deep understanding of our values, each director has and makes a valuable contribution to the responsible governance of the company.

The Board has members of the appropriate calibre to provide the company with strategic direction.

The Board of directors of ANIREP acknowledges the need for a Board charter as recommended by the Code of Governance Principles for Namibia (Namcode), King IV Report on Corporate Governance for South Africa – 2016 and is subject to the provisions of Companies Act 28 of 2004.

The purpose of the charter is summarised below:

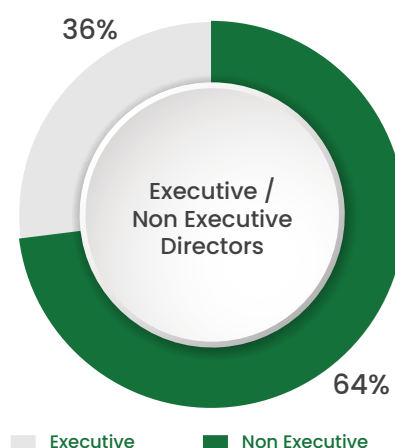
- a. the roles, responsibilities, functions and powers of the Board, individual directors and the executives of the Company;
- b. the powers delegated to various committees of the Board;
- c. relevant principles of the Company's limits and delegations of authority and matters reserved for decision-making by the Board; and

- d. the policies and practices of the Board in respect of matters such as corporate governance, declarations and conflicts of interest, Board meeting documentation and procedures, composition of the Board and the nomination, appointment, induction, training and evaluation of directors and members of Board committees.

The roles and responsibilities of the Board of Directors are set out below:

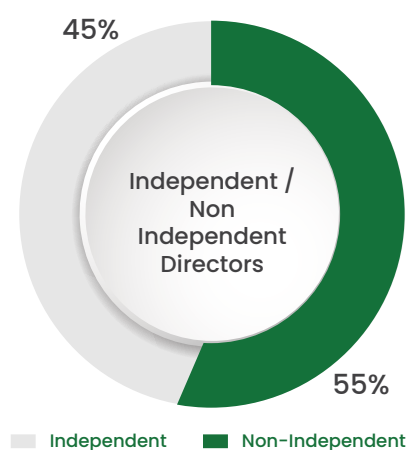
- a. Act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of the Company along sound corporate governance principles.
- b. Appreciate that strategy, risk, performance and sustainability are inseparable and to give effect to this by:
 - i. Contributing to and approving the strategy
 - ii. Satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management
 - iii. Identifying key performance and risk areas
 - iv. Ensuring that the strategy will result in sustainable outcomes; and
 - v. Considering sustainability as a business opportunity that guides strategy formulation.
- c. Provide effective leadership on an ethical foundation.
- d. Ensure that the Company is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the Company but also the impact that business operations have on the environment and the society within which it operates.
- e. Ensure that the Company's ethics are managed effectively.
- f. Ensure that the Company has an effective and independent audit committee.
- g. Be responsible for the governance of risk.
- h. Be responsible for information technology (IT) governance.
- i. Ensure that the Company complies with applicable laws and considers adherence to non-binding rules and standards.
- j. Ensure that there is an effective risk-based internal audit.
- k. Appreciate that stakeholder's perceptions affect the Company's reputation.
- l. Ensure the integrity of the Company's integrated report.

- m. Act in the best interests of the Company by ensuring that individual directors:
 - i. Adhere to legal standards of conduct
 - ii. Are permitted to take independent advice in connection with their duties following an agreed procedure
 - iii. Disclose real or perceived conflicts to the board and deal with them accordingly and
 - iv. Deal in securities only in accordance with the policy adopted by the board
- n. Commence business rescue proceedings as soon as the Company is financially distressed.
- o. Elect a chairman of the board that is an independent non-executive director.
- p. Appoint and evaluate the performance of the Managing Director



The composition of the Board of Directors is as indicated below:

- The board comprises a balance of executive and non-executive directors, with a majority of non-executive directors.
- A majority of the non-executive directors should be independent. Directors are appointed through a formal process and the Nomination and Remuneration Committee assists with the process of identifying suitable candidates to be proposed to the shareholders.
- The Managing Director and the Chief Financial Officer are ex officio members of the board.
- A formal induction programme is established for new directors. Inexperienced directors are developed through a mentorship programme. Continuing professional development programmes are implemented which ensure that directors receive regular briefings on changes in risks, laws and the environment.



8 Men

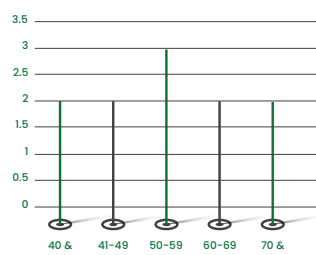
3 Women

Board of Directors Composition

Diversity and inclusion

ANIREP recognises the benefits of a diverse Board. The Board comprised of 82% black Board members, of which 27% are women. We continue our efforts to increase female representation and as such going forward the annual performance evaluation of the Board, the nomination committee will continue to focus on gender and race diversity as priority areas.

Directors Age Distribution



Independence

Independent non-executive directors are highly experienced and have the skills, background and knowledge to fulfil their responsibilities. All directors have a duty to act with independence of mind in the best interests of the company. With the proposed augmentation of the Board, The Board believes the independent non-executive directors are of the appropriate calibre, diversity and number for their views to carry significant weight in its deliberations and decisions.

The classification of independent non-executive directors is determined by the Board on the recommendation of the nomination committee. In determining the independence of these directors, and with due regard to the relevant criteria set out in NamCode and the NSX Listings Requirements, character and judgement are considered, along with any relationships or circumstances that are likely to affect, or could appear to affect, their judgement.

Meeting Attendance and Remuneration:

- The board holds sufficient scheduled meetings to discharge all its duties as set out in the Board Charter but subject to a minimum of four meetings per year.
- Meetings in addition to those scheduled are held at the request insistence of a director.
- The chairman of the board may meet with the Managing Director and the Chief Financial Officer and/or the secretary of the board prior to a board meeting to discuss important issues and agree on the agenda.

Main Board Attendance:

Board of Directors	16 May 22	24 Jun 22	06 Oct 22	10 Nov 22	09 Feb 23	N\$
Mac Hengari	X	X	X	X	X	80,000
Gida Nakazibwe – Sekandi	X	X	X	X	X	60,000
Amb. Philemon Kambala	X	X	X	X	X	60,000
Sphiwe Mayinga	X	X	X	X	X	60,000
Faniel Kisting	X	X	X	X	X	60,000
Stephanus Oosthuysen	X	X	X	X	X	-
Meklit Demamu	X		X	X	X	-
Hans Hamukoto	X		X	X		-
Anti Myllarinen	X	X	X	X	X	-
James Nyadoro	X		X	X	X	-
Iyaloo Nangolo	X		X	X	X	-
						320,000

Company Secretary

At 28th February 2023, Ellis Shilengudwa Incorporated (ESI) was the Company Secretary, duly appointed by the Board in accordance with the Companies Act. The Board considered and is satisfied that the individuals who perform the Company Secretary role, and the members of ESI, are properly qualified and experienced to competently carry out the duties and responsibilities of Company Secretary.

BOARD Committees'

ANIREP has the following functional committees of the Board:

- Investment Committee
- Audit and Risk Committee
- Remuneration and Nomination Committee
- Environment, Social and Governance

The sub-committees assist the Board with fulfilling its responsibilities in accordance with the provisions of the company's Board charter. 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 the company. Each of the committees' terms roles and responsibilities, functions, scope of authority and composition are set out in the Terms of reference of each individual committee. Committees terms of reference are reviewed every two years which will be in the 2024/25 financial year. annually and will set out the committees'. The review takes into account amendments to applicable legislation and developments in international best practices. Committees report to the Board at each Board meeting and make recommendations in accordance with their terms of reference. The committees' Chairpersons attend annual general meetings of shareholders to answer any questions.

Investment Committee

The investment committee is constituted as an Independent committee which makes investment recommendations to the board.

Roles

The Committee has an independent role, operating 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 remains the responsibility of the Executive directors, officers and other members of senior management.

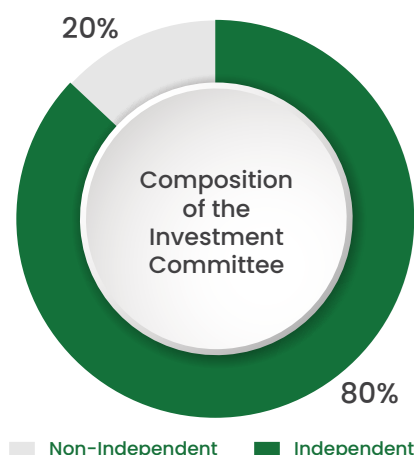
The role of the Committee is to assist the board:

- In considering investment opportunities in respect of assets in generations, transmission and distribution space of renewable electricity supply industry, listed securities and other corporate action.
- To approve acquisitions, disposals and capital expenditure in line with the limits of authority delegated to it and in line with the strategy determined by the board.
- To approve, guide and influence key investment policies and strategies;

Responsibilities

The Committee performs all the functions necessary to fulfil its role which include the following:

- Review the investment strategy;
- Set criteria and targets for investment;
- Approve proposals for development, acquisition and sale of properties;
- Periodically review due diligence processes for acquisitions;
- Approve equity and other strategic investments;
- Review market valuations by external valuers;
- Annually review performance of the property portfolio;
- Report regularly and make recommendations to the board for approval



Audit & Risk Committee

The Audit & Risk Committee has an independent role with accountability to both the board and shareholders.

The purpose of the Audit and Risk Committee for ANIREP is to:

- assist the Board in its oversight of the integrity of the ANIREP's financial reporting, including supporting the Board in meeting its responsibilities regarding financial statements and the financial reporting systems and internal controls;
- monitor, on behalf of the Board, the effectiveness and objectivity of internal and external auditors;
- provide input to the Board in its assessment of enterprise risks and determination of risk appetite as part of the overall setting of strategy for ANIREP; assist the Board in its oversight of ANIREP's risk management framework, monitoring its effectiveness through functional implementation in the 'second line of defence' and its performance to protect against and mitigate risks in the 'first line of defence'

Responsibilities

Integrated reporting

The Committee oversees integrated reporting, and in particular the Committee must:

- Have regard to all factors and risks that may impact on the integrity of the integrated report, including factors that may predispose management to present a misleading picture, significant judgements and reporting decisions made, monitoring or enforcement actions by a regulatory body, any evidence that brings into question previously published information, forward-looking statements or information
- Review the annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price-sensitive information and prospectuses, trading statements and similar documents
- Provide comments on the accounting practices and the effectiveness of the internal financial controls in the annual financial statements.

- Review relevant disclosure issues in the integrated report to ensure they are reliable and do not conflict with the financial information in the financial statements.
- Recommend to the board the engagement of an external assurance provider on material sustainability issues
- Recommend the integrated report for approval by the board
- Issue interim results in accordance with Namibia Stock Exchange rules

Combined Assurance

The Committee will ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities, and in particular the Committee should:

- Ensure that the combined assurance received is appropriate to address all the significant risks facing the Company; and
- Monitor the relationship between the external assurance providers and the Company.

Finance function and Chief Financial Officer

- The Committee reviews the expertise, resources and experience of the Company's finance function, and discloses the results of the review in the integrated report.
- The Committee also considers and satisfies itself of the suitability of the expertise and experience of the Chief Financial Officer every year.

Internal Audit

The Committee is responsible for overseeing the internal audit function, and in particular the Committee must:

- Be responsible for the appointment, performance assessment and/or dismissal of the Internal Auditors.
- Approve the internal audit plan;
- Ensure that the internal audit function is subject to an independent quality review at least once every five years; and
- Must review and evaluate internal audit reports and effectively monitor the closure of internal audit finding.

Risk Management

- The board should be responsible for the governance of risk through formal processes, which include the total system and process risk management. This responsibility has been delegated to the Committee which should oversee the following areas in the management of risk;
- financial reporting risks
- internal financial controls
- fraud risks as it relates to financial reporting; and
- IT risks as it relates to financial reporting.

The following responsibilities should be executed by the Committee to fulfil the risk management role;

Policy development and implementation

- Oversee the development and annual review of a policy and plan for risk management to recommend for approval to the board
- Monitor implementation of the policy and plan for risk management taking place by means of risk management systems and processes

Risk Identification and mitigation

- Review the Company's strategic risks and relevant risk registers.
- Make recommendations to the board concerning the levels of tolerance and appetite and monitoring that risks are managed within the levels of tolerance and appetite as approved by the board
- Oversee that the risk management plan is widely disseminated throughout the Company and integrated in the day-to-day activities of the Company
- Ensure that risk management assessments are performed on a continuous basis
- Ensure that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks
- Ensure that management considers and implements appropriate risk responses
- Ensure that continuous risk monitoring by management takes place

Reporting

- Liaise closely with the assurance providers to exchange information relevant to risk
- Express the Committee's formal opinion to the board on the effectiveness of the system and process of risk management; and
- Review reporting concerning risk management that is to be included in the integrated report for it being timely, comprehensive and relevant.

External Audit

- The Committee is responsible for recommending the appointment of the external auditor and to oversee the external audit process and in this regard the Committee must nominate the external auditor for appointment by the shareholders.
- Approve the terms of engagement and remuneration for the external audit engagement.
- Monitor and report on the independence of the external auditor in the annual financial statements.
- Define a policy for non-audit services provided by the external auditor.
- Pre-approve the contracts for non-audit services to be rendered by the external auditor.
- Ensure that there is a process for the Committee to be informed of any Reportable Irregularities identified and reported by the external auditor.
- Review the quality and effectiveness of the external audit process; and
- Consider whether the audit firm and, where appropriate, the individual auditor that will be responsible for performing the functions of auditor.

Compliance

The Committee is responsible to:

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith; and
- Obtain regular updates from management and the risk and compliance function regarding compliance matters.



Audit and risk committee:

Member	10 May 22	21 Nov 22	07 Feb 23	N\$
Gida Nakazibwe Senkandi	X	X	X	22,500
Sohiwe Mayinga	X	X	X	22,500
Faniel Kisting	X	X	X	27,000
James Nyadoro (In - Attendance)	X	X	X	-
Iyaloo Nangolo (In - Attendance)	X	X	X	-
				72,000

Remuneration and Nomination Committee:

The role of the Remuneration and Nomination Committee (REMNOCOM) is to examine the selection and appointment practices of ANIREP, address Board succession issues and ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively, although the Board retains ultimate responsibility for these practices.

Roles

The Committee has an independent role, operating 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 remains the responsibility of the Managing Director (MD), Chief Financial Officer (CFO), officers and other members of management.

The role of the Committee is to assist the board:

- To ensure that the Company remunerates directors and executives fairly and responsibly;
- To ensure that the disclosure of director and executives' remuneration in the integrated report is accurate, complete and transparent;
- To approve, guide and influence key human resource policies and strategies;
- To assist the Board in the implementation of programmes to ensure that the Board's composition and size is appropriate at all times;
- Monitor and guide strategic progress with regard to the Affirmative Action Act, and the Labour Act;
- Monitor and guide strategies to achieve diversity, equity, and inclusion within the Company.

Responsibilities

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

Remuneration:

- Oversee the setting and administering of remuneration at all levels in the company;
- Oversee the establishment of a remuneration policy that will promote the achievement of strategic objectives and encourage individual performance;
- Ensure that the remuneration policy is put to a non-binding advisory vote at the general meeting of shareholders once every year;
- Review the outcomes of the implementation of the remuneration policy for whether the set objectives are being achieved;
- Ensure that the mix of fixed and variable pay, in cash, and other elements, meets the company's needs and strategic objectives;
- Satisfy itself as to the accuracy of recorded performance measures that govern the vesting of incentives.
- Ensure that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued;
- Oversee the performance evaluation of the committee and the Board Independent Directors performance.
- Select an appropriate benchmark with organisations within the same field and size when comparing remuneration levels;
- Regularly review incentive schemes to ensure continued contribution to shareholder value and that these are administered in terms of the rules;
- Advise on the remuneration of non-executive directors;
- Oversee the preparation and recommending to the board the remuneration report, to be included in the integrated report, for whether it:
 - Is accurate, complete and transparent; and
 - Provides a clear explanation of how the remuneration policy has been implemented.

Composition, attributes and culture

- Regularly review the Board's structure, size and composition and make recommendations to the Board with regard to any adjustments deemed necessary;
- Identify and nominate suitable candidates for directorship or executive positions, in consultation with the Chairperson of the Board and the MD, for the approval of the Board;
- Ensure that formal succession plans for the Board, MD and Senior management are developed and implemented;
- Recommend to the Board the continuation (or not) in service of any director who has reached the age of 70;
- Consider annually the eligibility for re-election of those directors who retire by rotation, and recommend or advise otherwise such retiring directors' re-appointment by shareholders at the Annual General Meeting (AGM) taking into account the results of their performance evaluation;

Evaluation

- Consider annually, as part of the Board evaluation process, the independence of the directors, to enable an appropriate statement to be made in the annual report by the Board;
- Ensure the establishment of a formal process for the appointment of directors and to regularly review such process to ensure its appropriateness and adequacy, including:
- Identifying suitable candidates for election to the Board;
- Performing reference and background checks of candidates prior to nominating them for appointment; and
- Formalising the appointment of directors through an agreement between the Company and the director.
- Oversee the development of a formal induction programme for new directors including the development and implementation of continuing professional development programmes for directors and mentorship of inexperienced directors;
- Ensure the implementation of action plans emanating from the annual evaluations; and
- Considering and recommending to the Board for approval policies relating to the Committee's mandate as set out in these terms of reference.

Remuneration and nomination committee:

Member	29 Apr 22	13 Jun 22	28 Oct 22	19 Jan 23	06 Feb 23	N\$
Gida Nakazibwe – Sekandi	X	X	X	X	X	45,000
Sphiwe Mayinga	X	X	X	X	X	37,500
Antii Myllarinen	X	X	X	X	X	-
Mac Hengari (Invited)		X			X	15,000
Faniel Kisting (Invited)		X				7,500
James Nyadoro (In – Attendance)	X		X	X		-
Iyaloo Nangolo (In – Attendance)	X		X	X		-
						105,000

Environment Social and Governance Committee:

Roles and responsibilities

The Committee has the following specific responsibilities:

- Review and discuss with management the company's ESG strategy, policies and initiatives.
- Oversee the establishment of Environmental Impact Assessment Framework, Corporate Social Responsibility Policy, Corporate Governance Policy and Code of Conduct and their effective implementation, monitor and review their ongoing relevance, effectiveness, and development.
- Provide input and guidance with respect to communications with employees, investors, and other stakeholders, as appropriate, regarding the Company's position on or approach to ESG matters.
- Review and assess the performance of the Committee and the adequacy of this term of reference annually and recommend any proposed changes for approval by the Board.
- Ensure that the Company monitors and reviews current and emerging ESG trends, relevant international standards and legislative requirements, identifies how those are likely to impact on the strategy, operations, and reputation of the Company and determines whether and how these are incorporated into or reflected in the Company's ESG policies and objectives.
- Review and monitor the operational, regulatory, and reputational risks and impact of ESG on the Company and provide insight and guidance with respect to the Company's management of such risks and impacts.
- Ensure that the Company provides appropriate information and is transparent regarding its ESG related policies with the investment community, particularly ethical/ socially conscious investment funds, by whatever means are deemed to be most effective.
- The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be made available for Board discussion when necessary.

Environment Social and Governance Committee	19 Apr 22
Amb. Philemon K Kambala	-
Stephanus Oosthuysen	X
James Nyadoro (In - Attendance)	X
Iyaloo Nangolo (In - Attendance)	X

Remuneration disclosure and share disclosure

Directors remuneration to be established by a remuneration committee that will tabled to shareholders on a yearly basis for a non-binding Vote at the AGM.

The expenses necessarily incurred by the Board in connection with the business of the Company and attending Board and committee meetings shall be paid by the Company.

For the year under review, the fees paid to non-executive directors are set out below.

Remuneration to Non - Executive Directors:

Name of Shareholder	Direct
Mac Hengari (Chairperson)	164,910
Gida Nakazibwe – Sekandi	188,000
Amb. Phillemon Kambala	104,500
Sphiwe Mayinga	139,500
Faniel Kisting	138,000
Total	734,910

The director's interest is shown below:

Directors shareholding:

Name of Shareholder	Direct	Indirect Through AEC	Total Number of Shares	% of Shares in Issue
Iyaloo Nangolo	12,500	308,750	321,250	1.90%
Stephanus Oosthuysen	19,600	302,100	321,700	1.90%
Hans Hamukoto	500	34,200	34,700	0.21%
Antti Myllarinen	-	21,850	21,850	0.12%
Meklit Demamu	5,000	18,050	23,050	0.14%
Philemon Kambala	500	-	500	0.00%
Relatives to the Directors	213,247	-	213,247	1.27%
Total	250,847	684,950	936,297	5.55%

Risk Management

Conflict of interest management.

In their corporate and technical advisory roles to the Board the General Partners could be perceived to have a conflict of interest due to fees earned by the General Partners in respect of the Proposed Acquisitions, in addition to any benefit the General Partners may attain as a result of the minority Shares they collectively hold in ANIREP.

In order to manage the perceived conflict, the transaction advisory costs charged by the General Partners and tabled to the Board for approval, are verified independently for costs and quality compliance.

Ethics

ANIREP at its core operates on ethics. This is an ongoing practice and standards are constantly refined.

IT Risks

The IT Risk of the business is governed by the IT Policy, which is reviewed by the Board regularly. The Board currently still remains with the responsibility to provide an oversight for the IT function of the business.

Key Priorities and Stakeholder Engagement

It is critical that Corporate Governance is at the essence of the business. Management strives to have the best practices in place, and as such will engage in a continuous exercise to ensure the best practices stay in place.

Corporate Governance Board Priorities for the upcoming financial year

- Appoint governance expert to carry out an assessment of ANIREP overall governance structure and practices and implement recommendation in line with best practises.
- Rolling out a stakeholder engagement strategy, to build goodwill, trust and investor confidence.
- Adopt and roll out ANIREP Group ESG framework for implementation.



FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 February 2023

A large field of solar panels under a clear blue sky. The panels are arranged in rows, and the sky is a deep blue with some light clouds. The panels are dark blue with silver lines, and they are tilted at an angle. The bottom right corner shows some dry grass.



General Information

Company registration number
2018/0148

Country of incorporation and domicile
Namibia

Nature of business and principal activities

To facilitate the investment of long-term capital in renewable industries incorporating artificial intelligence technology in Namibia and Sub-Saharan Africa, with an initial focus of the infrastructural renewable energy sector in generation, transmission and distribution. The infrastructural renewable energy sector includes biomass, geothermal, solar, hydro, wind and wave resources.

Directors

M.A. Hengari
I.J. Nangolo
A.J. Myllärinen
M.S. Demamu
S.A. Oosthuysen
Amb. P.K. Kambala
G. Nakazibwe-Sekandi
H. Hamukoto
S.D. Mayinga
F.G. Kisting
J. Nyandoro

Registered office

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Namibia

Auditors

Ernst & Young Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Secretary

ESI Secretarial Services CC

The reports and statements set out below comprise the consolidated and separate annual financial statements presented to the shareholders:

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Alpha Namibia Industries Renewable Power Limited

(Registration number 2018/0148)

Consolidated and Separate Annual Financial Statements for the year ended 28 February 2023

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of Namibia to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the group and company as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with the International Financial Reporting Standards. The external auditor is engaged to express an independent opinion on the consolidated and separate annual financial statements.

The consolidated and separate annual financial statements are prepared in accordance with the International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set 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 group and company and all employees are required to maintain the highest ethical standards in ensuring the group and company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group and company is on identifying, assessing, managing and monitoring all known forms of risk across the group and company. While operating risk cannot be fully eliminated, the group and 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 directors are 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 consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group and company's cash flow forecast for the year to 29 February 2024 and, in light of this review and the current financial position, they are satisfied that the group and company have or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the group and company's consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the group's external auditors and their report is presented on pages 4 to 6.

The audited consolidated and separate annual financial statements set out on pages 7 to 66, which have been prepared on the going concern basis, were approved by the board on 12 June 2023 and were signed by:

Approval of consolidated and separate annual financial statements



Director



Director



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALPHA NAMIBIA INDUSTRIES RENEWABLE POWER LIMITED

Opinion

We have audited the consolidated and separate annual financial statements of Alpha Namibia Industries Renewable Power Limited ('the Company') and its subsidiaries ('the Group') set out on pages 7 to 66, which comprise the directors' report, the consolidated and separate statement of financial position as at 28 February 2023, the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and the notes to the consolidated and separate annual financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group as at 28 February 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

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 Consolidated and Separate Annual Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards)* and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Paragraph

The prior year annual consolidated financial statements have been restated as a result of the unincorporated joint operation between HopSol Africa (Pty) Ltd and Tulive Private Equity (Pty) Ltd not being consolidated for in 2021 or in 2022. We draw attention to Note 39 in the annual consolidated financial statements which describes the effects of the restatement of the prior year's figures. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate annual financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the general information, the contents, the directors' responsibilities and approval statement and the detailed income statement, which we obtained prior to the date of this auditor's report. The other information does not include consolidated and separate annual financial statements and our auditor's report thereon. Our opinion on the consolidated and separate annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate annual 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 that we 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 Consolidated and Separate Annual Financial Statements

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

In preparing the consolidated and separate annual financial statements, the directors are responsible for assessing the Group's and 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 Group and/or Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether consolidated and separate annual 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate annual financial statements.

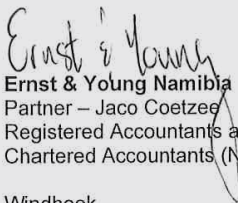
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate annual 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 Group's or 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 Group's and 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 consolidated and separate annual 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 Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate annual financial statements, including the disclosures, and whether the consolidated and separate annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.



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.


Ernst & Young Namibia
Partner – Jaco Coetzee
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Windhoek
Namibia

12 June 2023

Directors' Report

The directors have pleasure in submitting their report on the consolidated and separate annual financial statements of Alpha Namibia Industries Renewable Power Limited (ANIREP) (the company) and its subsidiaries (the group) for the year ended 28 February 2023.

1. Nature of business

Alpha Namibia Industries Renewable Power Limited is an investment entity incorporated in Namibia with interests in the renewable energy industry.

There have been no material changes to the nature of the group or company's business from the prior year.

2. Prior period error

In response to the Omburu tender issued by Nampower, Hopsol Africa and Tulive Private Equity (Pty) Ltd entered into an arrangement on 25 February 2020. The arrangement resulted in the formation of an unincorporated arrangement.

The tender was awarded to the joint operation in December 2020. The tender entailed the construction of a solar PV plant at Omburu for Nampower and ensure that the plant is satisfactorily operational for a period of 2 years after its commercial operation date, which was 29 March 2022.

In terms of the operation, Tulive Private Equity (Pty) Ltd had been responsible for engineering and procurement of parts necessary for the solar plant, while Hopsol Africa was responsible for the construction of the solar plant. The assets, liabilities, revenue and expenses of the joint operation were to be shared between Hopsol Africa and Tulive Private Equity equally. The joint operation required no capital investment to set up the joint operation.

The results of the joint operation were not consolidated into the annual financial statements of Hopsol Africa, and indirectly into the ANIREP Ltd group's consolidated annual financial statements as well, for the years ended 28 February 2021 and 28 February 2022. This error has been corrected retrospectively during the 2023 annual financial statements, by restating 2022. Refer to note 39 for a summary of the impact of the restatement on the annual financial statements.

3. Review of financial results and activities

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group and company are set out in these consolidated and separate annual financial statements.

4. Authorised and issued share capital

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

5. Dividends

The board do not recommend the declaration of a dividend for the year (2022: Nil).

6. Directorate

The directors in office at the date of this report are as follows:

Directors	Nationality
M.A. Hengari	Namibian
I.J. Nangolo	Namibian
A.J. Myllärinen	Finnish
M.S. Demamu	Ethiopian
S.A. Oosthuysen	Namibian
Amb. P.K. Kambala	Namibian
G. Nakazibwe-Sekandi	Ugandan
H. Hamukoto	Namibian
S.D. Mayinga	South African
F.G. Kisting	Namibian
J. Nyandoro	Zimbabwean

There have been no changes to the directorate for the year under review.

7. Events after the reporting period

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

8. Going concern

The consolidated and separate 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 directors believe that the group and company has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group and company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors are not aware of any new material changes that may adversely impact the group or company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group or company.

9. Secretary

The company secretary is ESI Secretarial Services CC.

10. Auditors

Ernst & Young Namibia will continue in office as auditors in accordance with section 278(2) of the Companies Act of Namibia.

Statement of Financial Position as at 28 February 2023

	Note(s)	Group			Company	
		2023	2022	2021	2023	2022
		N\$	Restated N\$	Restated N\$	N\$	N\$
Assets						
Non-Current Assets						
Property, plant and equipment	3	205 610 988	166 326 184	173 751 531	208 547	227 348
Right-of-use assets	4	283 805	445 979	605 450	283 805	445 979
Goodwill	5	138 409 423	138 409 423	129 391 043	-	-
Investments in subsidiaries	7	-	-	-	144 577 914	144 577 914
Loans to group companies	8	47 395 067	43 072 892	39 756 907	1 335 666	16 482
Finance lease receivables	9	7 296 683	5 756 467	-	-	-
Other financial assets	10	35 142 248	53 349 619	51 082 958	-	-
		434 138 214	407 360 564	394 587 889	146 405 932	145 267 723
Current Assets						
Inventories	11	4 000 015	7 042 010	4 664 652	-	-
Loans to group companies	8	1 535 623	-	-	-	-
Trade and other receivables	12	7 487 715	32 302 928	55 038 816	1 892 158	521 454
Finance lease receivables	9	338 108	208 320	-	-	-
Prepayments	13	246 716	206 189	163 532	71 667	48 207
Current tax receivable	21	-	1 391 704	-	-	-
Cash and cash equivalents	14	34 700 749	28 401 341	45 982 796	4 768 584	12 005 454
		48 308 926	69 552 492	105 849 796	6 732 409	12 575 115
Total Assets		482 447 140	476 913 056	500 437 685	153 138 341	157 842 838

Statement of Financial Position as at 28 February 2023 (continued)

		Group			Company	
		2023	2022	2021	2023	2022
Note(s)		N\$	Restated N\$	Restated N\$	N\$	N\$
Equity and Liabilities						
Equity						
Equity Attributable to Equity Holders of Parent						
Share capital and share premium	15	164 240 863	164 240 863	164 240 863	164 240 863	164 240 863
Accumulated earnings/(loss)		12 790 631	568 834	(1 144 489)	(14 874 915)	(8 204 101)
		177 031 494	164 809 697	163 096 374	149 365 948	156 036 762
Non-controlling interest		15 022 021	7 386 783	5 532 716	-	-
		192 053 515	172 196 480	168 629 090	149 365 948	156 036 762
Liabilities						
Non-Current Liabilities						
Loans from group companies	16	128 658 246	117 638 692	122 198 007	-	-
Interest-bearing borrowings	17	90 815 838	101 945 857	111 455 101	-	-
Lease liabilities	4	136 355	503 087	429 539	136 355	503 087
Deferred tax	18	25 124 159	18 859 194	15 794 392	-	-
		244 734 598	238 946 830	249 877 039	136 355	503 087
Current Liabilities						
Trade and other payables	19	12 729 402	9 348 720	11 434 762	2 050 578	1 144 942
Loans from group companies	16	12 434 499	18 633 695	13 636 544	1 230 383	-
Interest-bearing borrowings	17	10 334 237	8 976 566	8 358 335	-	-
Lease liabilities	4	355 077	158 047	184 756	355 077	158 047
Deferred income	20	3 570 573	-	39 646 383	-	-
Current tax payable	21	844 318	-	1 260 926	-	-
Bank overdraft	14	5 390 921	28 652 718	7 409 850	-	-
		45 659 027	65 769 746	81 931 556	3 636 038	1 302 989
Total Liabilities		290 393 625	304 716 576	331 808 595	3 772 393	1 806 076
Total Equity and Liabilities		482 447 140	476 913 056	500 437 685	153 138 341	157 842 838

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	Group		Company	
		2023	2022	2023	2022
		N\$	Restated N\$	N\$	N\$
Revenue	22	78 979 391	257 505 133	2 926 251	4 014 793
Cost of sales	23	(9 281 021)	(177 639 713)	-	-
Gross profit		69 698 370	79 865 420	2 926 251	4 014 793
Other operating income	24	25 110 048	1 293 019	-	1 002 050
Other operating gains/(losses)		3 546 500	(8 782 381)	219 402	(63 021)
Other operating expenses		(55 229 812)	(50 879 986)	(10 075 304)	(8 011 739)
Operating profit/(loss)	25	43 125 106	21 496 072	(6 929 651)	(3 057 917)
Finance income	26	9 748 802	8 226 169	313 136	616 967
Finance cost	27	(24 165 040)	(23 090 110)	(54 299)	(226 231)
Share of profit of associate		2 949	-	-	-
Profit/(loss) before taxation		28 711 817	6 632 131	(6 670 814)	(2 667 181)
Taxation	28	(8 854 782)	(3 064 803)	-	-
Profit/(loss) for the year		19 857 035	3 567 328	(6 670 814)	(2 667 181)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the year		19 857 035	3 567 328	(6 670 814)	(2 667 181)
Profit/(loss) attributable to:					
Owners of the parent		12 221 797	1 713 323	(6 670 814)	(2 667 181)
Non-controlling interest		7 635 238	1 854 005	-	-
		19 857 035	3 567 328	(6 670 814)	(2 667 181)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		12 221 797	1 713 323	(6 670 814)	(2 667 181)
Non-controlling interest		7 635 238	1 854 005	-	-
		19 857 035	3 567 328	(6 670 814)	(2 667 181)

Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Accumulated income / (loss)	Total attributable to equity holders of the group / company	Non- controlling interest	Total equity
	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Group							
Balance at 1 March 2021	168 818	164 072 045	164 240 863	(1 144 489)	163 096 374	5 532 716	168 629 090
Changes in equity							
Profit for the year	-	-	-	1 713 323	1 713 323	1 854 005	3 567 328
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1 713 323	1 713 323	1 854 005	3 567 328
Business combinations	-	-	-	-	-	62	62
Total changes	-	-	-	1 713 323	1 713 323	1 854 067	3 567 390
Balance at 1 March 2022	168 818	164 072 045	164 240 863	568 834	164 809 697	7 386 783	172 196 480
Changes in equity							
Profit for the year	-	-	-	12 221 797	12 221 797	7 635 238	19 857 035
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	12 221 797	12 221 797	7 635 238	19 857 035
Balance at 28 February 2023	168 818	164 072 045	164 240 863	12 790 631	177 031 494	15 022 021	192 053 515
Note(s)	15	15	15				

Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Accumulated loss	Total equity
	N\$	N\$	N\$	N\$	N\$
Company					
Balance at 1 March 2021	168 818	164 072 045	164 240 863	(5 536 920)	158 703 943
Changes in equity					
Loss for the year	-	-	-	(2 667 181)	(2 667 181)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(2 667 181)	(2 667 181)
Total changes	-	-	-	(2 667 181)	(2 667 181)
Balance at 1 March 2022	168 818	164 072 045	164 240 863	(8 204 101)	156 036 762
Changes in equity					
Loss for the year	-	-	-	(6 670 814)	(6 670 814)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(6 670 814)	(6 670 814)
Total changes	-	-	-	(6 670 814)	(6 670 814)
Balance at 28 February 2023	168 818	164 072 045	164 240 863	(14 874 915)	149 365 948
Note(s)	15	15	15		

Statement of Cash Flows

	Note(s)	Group	Company		
		2023	2022	2023	2022
		N\$	Restated N\$	N\$	N\$
Cash flows from operating activities					
Cash generated from / (used in) operations	29	95 615 344	3 639 647	(7 356 846)	(2 631 954)
Interest received	26	2 713 513	2 643 520	313 136	616 967
Finance cost	27	(20 462 160)	(18 447 164)	(54 299)	(179 394)
Tax paid	21	(353 795)	(2 652 630)	-	-
Net cash from / (used in) operating activities		77 512 902	(14 816 627)	(7 098 009)	(2 194 381)
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(58 295 645)	(1 877 311)	(75 295)	-
Acquisition of subsidiary net of cash acquired	6	-	(9 018 380)	-	-
Loans advanced to group companies	8	(1 546 573)	-	(1 319 184)	(16 482)
Disinvestment in other financial assets	10	18 621 679	-	-	-
Net cash used in investing activities		(41 220 539)	(10 895 691)	(1 394 479)	(16 482)
Cash flows from financing activities					
Loans from group companies repaid	33	(31 033 194)	(4 157 971)	-	-
Loans received from group companies	33	34 463 377	-	1 230 383	-
Interest bearing borrowings repaid	33	(9 772 348)	(8 891 013)	-	-
Payment of principal portion of lease liabilities	33	(169 702)	-	(169 702)	-
Net cash (used in) / from financing activities		(6 511 867)	(13 048 984)	1 060 681	-
Total cash movement for the year		29 780 496	(38 761 302)	(7 431 807)	(2 210 863)
Cash and cash equivalents at the beginning of the year	14	(251 377)	38 572 946	12 005 454	14 216 317
(Losses) / gains on foreign exchange on cash and cash equivalents		(219 291)	(63 021)	194 937	-
Cash and cash equivalents at the end of the year	14	29 309 828	(251 377)	4 768 584	12 005 454

Accounting Policies

Corporate information

Alpha Namibia Industries Renewable Power Limited is a public limited company incorporated and domiciled in Namibia.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below.

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with the International Financial Reporting Standards ("IFRS") and the International Accounting Standards Board (IASB) issued and effective at the time of preparing these consolidated and separate annual financial statements and the Companies Act of Namibia.

The consolidated and separate 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 below. They are presented in Namibia Dollars, which is the group and company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The consolidated and separate annual financial statements incorporate the consolidated and separate annual financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated and separate annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated and separate annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Consolidated Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the company.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other

1.2 Consolidation (continued)

comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

1.3 Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The company recognises the following in relation to its interests in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

1.4 Investment in associate

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. It generally accompanies a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method, except when the investment is classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the Consolidated Statement of Financial Position at cost adjusted for post-acquisition changes in the group's share of net assets of the associate, less any impairment losses.

The group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in an associate in excess of the group's interest in that associate, including any other unsecured receivables, are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

When the group reduces its level of significant influence or loses significant influence, the group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

1.5 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate annual financial statements in conformity with IFRS 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.

Key sources of estimation uncertainty Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next few years. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the forecasted revenues, gross profit margin and terminal growth rates. These estimates are most relevant to goodwill. The key assumptions used to determine the recoverable amount for the different cash generating units are disclosed and further explained in Note 5.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

1.6 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use or for rental to others 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 group, 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 or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less 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 group. 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.

1.6 Property, plant and equipment (continued)

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

Item	Depreciation method	Average useful life
Leasehold property	Straight line	33 years
Plant and machinery	Straight line	3 – 25 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	3 years
Office equipment	Straight line	5 – 10 years
IT equipment	Straight line	3 – 6 years
Installations	Straight line	5 years
Workshop equipment	Straight line	5 years
Tools	Straight line	3 years
Site equipment	Straight line	3 years
Buildings	Straight line	25 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

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.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

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.

1.7 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the group, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination.

Financial assets which are debt instruments:

- Amortised cost. This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows; or

1.7 Financial instruments (continued)

- Fair value through other comprehensive income. This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments; or
- Mandatorily at fair value through profit or loss. This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income; or
- Designated at fair value through profit or loss. This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch.

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. This applies to contingent consideration in a business combination or to liabilities which are held for trading; or
- Designated at fair value through profit or loss. This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss.

Note 32 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Loans receivable at amortised cost

Classification

Loans to group companies (note 8) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

- Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in finance income (note 26).

1.7 Financial instruments (continued)

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit-impaired.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Loans denominated in foreign currencies

When a loan receivable is denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 32).

Impairment

The group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the group compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counter parties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

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1.7 Financial instruments (continued)

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the group consider that a default event has occurred if there is either a breach of financial covenants by the counter party, or if internal or external information indicates that the counter party is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the group considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The group writes off a loan when there is information indicating that the counter party is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counter party has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counter party etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit risk

Details of credit risk related to loans receivable are included in the specific notes and the financial instruments and risk management (note 32).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of a loan receivable is included in profit or loss in other operating gains/ (losses).

1.7 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 12).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

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

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in finance income (note 26).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the trade and other receivables (note 12).

Credit risk

Details of credit risk are included in the trade and other receivables note (note 12) and the financial instruments and risk management note (note 32).

1.7 Financial instruments (continued)

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains/(losses) on financial assets at amortised cost line item.

Borrowings and loans from related parties

Classification

Loans from group companies (note 16) and borrowings (note 17) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance cost (note 27).

Borrowings expose the group to liquidity risk and interest rate risk. Refer to note 32 for details of risk exposure and management thereof.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables (note 19), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

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

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance cost (note 27).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 32 for details of risk exposure and management thereof.

1.7 Financial instruments (continued)

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains/(losses).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 32).

Derecognition

Refer to the “derecognition” section of the accounting policy for the policies and processes related to derecognition.

Financial liabilities at fair value through profit or loss

Classification

Financial liabilities which are held for trading are classified as financial liabilities mandatorily at fair value through profit or loss.

When a financial liability is contingent consideration in a business combination, the group classifies it as a financial liability at fair value through profit or loss.

The group, does, from time to time, designate certain financial liabilities as at fair value through profit or loss. The reason for the designation is to reduce or significantly eliminate an accounting mismatch which would occur if the instruments were not classified as such; or if the instrument forms part of a group of financial instruments which are managed and evaluated on a fair value basis in accordance with a documented management strategy; or in cases where it forms part of a contract containing an embedded derivative and IFRS 9 permits the entire contract to be measured at fair value through profit or loss.

Recognition and measurement

Financial liabilities at fair value through profit or loss are recognised when the group becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other operating gains/(losses).

For financial liabilities designated at fair value through profit or loss, the portion of fair value adjustments which are attributable to changes in the group’s own credit risk, are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of liabilities, rather than in profit or loss. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, then that portion is also recognised in profit or loss.

Interest paid on financial liabilities at fair value through profit or loss is included in finance cost (note 27).

Financial liabilities denominated in foreign currencies

When a financial liability at fair value through profit or loss is denominated in a foreign currency, the fair value of the instrument is determined in the foreign currency. The fair value is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised as part of the fair value adjustment in profit or loss. To the extent that the foreign exchange gain or loss relates to the portion of the fair value adjustment recognised in other comprehensive income, that portion of foreign exchange gain or loss is included in the fair value adjustment recognised in other comprehensive income.

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 32).

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1.7 Financial instruments (continued)

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

The changes in fair value attributable to changes in own credit risk which accumulated in equity for financial liabilities which were designated at fair value through profit or loss are not reclassified to profit or loss. Instead, they are transferred directly to retained earnings on derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification Financial assets

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.8 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

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit / (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable

1.8 Tax (continued)

profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit / (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.

1.9 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Group 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 group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense (note 25) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the group has elected not to separate the non-lease components for leases of land and buildings.

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

1.9 Leases (continued)

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 group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the group under residual value guarantees;
- the exercise price of purchase options, if the group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 25).

The lease liability is presented as a separate line item on the Consolidated 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 cost (note 27).

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when: there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- there has been a change in the assessment of whether the group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Consolidated Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

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

1.9 Leases (continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Group as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits from the use of the underlying asset are diminished. Operating lease income is included in other operating income (note 24).

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

Finance leases

Amounts due from lessees are recognised from commencement date at an amount equal to the group net investment in the lease. They are presented as lease receivables (note 9) on the statement of financial position.

The interest rate implicit in the lease is used to measure the net investment in the lease. If the interest rate implicit in a sublease cannot be readily determined for a sublease, then the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) is used to measure the net investment in the sublease.

The interest rate implicit in the lease is defined in a manner which causes the initial direct costs to be included in the initial measurement of the net investment in the lease.

Lease payments included in the measurement of the net investment in the lease comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives payable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

1.9 Leases (continued)

- the amount expected to be receivable by the group from the lessee, a party related to the lessee or a third party unrelated to the group under residual value guarantees (to the extent of third parties, this amount is only included if the party is financially capable of discharging the obligations under the guarantee);
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the option;
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The group recognises finance income over the lease term, based on a pattern that reflects a constant periodic rate of return on the net investment in the lease. Finance income recognised on finance leases is included in investment income in profit or loss (note 26).

The group applies the impairment provisions of IFRS 9 to lease receivables. Refer to the accounting policy for trade and other receivables as lease receivables are impaired on a consistent basis with that accounting policy.

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset on the cost model may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

1.11 Impairment of assets (continued)

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.12 Share 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.

1.13 Revenue from contracts with customers

The group recognises revenue from the following major sources:

- Sales of electricity; and
- Solar projects

Sale of electricity

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Revenue is recognised when it is probable that economic benefits arising from a transaction will flow to the company and when it can be measured reliably. Revenue is measured as the amount of consideration to which the company expects to be entitled in exchange for goods. Revenue is shown net of tax, rebates, trade discounts and value added tax.

Solar projects

Revenue from solar projects are recognised over time as the entity satisfies its performance obligations in terms of the contract, either based on engineer consultant milestone certificates (EPC installation projects) or on a periodic basis, either annually, quarterly or monthly (Operating & Maintenance services).

Revenue from solar projects are measured based on engineer consultant milestone certificates which are estimates of the percentage completion of the project (output method in terms of IFRS 15) as a measure of progress over time.

Revenue from additional services are recognised once the additional services are complete.

1.14 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales. Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the group right to recover products from customers where customers exercise their right of return under the group returns policy.

1.15 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the Consolidated and Separate Annual Financial Statements

Notes to the Consolidated and Separate Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:

- Reference to the Conceptual Framework: Amendments to IFRS 3
- Annual Improvement to IFRS Standards 2018–2020: Amendments to IFRS 9
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Cost of Fulfilling a Contract: Amendments to IAS 37
- IFRS 9 Financial Instruments – Fees in the “10 percent” test for derecognition of financial liabilities

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group’s accounting periods beginning on or after 1 March 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined*
Lease liability in a sale and leaseback	1 January 2024
Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12	1 January 2023
Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	1 January 2023
Definition of accounting estimates: Amendments to IAS 8	1 January 2023
Classification of Liabilities as Current or Non-Current – Amendment to IAS 1	1 January 2024
IFRS 17 Insurance Contracts	1 January 2023

*In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

Management has assessed the impact of these new and revised standards on the group and company not to be material.

Notes to the Consolidated and Separate Annual Financial Statements

3. Property, plant and equipment

Group

	2023			2022			2021		
	Cost N\$	Accumulated depreciation N\$	Carrying value N\$	Cost N\$	Accumulated depreciation N\$	Carrying value N\$	Cost N\$	Accumulated depreciation N\$	Carrying value N\$
Buildings	36 197	(13 513)	22 684	36 197	(12 066)	24 131	36 197	(10 618)	25 579
Leasehold prop- erty	2 115 465	(459 419)	1 656 046	2 115 465	(395 313)	1 720 152	2 115 465	(331 209)	1 784 256
Plant and machinery	207 269 285	(52 499 529)	154 769 756	209 825 249	(50 257 531)	159 567 718	209 704 157	(41 875 169)	167 828 988
Spare parts	12 499 466	(3 124 866)	9 374 600	-	-	-	-	-	-
Furniture and fixtures	380 679	(278 173)	102 506	363 418	(247 938)	115 480	363 418	(218 784)	144 634
Motor vehicles	6 616 496	(4 260 064)	2 356 432	5 142 511	(3 302 831)	1 839 680	4 579 873	(2 717 011)	1 862 862
Office equipment	168 280	(90 932)	77 348	125 181	(83 465)	41 716	120 073	(75 029)	45 044
IT equipment	761 068	(459 267)	301 801	575 296	(338 987)	236 309	466 878	(255 478)	211 400
Installations: Backup	324 686	(194 811)	129 875	324 686	(129 785)	194 901	324 686	(64 848)	259 838
Assets under construction	34 777 372	-	34 777 372	856 585	-	856 585	-	-	-
Site equipment	964 395	(456 369)	508 026	394 235	(199 702)	194 533	177 317	(149 817)	27 500
Workshop equipment	105 110	(97 638)	7 472	105 110	(96 280)	8 830	105 110	(94 219)	10 891
Working tools	929 774	(905 228)	24 546	909 451	(885 826)	23 625	902 897	(854 882)	48 015
Land	1 502 524	-	1 502 524	1 502 524	-	1 502 524	1 502 524	-	1 502 524
Total	268 450 797	(62 839 809)	205 610 988	222 275 908	(55 949 724)	166 326 184	220 398 595	(46 647 064)	173 751 531

Company

	2023			2022		
	Cost N\$	Accumulated depreciation N\$	Carrying value N\$	Cost N\$	Accumulated depreciation N\$	Carrying value N\$
Furniture and fixtures	165 432	(71 299)	94 133	155 179	(42 566)	112 613
Office equipment	76 304	(15 085)	61 219	33 205	(9 064)	24 141
IT equipment	194 864	(141 669)	53 195	172 922	(82 328)	90 594
Total	436 600	(228 053)	208 547	361 306	(133 958)	227 348

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FOR THE YEAR ENDED 28 FEBRUARY 2023

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment – Group – 2023 (N\$)

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Buildings	24 131	-	-	-	(1 447)	22 684
Leasehold property	1 720 152	-	-	-	(64 106)	1 656 046
Plant and machinery	159 567 718	22 064 257	(9 090 566)	(9 374 600)	(8 397 053)	154 769 756
Furniture and fixtures	115 480	17 261	-	-	(30 235)	102 506
Motor vehicles	1 839 680	1 473 985	-	-	(957 233)	2 356 432
Office equipment	41 716	43 099	-	-	(7 467)	77 348
IT equipment	236 309	185 772	-	-	(120 280)	301 801
Installations: Backup	194 901	-	-	-	(65 026)	129 875
Assets under construction	856 585	33 920 787	-	-	-	34 777 372
Spare parts	-	-	-	9 374 600	-	9 374 600
Site equipment	194 533	570 161	-	-	(256 668)	508 026
Workshop equipment	8 830	-	-	-	(1 358)	7 472
Working tools	23 625	20 323	-	-	(19 402)	24 546
Land	1 502 524	-	-	-	-	1 502 524
	166 326 184	58 295 645	(9 090 566)	-	(9 920 275)	205 610 988

Solar panels that were not suitable for the Namibian climate were originally installed in the Otjiwarongo plant. Due to high and low temperatures, the layers of the solar began separating (delaminating). This caused a decrease in the electricity generated by the solar panels. This resulted in the derecognition of solar panels with a carrying amount of N\$9 090 566 were derecognized and solar panels with a carrying amount of N\$9 374 600 were transferred to spare. As a result of the solar panels warranty proceeds of N\$24 433 487 were received from the supplier of the delaminated panels, which were then used to purchase replacement solar panels.

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment – Group – 2022 (N\$)

	Opening balance	Additions	Depreciation	Total
Buildings	25 579	–	(1 448)	24 131
Leasehold property	1 784 256	–	(64 104)	1 720 152
Plant and machinery	167 828 988	121 092	(8 382 362)	159 567 718
Furniture and fixtures	144 635	–	(29 155)	115 480
Motor vehicles	1 862 862	562 638	(585 820)	1 839 680
Office equipment	45 044	5 108	(8 436)	41 716
IT equipment	211 399	108 418	(83 508)	236 309
Installations: Backup	259 838	–	(64 937)	194 901
Assets under construction	–	856 585	–	856 585
Site equipment	27 500	216 917	(49 884)	194 533
Workshop equipment	10 891	–	(2 061)	8 830
Working tools	48 015	6 553	(30 943)	23 625
Land	1 502 524	–	–	1 502 524
	173 751 531	1 877 311	(9 302 658)	166 326 184

Reconciliation of property, plant and equipment – Group – 2021 (N\$)

	Opening balance	Additions	Additions through business combinations	Depreciation	Total
Buildings	–	–	26 906	(1 327)	25 579
Leasehold property	–	–	1 823 719	(39 463)	1 784 256
Plant and machinery	–	–	173 675 026	(5 846 038)	167 828 988
Furniture and fixtures	–	159 075	18 814	(33 255)	144 634
Motor vehicles	–	1 189 856	835 531	(162 525)	1 862 862
Office equipment	–	33 205	18 496	(6 657)	45 044
IT equipment	–	220 018	28 658	(37 276)	211 400
Installations: Backup	–	–	319 363	(59 525)	259 838
Assets under construction	–	–	75 545	(48 045)	27 500
Workshop equipment	–	–	15 223	(4 332)	10 891
Working tools	–	21 101	81 832	(54 918)	48 015
Land	–	–	1 502 524	–	1 502 524
	–	1 623 255	178 421 637	(6 293 361)	173 751 531

Reconciliation of property, plant and equipment – Company – 2023 (N\$)

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	112 613	10 254	(28 734)	94 133
Office equipment	24 141	43 099	(6 021)	61 219
IT equipment	90 594	21 942	(59 341)	53 195
	227 348	75 295	(94 096)	208 547

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FOR THE YEAR ENDED 28 FEBRUARY 2023

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment – Company – 2022 (N\$)

	Opening balance	Depreciation	Total
Furniture and fixtures	139 781	(27 168)	112 613
Office equipment	29 675	(5 534)	24 141
IT equipment	148 235	(57 641)	90 594
	317 691	(90 343)	227 348

Property, plant and equipment encumbered as security

Refer to note 37 for details of property, plant and equipment as security for borrowing.

The Leasehold Property consist of 12 hectares of Otjiwarongo Townlands West No 408. The Land consist of Portion 2 of the Farm Kranzfontein No 753, a portion of the farm Ackerbau No 3 of approximately 12 hectares, Grootfontein.

4. Group and company as lessee

The company signed a lease agreement for the purposes of renting an office. The lease term is set to expire on 30 November 2024.

The weighted average borrowing rate as a lessee is applied at 8.54%. The rate has been determined based on the average interest rate received on cash balances and the prime lending rate of Namibia, (6.82% and 10.25% respectively at the time that lease agreement was modified on 1 December 2020). The rate was also compared to the general outlook on the general credit rating given to Namibia by Moody's and is targeted to be lower given the short period of time of the lease, i.e. less than 5 years.

Right-of-use assets

	Building N\$
As at 01 March 2021	605 450
Depreciation expense	(159 471)
As at 01 March 2022	445 979
Depreciation expense	(162 174)
As at 28 February 2023	283 805

Lease liabilities

	Building N\$
As at 01 March 2021	614 295
Accretion of interest	46 839
As at 01 March 2022	661 134
Accretion of interest	54 299
Repayments	(224 001)
As at 28 February 2023	491 432

	2023 N\$	2022 N\$
Current liabilities	355 077	158 047
Non-current liabilities	136 355	503 087
	491 432	661 134

4. Group and company as lessee (continued)

Maturity analysis of lease liability

On adoption of IFRS 16, there is right of use property asset and right of use property liability. This liability represents value of lease payments discounted using the lessee's incremental borrowing rate.

Future lease payments under IFRS 16 together with the present value of net minimum payments are as follows:

	2023	2022
	N\$	N\$
Minimum Installments		
Within 1 year	384 000	192 000
2 to 4 years	160 000	528 000
5 years +	-	-
	544 000	720 000
Present value of minimum installment		
Within 1 year	355 077	158 047
2 to 4 years	136 355	503 087
5 years +	-	-
	491 432	661 134

The following amounts are recognised in profit or loss:

	Group			Company	
	2023	2022	2021	2023	2022
	N\$	Restated N\$	Restated N\$	N\$	N\$
Depreciation expense of right-of-use assets	162 174	159 471	156 570	162 174	159 471
Interest expense on lease liabilities	54 299	46 839	17 670	54 299	46 839
Expense relating to leases of low-value assets (included in other operating expenses)	467 554	-	-	-	-
	684 027	206 310	174 240	216 473	206 310

5. Goodwill

Group	2023			2022		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated depreciation	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$
Goodwill	138 409 423	-	138 409 423	138 409 423	-	138 409 423

Group	2021		
	Cost	Accumulated depreciation	Carrying value
	N\$	N\$	N\$
Goodwill	129 391 043	-	129 391 043

Reconciliation of goodwill - Group - 2023 (N\$)

	Opening balance	Total
Goodwill	138 409 423	138 409 423

Reconciliation of goodwill - Group - 2022 (N\$)

	Opening balance	Additions through business combinations	Total
Goodwill	129 391 043	9 018 380	129 391 043

Reconciliation of goodwill - Group - 2021 (N\$)

	Opening balance	Additions through business combinations	Total
Goodwill	-	129 391 043	129 391 043

The group performed its annual impairment test of goodwill for the year ended 28 February 2023.

Anirep Solar (Proprietary) Limited

Management performed a discounted cash flow analysis to determine an enterprise value of the cash generating unit. The cash generating unit consists of the two 5MW solar PV grid connected utility plants and the planned expansion of one of the plants. The respective cash flows were modelled over an explicit period which corresponds to the remaining contractual period of each Power Purchase Agreement. The discount rate applied to the cash flow was calculated using Capital Assets Pricing Model (CAPM) projections which range from 8.10% in year 1 (i.e. 2024) to 13.08% in year 18 (2041). The risk free rate was determined using the rates of Government Bonds with maturities in line with the PPA Terms over the 18 year period. A risk premium of 3.5% was applied and a beta of 1.

Inflation rate of 4.5% p.a has been used for the period. Operating expenses have been forecasted to be 19% of revenue for the duration of the PPA. Taxation rate of 32% has been applied which is in line with Namibian Corporate tax law.

As a result of the analysis, there is headroom of N\$ 28.1 million, and management did not identify an impairment for this cash generating unit.

5. Goodwill (continued)

Hopsol Africa (Proprietary) Limited

Management performed a discounted cash flow analysis to determine an enterprise value for the cash generating unit. Hopsol Africa (Proprietary) Limited's explicit forecast period was six years, with a terminal growth assumption applied beyond this point. The discount rate applied to the cash flow projections is 13.89%. The growth rate used to extrapolate the cash flows of the unit beyond the six-year period is 4.5%. As a result of the analysis, there is headroom of N\$ 83.6 million, and management did not identify an impairment for this cash generating unit.

Anirep Aussenkjer Solar One Namibia (Proprietary) Limited

Management performed a discounted cash flow analysis to determine an enterprise value the cash generating unit. The cash generating unit consists solely of the one 20MW solar PV grid connected utility plant, which is being constructed and is yet to be connected to the grid. The respective cash flows were modelled over an explicit period which corresponds to the 25 year Power Purchase Agreement. The discount rate applied to the cash flow was calculated using Capital Assets Pricing Model (CAPM) projections which range from 8.10% in year 1 (i.e. 2024) to 13.91% in year 25 (2049). The risk free rate was determined using the rates of Government Bonds with maturities in line with the PPA Terms over the 25 year period. A risk premium of 3.5% was applies and a beta of 1. As a result of the analysis, there is headroom of N\$ 16.3 million, and management did not identify an impairment for this cash generating unit.

Key assumptions used in enterprise value calculations and sensitivity to changes in assumptions:

The calculation of the enterprise value for Anirep Solar (Proprietary) Limited, Hopsol Africa (Proprietary) Limited and Anirep Aussenkjer Solar One Namibia (Proprietary) Limited is most sensitive to the following assumptions:

- Revenue
- Gross profit margins
- Administration expenses
- Discount rates
- Taxation cash flows
- Terminal growth rates

Hopsol Africa (Proprietary) Limited's revenue assumptions are reflective of its new strategic position in the Anirep Group and critically, its positioning as a key player in the Namibian renewable market. The existing contract held by this cash generating unit as well as the anticipation of further contracts of a similar nature has been used as a basis for projecting a normalised revenue level for the forecast period.

Anirep Solar (Proprietary) Limited's revenue is a function of the solar energy output at a contractually agreed rate, adjusted annually for inflation.

Anirep Aussenkjer Solar One Namibia (Proprietary) Limited's revenue is a function of the solar energy output at a contractually agreed rate, adjusted annually for inflation.

Gross profit margins of HopSol Africa (Proprietary) Limited have been estimated based on the historic gross profit margins.

Administration expenses have been forecasted to be a percentage of revenue based on historic periods. Specific consideration has been given to expenses which are considered to be once-off.

Taxation cash flows are estimated at 32% which is consistent with the Namibian corporate tax rate.

A terminal growth rate of 4.5% was used for Hopsol Africa (Proprietary) Limited to extrapolate cash flows beyond the forecast period. Management recognises that the increase in demand for renewable energy solutions and the possibility of new entrants can have a significant impact on growth rate assumptions. This growth rate is reflective of the longterm growth expected.

The discount rate calculation is based on the specific circumstances of each cash generating unit and takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the investors. The cost of debt is based on the interest-bearing borrowings the cash generatining unit is obliged to service.

6. Business combinations

No new business acquisitions occurred during the year ended 28 February 2023.

Anirep Aussenkjer Solar One Namibia (Proprietary) Limited

Anirep Solar (Proprietary) Limited acquired 55% in Anirep Aussenkjer Solar One Namibia (Proprietary) Limited shareholding on the 13th of September 2021, which resulted in the group obtaining control.

The Group has elected to measure the non-controlling interests in the acquiree at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. The surplus of the purchase price over the net asset value has been recorded as Goodwill and purchase price surplus.

Goodwill of N\$ 9 018 380 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the future operations of the entities. Goodwill is not deductible for income tax purposes.

Fair value of assets acquired and liabilities assumed

	Group			Company	
	2023	2022 Restated	2021 Restated	2023	2022
	N\$	N\$	N\$	N\$	N\$
Cash and cash equivalents	-	100	-	-	-
Total identifiable net assets	-	100	-	-	-
Goodwill	-	9 018 380	-	-	-
Purchase consideration transferred	-	9 018 480	-	-	-

Apart from the construction of a solar PV power plant, Anirep Aussenkjer Solar One Namibia (Proprietary) Limited did not trade during the financial years ended 28 February 2022 and 28 February 2023.

Neogreen Hydrogen Energy (Namibia) (Proprietary) Limited

On the 9th of August 2021, ANIREP acquired 30% shares into Neogreen Hydrogen Energy (Namibia) Proprietary Limited. Neogreen Hydrogen Energy (Namibia) Proprietary Limited is a JV with Neogreen Hydrogen Corp which was constituted to pursue opportunities for Green Hydrogen opportunities in Namibia and elsewhere. No consideration was paid for the share subscription.

In response to the requirements for Southern Corridor Development Initiative, the shareholders agreed that ANIREP increased its shareholding to 75% which was done on the 14th of September 2021. This resulted in the group obtaining control.

On the 30th of November 2021, ANIREP sold 35% of its interest in Neogreen Hydrogen Energy (Namibia) Proprietary Limited to Neogreen Hydrogen Corp. This resulted in the group losing control, and Neogreen Hydrogen Energy (Namibia) Proprietary Limited becoming an associate. A gain of N\$802 050 was recognized during the 2022 financial year on this disposal of shares.

The company, Neogreen Hydrogen Energy (Namibia) (Proprietary) Limited, did not trade during the financial years ended 28 February 2022 and 28 February 2023.

Acquisition related costs

The acquisition related costs relating to the acquisition of both Anirep Aussenkjer Solar One Namibia (Proprietary) Limited and Neogreen Hydrogen Energy (Namibia) (Proprietary) Limited were insignificant and are not separately disclosed in this note

7. Interests in subsidiaries and associates including consolidated structured entities

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Company	Group			Company	
	2023 N\$	2022 Restated N\$	2021 Restated N\$	2023 N\$	2022 N\$
Name of company	Country of incorporation	% holding 2023	% holding 2022	Carrying amount 2023 N\$	Carrying amount 2022 N\$
Anirep Solar (Proprietary) Limited	Namibia	70.00 %	70.00 %	88 577 912	88 577 912
HopSol Africa (Proprietary) Limited	Namibia	80.00 %	80.00 %	56 000 000	56 000 000
Anirep Aussenkjer Solar One Namibia (Proprietary) Limited (Controlled indirectly)	Namibia	55.00 %	55.00 %	-	-
ANISOL (Proprietary) Limited	Namibia	100.00 %	100.00 %	1	1
Neogreen Hydrogen Energy (Namibia) (Proprietary) Limited	Namibia	40.00 %	40.00 %	1	1
				144 577 914	144 577 914

Principal activities

The principal activities of the entities above are summarised as follows:

Anirep Solar (Proprietary) Limited

Solar Power Generation.

HopSol Africa (Proprietary) Limited

To engage in import, export, production and distribution of solar products, planning construction, running and servicing of solar power plants and all related matters thereto.

Anirep Aussenkjer Solar One Namibia (Proprietary) Limited

To develop, finance, build and operate a photovoltaic power plant in Namibia.

ANISOL (Proprietary) Limited

To manufacture, distribute, produce, construct, trade, import, export consumer products, capital goods and administration, to render services and invest in property, shares, securities and/or equities of any kind and any other business which may seem directly or indirectly conducive to the business.

Neogreen Hydrogen Energy (Namibia) (Proprietary) Limited

To facilitate the investment of long-term capital in renewable industries incorporating artificial intelligence technology in Namibia and Sub-Saharan Africa, with an initial focus on the infrastructural renewable energy sector in generation, transmission, and distribution. The infrastructural renewable energy sector includes biomass, geothermal, solar, hydrogen and ammonia production, wind, and wave resources.

8. Loans to group companies

Anirep Aussenkjer Solar One Namibia (Pty) Ltd	-	-	-	1 318 184	-
Neogreen Hydrogen Energy Namibia (Pty) Ltd	9 309	-	-	7 692	6 692
ANISOL (Pty) Ltd	-	-	-	9 790	9 790
	9 309	-	-	1 335 666	16 482

The above loans are interest free, unsecured and have no fixed terms of repayment. These arrangements are reviewed from time to time. The above loans are not expected to be settled within the next 12 months.

Company	Group			Company	
	2023	2022	2021	2023	2022
	N\$	Restated N\$	Restated N\$	N\$	N\$
Tulive Private Equity (Pty) Ltd The loan bears interest at prime rate p.a. The principal amount plus interest is payable in one installment on or before 30 September 2023.	1 535 623	-	-	-	-
Sinco Investments 178 (Proprietary) Limited This loan is unsecured, interest free with no terms of repayment. The loan is not expected to be settled within the next 12 months.	15 989	11 399	5 790	-	-
Sinco Investments 178 (Proprietary) Limited The loan is unsecured, bears interest at prime plus 0.5% (11.25% at year end) per annum and has no fixed repayment terms. The loan is not expected to be settled within the next 12 months.	47 369 769	43 061 493	39 751 117	-	-
	48 921 381	43 072 892	39 756 907	-	-
Split between non-current and current portions					
Non-current assets	47 395 067	43 072 892	39 756 907	1 335 666	16 482
Current assets	1 535 623	-	-	-	-
	48 930 690	43 072 892	39 756 907	1 335 666	16 482

Exposure to credit risk

Loans receivable inherently expose the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

The loan with Sinco Investments 178 (Proprietary) Limited (subscription of shares) is secured by a contract with the shareholder ensuring future cash flow distributions of the company will first repay the loan, hence the loan receivable is reduced by dividends paid to the shareholder each year.

8. Loans to group companies (continued)

Credit rating framework

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default and no amounts are past due	Lifetime ECL (not credit impaired)
Doubtful	Either 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL (not credit impaired)
In default	Either 90 days past due or there is evidence that the asset is credit impaired	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off

Based on the credit rating framework above, management has assessed that there is no need to raise an allowance for expected credit losses for the current financial period.

9. Finance lease receivables

	Group			Company	
	2023	2022	2021	2023	2022
	N\$	Restated N\$	Restated N\$	N\$	N\$
Vivo – Oshakati Service Station	1 102 405	1 148 858	-	-	-
Vivo – Otavi Service Station	486 082	499 408	-	-	-
Vivo – East End Service Station	789 806	811 848	-	-	-
Vivo – Three Way Service Station	1 045 305	1 084 258	-	-	-
Vivo – Okuryangava Service Station	754 798	781 859	-	-	-
Vivo – Zambezi Service Station	990 755	1 028 022	-	-	-
Vivo – Vineta Service Station	587 315	610 534	-	-	-
Vivo – Maroela Motors Service Station	882 419	-	-	-	-
Vivo – Northgate Service Station	995 906	-	-	-	-
	7 634 791	5 964 787	-	-	-
Maturity analysis of lease payments receivable					
- first year	1 837 443	320 205	-	-	-
- second year	1 894 017	1 448 358	-	-	-
- third year	1 894 017	1 448 358	-	-	-
- fourth year	1 894 017	1 448 358	-	-	-
- fifth year	1 894 017	1 448 358	-	-	-
- sixth year and onwards	7 369 013	8 330 959	-	-	-
Gross investment in the leases	16 782 524	14 444 596	-	-	-
Less: Unearned interest income	(9 147 733)	(8 479 809)	-	-	-
Net investment in the lease	7 634 791	5 964 787	-	-	-
Non-current assets	7 296 683	5 756 467	-	-	-
Current assets	338 108	208 320	-	-	-
	7 634 791	5 964 787	-	-	-

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9. Finance lease receivables (continued)

The company entered into finance leasing arrangements with Vivo Energy (Pty) Ltd for the lease of Solar plants installed by the company.

	Group			Company	
	2023	2022	2021	2023	2022
	N\$	Restated N\$	Restated N\$	N\$	N\$

The average lease terms for each lease is 10 years.

Other information regarding finance lease receivables:

Interest income recognised on net investment in the leases	1 569 174	281 221	-	-	-
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Exposure to currency risk

The net carrying amounts, in Namibia Dollar, of finance lease receivables, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

Namibia Dollar amount

Namibia Dollar	7 634 791	5 964 787	-	-	-
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10. Other financial assets

At amortised cost

RMB NCD account The security bond bears interest at 4.44% p.a.	35 142 248	53 349 619	51 082 958	-	-
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Non-current assets

At amortised cost	35 142 248	53 349 619	51 082 958	-	-
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11. Inventories

Work in progress	383 318	2 128 810	-	-	-
Consumables and other finished goods	3 616 697	4 913 200	4 664 652	-	-
	4 000 015	7 042 010	4 664 652	-	-

Inventory to the value of N\$1 681 644 were written off and recognised as cost of sales.

12. Trade and other receivables

Financial instruments:

Trade receivables	4 903 607	23 730 681	52 061 639	1 424 032	30 944
Accrued income	-	2 859 306	2 663 447	-	260 053
Trade receivables at amortised cost	4 903 607	26 589 987	54 725 086	1 424 032	290 997

Non-financial instruments:

VAT	2 551 108	5 679 941	280 730	468 126	230 457
Deposits	33 000	33 000	33 000	-	-

Total trade and other receivables	7 487 715	32 302 928	55 038 816	1 892 158	521 454
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Split between non-current and current portions

Current assets	7 487 715	32 302 928	55 038 816	1 892 158	521 454
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12. Trade and other receivables (continued)

Financial instrument and non-financial instrument components of trade and other receivables

	Group			Company	
	2023	2022	2021	2023	2022
	N\$	Restated N\$	Restated N\$	N\$	N\$
At amortised cost	4 903 607	26 589 987	54 725 086	1 424 032	290 997
Non-financial instruments	2 584 108	5 712 941	313 730	468 126	230 457
	7 487 715	32 302 928	55 038 816	1 892 158	521 454

Trade and other receivables pledged as security

No trade receivables were pledged as security.

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due.

Trade receivables relate to long-term contracts with customers for the supply of electricity and short-term contracts with customers for the installation of solar parks/panels as well as maintenance thereof.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Exposure to currency risk

Refer to note 32 for details of currency risk management for trade receivables.

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

13. Prepayments

Prepayments	246 716	206 189	163 532	71 667	48 207
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14. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	44 643	33 097	25 492	414	414
Bank balances	34 656 106	28 368 244	45 957 304	4 768 170	12 005 040
Bank overdraft	(5 390 921)	(28 652 718)	(7 409 850)	-	-
	29 309 828	(251 377)	38 572 946	4 768 584	12 005 454
Current assets	34 700 749	28 401 341	45 982 796	4 768 584	12 005 454
Current liabilities	(5 390 921)	(28 652 718)	(7 409 850)	-	-
	29 309 828	(251 377)	38 572 946	4 768 584	12 005 454

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14. Cash and cash equivalents (continued)

	Group			Company	
	2023	2022	2021	2023	2022
	N\$	Restated N\$	Restated N\$	N\$	N\$

Exposure to currency risk

Refer to note 32 Financial instruments and financial risk management for details of currency risk management for cash and cash equivalents.

15. Share capital and share premium

Authorised

100 000 000 Ordinary shares with a par value of N\$0.01

1 000 000 1 000 000 1 000 000 1 000 000 1 000 000

Reconciliation of number of shares issued:

Reported as at 28 February

168 818 168 818 168 818 168 818 168 818

Issued

16 881 947 Ordinary shares with a par value of N\$0.01

168 818 168 818 168 818 168 818 168 818

Share premium

164 072 045 164 072 045 164 072 045 164 072 045 164 072 045

164 240 863 164 240 863 164 240 863 164 240 863 164 240 863

16. Loans from group companies

Subsidiaries

Anirep Solar (Pty) Ltd

The above loan is interest free, unsecured and has no fixed terms of repayment. These arrangements are reviewed from time to time.

- - - 1 230 383 -

Joint ventures

Tulive Private Equity (Pty) Ltd

The loan is secured by Hopsol Africa's profit share in the joint venture. It bears interest at prime lending rate (10.75% at year end) per annum. The total principal debt, any penalties and interest will be settled in one instalment by 30 November 2023.

1 528 603 500 500 - -

Related parties

Tulive Private Equity (Pty) Ltd

The loan is secured, bears interest at 13.25% per annum. The total principal debt over 15 years with 180 monthly payments instalments of approximately N\$325,236.83 each.

25 775 057 - - - -

16. Loans from group companies (continued)

	Group			Company	
	2023	2022	2021	2023	2022
	N\$	Restated N\$	Restated N\$	N\$	N\$
Tulive Private Equity (Pty) Ltd The loan is secured, bears interest at 9% per annum. The total principal debt over 5 years with 60 monthly payment instalments over 144 monthly payments schedule with 59 equal monthly instalments of approximately N\$1,011,139 each. Thereafter a balloon repayment of outstanding amount of approximately N\$62,166,561 in month 60 (Sixty) and failing repayment of same, an option to refinance the outstanding capital, interest and costs owing at such time, subject to formal credit application to and approval by Tulive Private Equity (Pty) Ltd and all credit criteria being met.	76 750 094	80 573 781	84 731 752	-	-
TPE-GIPF Performance Bond The loan bears interest at prime rate plus 1.5% (12.25% at year end) and is payable annually. The principal amount is payable in one payment after 36 months.	27 282 476	35 805 937	32 851 488	-	-
TPE-GIPF Retention Bond The loan bears interest at prime rate plus 1.5% (12.25% at year end) and is payable annually. The bond reduced by 50% after approximately 12 months and the remaining principal amount will be payable in one payment after 36 months.	9 756 515	19 892 169	18 250 811	-	-
	139 564 142	136 271 887	135 834 051	-	-
Split between non-current and current portions					
Non-current liabilities	128 658 246	117 638 692	122 198 007	-	-
Current liabilities	12 434 499	18 633 695	13 636 544	-	-
	141 092 745	136 272 387	135 834 551	-	-

Exposure to liquidity risk

Refer to note 32 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Exposure to currency risk

Refer to note 32 Financial instruments and financial risk management for details of currency risk management for group loans payable.

Exposure to interest rate risk

Refer to note 32 Financial instruments and financial risk management for details of interest rate risk management for group loans receivable.

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Group			Company	
2023	2022	2021	2023	2022
N\$	Restated N\$	Restated N\$	N\$	N\$

17. Interest-bearing borrowings

Held at amortised cost

Bank Windhoek: CL 4000080726	76 615 794	83 331 908	90 211 950	-	-
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The loan is secured, bears interest at the prime lending rate (10.75% at year end) per annum. The loan is repayable as follows: 5 (Five) Years with 60 (Sixty) monthly instalments of approximately N\$1,088,472 calculated over a 120 (One Hundred and Twenty) Month payment schedule with 59 (Fifty Nine) Equal Monthly Instalments and a balloon payment of the outstanding amount of approximately N\$55,408,980 in month 60 (Sixty) and, failing repayment of same, an option to refinance the outstanding capital, interest and costs owing at such time, subject to formal credit application to and approval by the Bank and all credit criteria being met.

Bank Windhoek: CL 4000080678	24 534 281	27 590 515	29 601 486	-	-
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The loan is secured, bears interest at the prime lending rate plus 0.50% (11.25% at year end) per annum. The loan is repayable as follows: 5 (Five) Years with 60 (Sixty)-monthly instalments of approximately N\$345,784 calculated over a 120 (One Hundred and Twenty) Month payment schedule with 59 (Fifty Nine) Equal Monthly Instalments and a balloon payment of the outstanding amount of approximately N\$17,399,295 in month 60 (Sixty) and, failing repayment of same, an option to refinance the outstanding capital, interest and costs owing at such time, subject to formal credit application to and approval by the Bank and all credit criteria being met.

101 150 075	110 922 423	119 813 436	-	-
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Split between non-current and current portions

Non-current liabilities	90 815 838	101 945 857	111 455 101	-	-
Current liabilities	10 334 237	8 976 566	8 358 335	-	-
	101 150 075	110 922 423	119 813 436	-	-

Exposure to liquidity risk

Refer to note 32 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Exposure to currency risk

Refer to note 32 Financial instruments and financial risk management for details of currency risk management for borrowings.

Exposure to interest rate risk

Refer to note 32 for details of interest rate risk management for interest-bearing borrowings.

	Group			Company	
	2023	2022	2021	2023	2022
	N\$	Restated N\$	Restated N\$	N\$	N\$

18. Deferred tax

Deferred tax liability

Property plant and equipment	(49 278 616)	(52 009 012)	(54 655 115)	-	-
Finance lease – lessor	(1 389 233)	(627 927)	-	-	-
Timing difference on joint operation taxable income	(318 165)	(303 253)	(72 184)	-	-
Prepayments	(56 016)	-	-	-	-
Total deferred tax liability	(51 042 030)	(52 940 192)	(54 727 299)	-	-

Deferred tax asset

Employee cost provision	309 048	258 242	96 848	-	-
Tax losses available for set off against future tax income	25 608 823	33 822 756	38 836 059	-	-
Total deferred tax asset	25 917 871	34 080 998	38 932 907	-	-

Group:

Assessed loss available to set off against future taxable income is N\$ 105 981 247 (2022: N\$ 115 595 775; 2021: N\$ 127 520 958).

Company:

Assessed loss available to set off against future taxable income is N\$ 15 413 277 (2022: N\$ 9 619 476).

Deferred tax liability	(51 042 030)	(52 940 192)	(54 727 299)	-	-
Deferred tax asset	25 917 871	34 080 998	38 932 907	-	-
Total net deferred tax liability	(25 124 159)	(18 859 194)	(15 794 392)	-	-

Reconciliation of deferred tax liability

At beginning of year	(18 859 194)	(15 794 392)	-	-	-
(Decrease) / increase in tax loss available for set off against future taxable income	(8 670 196)	(2 284 594)	38 836 059	-	-
Deductible temporary difference on lease asset receivables	(761 306)	(627 927)	-	-	-
Taxable / (deductible) temporary difference movement on tangible fixed assets	3 186 659	(82 605)	(54 655 115)	-	-
Deductible temporary difference on prepaid expenses	(56 015)	-	-	-	-
Taxable temporary difference on employee cost provisions	50 806	161 393	96 848	-	-
Deductible temporary difference on joint operation taxable income	(14 913)	(231 069)	(72 184)	-	-
	(25 124 159)	(18 859 194)	(15 794 392)	-	-

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	Group			Company	
	2023	2022	2021	2023	2022
	N\$	Restated N\$	Restated N\$	N\$	N\$

19. Trade and other payables

Financial instruments:

Trade payables	2 660 702	2 344 027	2 119 195	665 445	76 553
Other payables	877 114	650 872	867 037	877 114	650 872
Accrued expenses	1 673 475	1 669 428	268 433	-	-
Retention payables	24 358	24 358	24 358	-	-
Provision for faulty solar panels	2 200 000	2 200 000	2 200 000	-	-

Non-financial instruments:

Salary accruals and provisions	1 774 316	1 408 874	477 577	508 019	417 517
VAT	3 498 716	1 037 096	5 461 845	-	-
ECB levies payable	20 721	14 065	16 317	-	-
	12 729 402	9 348 720	11 434 762	2 050 578	1 144 942

Exposure to currency risk

Refer to note 32 Financial instruments and financial risk management for details of currency risk management for trade payables.

Exposure to liquidity risk

Refer to note 32 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Exposure to interest rate risk

Refer to note 32 Financial instruments and financial risk management for details of interest rate risk management for trade and other payables.

20. Deferred income

Deferred income	3 570 573	-	39 646 383	-	-
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Revenue relating to the project that has been received in the current financial period, however not recognised in profit and loss as the milestone has not been reached for related contract costs to be recognised.

21. Tax paid

	Group		Company	
	2023	2022	2023	2022
	N\$	Restated N\$	N\$	N\$
Balance at beginning of the year	1 391 704	(1 260 926)	-	-
Current tax recognised in profit or loss	(2 589 817)	-	-	-
Balance at end of the year	844 318	(1 391 704)	-	-
	(353 795)	(2 652 630)	-	-

22. Revenue

Revenue from contracts with customers

Sale of goods and electricity	38 219 894	38 089 202	-	-
Rendering of services	40 759 497	219 415 931	2 926 251	4 014 793
	78 979 391	257 505 133	2 926 251	4 014 793

Disaggregation of revenue from contracts with customers

The group disaggregates revenue from customers as follows:

Sale of goods

Sales – Cenored – Otjiwarongo	16 384 764	17 076 846	-	-
Sales – Nampower – Otjozondjupa	21 835 130	21 012 356	-	-
	38 219 894	38 089 202	-	-

Rendering of services

Administration and management fees received	-	-	2 926 251	4 014 793
Solar projects	40 759 497	219 415 931	-	-
	40 759 497	219 415 931	2 926 251	4 014 793
Total revenue from contracts with customers	78 979 391	257 505 133	2 926 251	4 014 793

Timing of revenue recognition

Over time

Sale of electricity and goods	38 219 894	50 034 897	-	-
Solar projects	40 759 497	207 470 236	2 926 251	4 014 793
	78 979 391	257 505 133	2 926 251	4 014 793

23. Cost of sales

Sale of goods and rendering of services	5 920 020	101 758 446	-	-
Construction contracts	3 361 001	75 881 267	-	-
	9 281 021	177 639 713	-	-

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24. Other operating income

	Group		Company	
	2023	2022	2023	2022
	N\$	Restated N\$	N\$	N\$
Fees earned	-	1 500	-	-
Bad debts recovered	119 667	-	-	-
Cost recoveries	-	200 000	-	200 000
Gain on bargain purchase in a business combination	-	236	-	-
Gain on disposal of shares	-	802 050	-	802 050
Insurance refund	-	82 352	-	-
NTA refund	528 234	32 839	-	-
Sundry income	28 660	174 042	-	-
Warrant proceeds	24 433 487	-	-	-
	25 110 048	1 293 019	-	1 002 050

25. Operating profit/(loss)

Operating profit/(loss) for the year is stated after charging / (crediting) the following, amongst others:

Auditor's remuneration – external

Audit fees	1 239 911	1 193 542	844 472	826 778
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Remuneration, other than to employees

Administrative and managerial services	1 798 200	1 798 200	1 798 200	1 798 200
Consulting and professional services	2 325 948	2 120 251	1 431 815	488 399
Secretarial services	203 712	436 961	150 143	270 074
	4 327 860	4 355 412	3 380 158	2 556 673

Employee costs

Salaries, wages, bonuses and other benefits	20 066 534	18 997 220	3 487 853	3 044 900
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Leases

Operating lease charges	467 554	-	467 554	-
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Depreciation and amortisation

Depreciation of property, plant and equipment	9 920 275	9 302 658	94 096	90 343
Depreciation of right-of-use assets	162 174	159 471	162 174	159 471
Total depreciation and amortisation	10 082 449	9 462 129	256 270	249 814

Other

Bad debts written off	49 355	208 116	-	-
Foreign exchange (gains)/losses	(3 546 499)	8 782 381	-	-
Loss on derecognition of property, plant and equipment	9 090 566	-	-	-

26. Finance income

	Group		Company	
	2023	2022 Restated	2023	2022
	N\$	N\$	N\$	N\$
Loans to group companies	4 380 523	3 310 376	-	-
Bank and other cash	1 016 536	2 363 255	313 136	616 967
Finance lease receivables	1 569 174	281 221	-	-
Trade and other receivables	55 556	4 656	-	-
Other financial assets	2 727 013	2 266 661	-	-
Total interest income	9 748 802	8 226 169	313 136	616 967

Finance income of N\$7 035 289 (2022: N\$5 582 649) was capitalized in respect of other financial asset and loans to group companies.

27. Finance cost

Group loans	12 208 095	12 571 503	-	-
Borrowings	10 380 375	8 925 116	-	-
Trade and other payables	169	-	-	-
Bank overdraft	1 510 315	1 546 652	-	-
Interest: lease liabilities	54 299	46 839	54 299	46 839
Other interest paid	11 787	-	-	179 392
Total finance costs	24 165 040	23 090 110	54 299	226 231

Finance cost of N\$3 702 880 (2022: N\$4 642 946) relating to loans from group companies have accrued at year-end.

28. Taxation

Major components of the tax expense

Current

Local income tax - current period	2 589 817	-	-	-
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Deferred

Originating and reversing temporary differences	6 230 910	3 064 803	-	-
Adjustment for previous year	34 055	-	-	-
	6 264 965	3 064 803	-	-
	8 854 782	3 064 803	-	-

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	32.00 %	32.00 %	32.00 %	32.00 %
Assessed loss not recognised	8.99 %	17.53 %	(30.94)%	(41.51)%
Disallowable charges	3.67 %	0.55 %	(2.00)%	(0.11)%
Exempt income	(13.94)%	(3.87)%	0.94 %	9.62%
Prior year adjustment	0.12 %	- %	- %	- %
	30.84 %	46.21 %	- %	- %

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	Group		Company	
	2023	2022 Restated	2023	2022
	N\$	N\$	N\$	N\$
29. Cash generated from / (used in) operations				
Profit/(loss) before taxation	28 711 817	6 632 131	(6 670 814)	(2 667 181)
Adjustments for non-cash items:				
Depreciation – property, plant and equipment	9 920 275	9 302 658	94 096	90 343
Depreciation – right of use assets	162 174	159 471	162 174	159 471
Assets written off	9 090 566	-	-	-
Gain on bargain purchase in a business combination	-	(236)	-	-
Net movement in finance lease receivable	(1 670 004)	(5 964 787)	-	-
Share of profit of associate	(2 949)	-	-	-
Loss / (Gain) on exchange differences on cash and cash equivalents	219 291	63 021	(194 937)	-
Unrealised foreign currency exchange differences on trade payables	-	27 383	-	-
Finance income	(9 748 802)	(8 226 169)	(313 136)	(616 967)
Finance costs	24 165 040	23 090 110	54 299	226 231
Changes in working capital:				
Decrease / (increase) in inventories	3 041 995	(2 377 358)	-	-
Decrease / (increase) in trade and other receivables	24 815 213	22 735 888	(1 370 704)	6 963
(Increase)/decrease in prepayments	(40 527)	(42 657)	(23 460)	(42 657)
Increase/(decrease) in trade and other payables	3 380 682	(2 113 425)	905 636	211 843
Increase/(decrease) in deferred income	3 570 573	(39 646 383)	-	-
	95 615 344	3 639 647	(7 356 846)	(2 631 954)

Group		Company	
2023	2022 Restated	2023	2022
N\$	N\$	N\$	N\$

30. Related parties

Relationships

Subsidiaries

Associates

Other related parties

Anirep Solar (Proprietary) Limited
HopSol Africa (Proprietary) Limited
Anirep Aussenkjer Solar One Namibia (Proprietary) Limited
ANISOL (Proprietary) Limited
Neogreen Hydrogen Energy (Namibia) (Proprietary) Limited
Tulive Private Equity (Proprietary) Limited
Alternative Energy Consultants (Proprietary) Limited
Sinco Investments 178 (Proprietary) Limited
Neogreen Hydrogen Corporation
Hopsol and Tulive Joint venture

Related party balances

Loan accounts - Owning (to) by related parties

Tulive Private Equity (Proprietary) Limited	(102 525 151)	(80 573 781)	-	-
Tulive Private Equity (Proprietary) Limited	1 535 623	-	-	-
Sinco Investments 178 (Proprietary) Limited	47 385 758	43 072 892	-	-
Anirep Aussenkjer Solar One Namibia (Proprietary) Limited	-	-	1 318 184	-
Hopsol and Tulive Joint operation	(1 528 603)	-	-	-
Anirep Solar (Proprietary) Limited	-	-	1 230 383	-
ANISOL (Proprietary) Limited	-	-	9 790	-
Neogreen Hydrogen Energy (Namibia) (Proprietary) Limited	-	-	7 692	-

Amounts included in Trade receivable (Trade Payable) regarding related parties

Tulive Private Equity (Proprietary) Limited	(7 820)	-	-	-
Alternative Energy Consultants (Proprietary) Limited	(172 328)	-	-	-
Anirep Solar (Proprietary) Limited	-	-	385 000	-
Hopsol Africa (Proprietary) Limited	-	-	1 019 189	-

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30. Related parties (continued)

Group		Company	
2023	2022 Restated	2023	2022
N\$	N\$	N\$	N\$

Related party transactions

Administration fees paid to (received from) related parties

Anirep Solar (Proprietary) Limited	-	-	(2 040 000)	(2 040 000)
HopSol Africa (Proprietary) Limited	-	-	(886 251)	(1 974 793)
Alternative Energy Consultants (Proprietary) Limited	1 798 200	1 798 200	1 798 200	1 798 200
Tulive Private Equity (Proprietary) Limited	33 670	-	33 670	-

Finance expenses paid to (received from) related parties

Sinco Investments 178 (Proprietary) Limited	(4 308 276)	(3 310 376)	-	-
Tulive Private Equity (Proprietary) Limited	(72 247)	-	-	-
Tulive Private Equity (Proprietary) Limited	12 208 095	12 571 503	-	-

Compensation to directors and other key management

Short-term employee benefits	2 359 483	2 149 549	-	4 545
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31. Directors' emoluments

Executive

2023

	Directors' fees N\$	Total N\$
I.J. Nangolo	1 331 680	1 331 680
J. Nyandoro	1 597 672	1 597 672
	2 929 352	2 929 352

2022

	Directors' fees N\$	Total N\$
I.J. Nangolo	1 020 000	1 020 000
A. Mūseler	130 000	130 000
J. Nyandoro	1 181 488	1 181 488
	2 331 488	2 331 488

31. Directors' emoluments (continued)

Non-executive 2023

	Directors' fees N\$	Total N\$
M.A. Hengari	164 910	164 910
Amb. P.K. Kambala	104 500	104 500
G. Nakazibwe-Sekandi	188 000	188 000
S.D. Mayinga	139 500	139 500
F.G. Kisting	138 000	138 000
	734 910	734 910

2022

	Directors' fees N\$	Total N\$
M.A. Hengari	105 000	105 000
Amb. P.K. Kambala	57 000	57 000
G. Nakazibwe-Sekandi	73 500	73 500
S.D. Mayinga	82 500	82 500
F.G. Kisting	45 000	45 000
C.J. Scholtz	12 000	12 000
	375 000	375 000

32. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group – 2023

	Note(s)	Amortised cost N\$	Leases N\$	Total N\$	Fair value N\$
Loans to group companies	8	48 930 690	–	48 930 690	48 930 690
Finance lease receivables	9	–	7 634 791	7 634 791	7 634 791
Trade and other receivables	12	4 903 607	–	4 903 607	4 903 607
Cash and cash equivalents	14	34 700 749	–	34 700 749	34 700 749
		88 535 046	7 634 791	96 169 837	96 169 837

Group – 2022

	Note(s)	Amortised cost N\$	Leases N\$	Total N\$	Fair value N\$
Loans to group companies	8	43 072 892	–	43 072 892	43 072 892
Finance lease receivables	9	–	5 964 787	5 964 787	5 964 787
Trade and other receivables	12	26 589 987	–	26 589 987	26 589 987
Cash and cash equivalents	14	28 401 341	–	28 401 341	28 401 341
		98 064 220	5 964 787	104 029 007	104 029 007

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32. Financial instruments and risk management (continued)

Company – 2023

	Note(s)	Amortised cost N\$	Total N\$	Fair value N\$
Loans to group companies	8	1 335 666	1 335 666	1 335 666
Trade and other receivables	12	1 424 032	1 424 032	1 424 032
Cash and cash equivalents	14	4 768 584	4 768 584	4 768 584
		7 528 282	7 528 282	7 528 282

Company – 2022

	Note(s)	Amortised cost N\$	Total N\$	Fair value N\$
Loans to group companies	8	16 482	16 482	16 482
Trade and other receivables	12	290 997	290 997	290 997
Cash and cash equivalents	14	12 005 454	12 005 454	12 005 454
		12 312 933	12 312 933	12 312 933

Categories of financial liabilities

Group – 2023

	Note(s)	Amortised cost N\$	Leases N\$	Total N\$	Fair value N\$
Trade and other payables	19	7 435 649	–	7 435 649	7 435 649
Loans from group companies	16	141 092 745	–	141 092 745	141 092 745
Borrowings	17	101 150 075	–	101 150 075	101 150 075
Finance lease obligations	4	–	491 432	491 432	491 432
Bank overdraft	14	5 390 921	–	5 390 921	5 390 921
		255 069 390	491 432	255 560 822	255 560 822

Group – 2022

	Note(s)	Amortised cost N\$	Leases N\$	Total N\$	Fair value N\$
Trade and other payables	19	6 888 685	–	6 888 685	6 888 685
Loans from group companies	16	136 272 387	–	136 272 387	136 272 387
Borrowings	17	110 922 423	–	110 922 423	110 922 423
Finance lease obligations	4	–	661 134	661 134	661 134
Bank overdraft	14	28 652 718	–	28 652 718	28 652 718
		282 736 213	661 134	283 397 347	283 397 347

Company – 2023

	Note(s)	Amortised cost N\$	Leases N\$	Total N\$	Fair value N\$
Trade and other payables	19	1 542 559	–	1 542 559	1 542 559
Loans from group companies	16	1 230 383	–	1 230 383	1 230 383
Finance lease obligations	4	–	491 432	491 432	491 432
		2 772 942	491 432	3 264 374	3 264 374

32. Financial instruments and risk management (continued)

Group		Company	
2023	2022 Restated	2023	2022
N\$	N\$	N\$	N\$

32. Financial instruments and risk management (continued)

Company – 2022

	Note(s)	Amortised cost N\$	Leases N\$	Total N\$	Fair value N\$
Trade and other payables	19	727 425	–	727 425	727 425
Finance lease obligations	4	–	661 134	661 134	661 134
		727 425	661 134	1 388 559	1 388 559

Capital risk management

The group's objective when managing capital (which includes share 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 group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The group 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 group may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The group monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

The group's policy is to keep the gearing ratio at an acceptable level as determined by management based on the group's operating and investment requirements. The group does not have a target gearing ratio. The group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits, excluding discontinued operations.

No changes were made in the objectives, policies or processes for managing capital during the years ended 28 February 2023 and 28 February 2022. The capital structure and gearing ratio of the group at the reporting date was as follows:

Loans from group companies	141 092 745	136 272 387	1 230 383	–
Borrowings	101 150 075	110 922 423	–	–
Lease liabilities	491 432	661 134	491 432	661 134
Trade and other payables	12 729 402	9 348 720	2 050 578	1 144 942
Total borrowings	255 463 654	257 204 664	3 772 393	1 806 076
Cash and cash equivalents	(29 309 828)	251 377	(4 768 584)	(12 005 454)
Net borrowings	226 153 826	257 456 041	(996 191)	(10 199 378)
Equity	192 053 515	172 196 480	149 365 948	156 036 762
Gearing ratio	85%	67%	(150%)	(15%)

32. Financial instruments and risk management (continued)

Financial risk management

Overview

(The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The directors have overall responsibility for the establishment and oversight of the group's risk management framework.

The group and company's risk management policies are established to identify and analyse the risks faced by the group, 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 group and company's activities.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The group and company are exposed to credit risk on other financial assets, loans receivable (at amortised cost), trade and other receivables, lease receivables and cash and cash equivalents. Management monitors interest rate curves and disposes of borrowings when forecasts predict a potential significant decline in value of borrowings.

Cash and cash equivalents and other financial assets

The credit risk attached to the Group's cash and cash equivalents and other financial assets is minimized by its cash resources and investment only being placed with reputable financial institutions, as well as by keeping cash on hand to a relatively low level. The credit ratings of the various financial institutions are listed below.

	Short term	Long term	Outlook	Credit rating agency
Bank Windhoek	AA(NA)	A1+(NA)	Stable	Global Credit Rating Company
Standard Bank Namibia (backed by Standard Bank Group Limited)	B	BB-	Stable	Fitch Rating
Nedbank Namibia Limited	zaAA	zaA-1+	Stable	S&P
Rand Merchant Bank	B	BB-	Stable	Fitch rating

Finance lease receivable

The probability of default related to finance lease receivable is regarded as insignificant. Contracts for the finance leases are entered into with all customers and require a deposit to be paid. Additionally, as a result of the below credit control procedures no customers have defaulted on the installments of the finance leases.

The group has credit control procedures that monitor activity on customer accounts and allow for remedial action should the customer not comply with payment terms. These procedures include an internal collection process follow up with the customer telephonically or electronically, negotiations of mutually acceptable payment arrangements or the disconnection of supply of goods or services.

32. Financial instruments and risk management (continued)

Trade and other receivables

Solar projects

The loss given default for trade receivables relating to solar projects is regarded as nil because contracts for solar projects require a deposit of 50% – 70% of the projects' contract value before construction of the solar project commences. Furthermore, construction is halted should any balance be in arrears.

Sale of electricity and delivery of operation and maintenance services

The group has credit control procedures that monitor activity on customer accounts and allow for remedial action should the customer not comply with payment terms. These procedures include charging of interest on overdue balances at the prime rate, an internal collection process follow up with the customer telephonically or electronically, negotiations of mutually acceptable payment arrangements and the discontinuation of supply of goods or services

The group writes off trade receivables when there are no reasonable expectations of recovering the contractual cashflows on a financial asset in its entirety or a portion thereof. Progress on collection process is reviewed on a regular basis and if it is evident that the amount will not be recovery derived, it is recommended for write-off in terms of the group's delegation of authority policy. The process of recovery continues unless it is confirmed that there is no prospect of recovery or the costs of such recovery will exceed the benefits to be derived.

As a result of the above procedures, customers have settled their balances timeously and the loss given default is negligible.

Loans receivables

The loss given default for loans receivables is regarded as insignificant due to the Group structure and loan terms. The loans receivables are secured by future dividends expected to be declared by Anirep Solar or future profits generated from the joint operation that Hopsol Africa entered into with Tulive Private Equity. The dividends and profits are expected to be declared in and from the 2025 financial year.

The maximum exposure to credit risk is presented in the table below:

Group	2023			2022		
	Note(s)	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance
		N\$	N\$	N\$	N\$	N\$
Loans to group companies	8	48 930 690	-	48 930 690	43 072 892	-
Finance lease receivables	9	7 634 791	-	7 634 791	5 964 787	-
Trade and other receivables	12	7 487 715	-	7 487 715	32 302 928	-
Cash and cash equivalents	14	34 700 749	-	34 700 749	28 401 341	-
		98 753 945	-	98 753 945	109 741 948	-

Company	2023			2022		
	Note(s)	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance
		N\$	N\$	N\$	N\$	N\$
Loans to group companies	8	1 335 666	-	1 335 666	16 482	-
Trade and other receivables	12	1 892 158	-	1 892 158	521 454	-
Cash and cash equivalents	14	4 768 584	-	4 768 584	12 005 454	-
		7 996 408	-	7 996 408	12 543 390	-

32. Financial instruments and risk management (continued)

Liquidity risk

The group and company is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

The group and company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

32. Financial instruments and risk management (continued)

Group – 2023

	Note(s)	1 year N\$	2 to 4 years N\$	5 years + N\$	Total N\$	Carrying amount N\$
Non-current liabilities						
Loans from group companies	16	-	84 769 946	105 982 545	190 752 491	128 658 246
Borrowings	17	-	65 940 504	76 352 162	142 292 666	90 815 838
Lease liabilities	4	-	160 000	-	160 000	136 355
Current liabilities						
Trade and other payables	19	7 435 649	-	-	7 435 649	7 435 649
Loans from group companies	16	20 342 838	-	-	20 342 838	12 434 499
Borrowings	17	20 823 317	-	-	20 823 317	10 334 237
Lease liabilities		384 000	-	-	384 000	355 077
Bank overdraft	14	5 390 921	-	-	5 390 921	5 390 921
		54 376 725	150 870 450	182 334 707	387 581 882	255 560 822

Group – 2022

	Note(s)	1 year N\$	2 to 4 years N\$	5 years + N\$	Total N\$	Carrying amount N\$
Non-current liabilities						
Loans from group companies	16	-	64 580 578	59 038 955	123 619 533	117 638 692
Borrowings	17	-	34 422 126	104 317 687	138 739 813	101 945 857
Lease liabilities	4	-	528 000	-	528 000	503 087
Current liabilities						
Trade and other payables	19	6 888 685	-	-	6 888 685	6 888 685
Loans from group companies	16	18 633 195	-	-	18 633 195	18 633 695
Borrowings	17	17 211 063	-	-	17 211 063	8 976 566
Lease liabilities	4	192 000	-	-	192 000	158 047
Bank overdraft	14	28 652 718	-	-	28 652 718	28 652 718
		71 577 661	99 530 704	163 356 642	334 465 007	283 397 347

Company – 2023

		1 year N\$	2 to 4 years N\$	Total N\$	Carrying amount N\$
Non-current liabilities					
Lease liabilities	4	-	160 000	160 000	136 355
Current liabilities					
Trade and other payables	19	1 542 559	-	1 542 559	1 542 559
Loans from group companies	16	1 230 383	-	1 230 383	1 230 383
Lease liabilities		384 000	-	384 000	355 077
		3 156 942	160 000	3 316 942	3 264 374

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32. Financial instruments and risk management (continued)

Company – 2022

		1 year	2 to 4 years	Total	Carrying amount
		N\$	N\$	N\$	N\$
Non-current liabilities					
Lease liabilities		–	528 000	528 000	503 087
Current liabilities					
Trade and other payables	19	727 425	–	727 425	727 425
Lease liabilities	4	192 000	–	192 000	158 047
		919 425	528 000	1 447 425	1 388 559

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The group and company is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters. The foreign currencies in which the company deals with are primarily USD\$ and Euros.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Exposure in foreign currency amounts

The below table lists the balance of the foreign currency denominated amounts and the line items that they are included in.

Group	2023	2022
Cash and cash equivalents	426 236	1 056 240
Trade and other payables	–	2 765 528
	426 236	3 821 768
Company	2023	2022
Cash and cash equivalents	426 236	–

Foreign currency sensitivity analysis

The following information presents the sensitivity of the company to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

32. Financial instruments and risk management (continued)

Group	2023	2023	2022	2022
1% Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
US Dollar	(4 262)	4 262	(10 562)	10 562
Euro	-	-	(13 828)	13 828
	(4 262)	4 262	(24 390)	24 390
Company	2023	2023	2022	2022
1% Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
US Dollar	(4 262)	4 262	-	-

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	2023	2023
	Average effective interest rate	Carrying amount
Group		
Variable rate instruments:		
Assets		
Loans to group companies	10.75% – 11.25%	48 905 392
Cash and cash equivalents	2.8% – 6%	34 700 749
		83 606 141
Liabilities		
Bank Windhoek: CL 4000080726	10.75%	(76 615 794)
Bank Windhoek: CL 4000080678	11.25%	(24 534 281)
Loans from group companies	10.75% – 12%	(38 567 594)
Bank overdraft	11.75%	(5 390 921)
		(145 108 590)
Net variable rate financial instruments		(61 502 449)
Fixed rate instruments:		
Assets		
Tulive Private Equity (Pty) Ltd	9.25%, 13.25%	102 525 151
Company		
Variable rate instruments:		
Assets		
Cash and cash equivalents	8 5.25% – 6.51%	4 768 584

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

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32. Financial instruments and risk management (continued)

Group

At 28 February 2023, if the interest rate had been 1.000% per annum (2022: 1.000%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been N\$ 1 250 033 (2022: N\$ 1 315 500) lower and N\$ 1 314 035 (2022: N\$ 1 315 500) higher respectively.

Company

At 28 February 2023, if the interest rate had been 1.000% per annum (2022: 1.000%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been N\$ 83 870 (2022: N\$ 120 219) higher and N\$ 83 870 (2022: N\$ 120 219) lower respectively.

	Group			Company	
	2023	2022 Restated	2021 Restated	2023	2022
	N\$	N\$	N\$	N\$	N\$

33. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities – Group – 2023 (N\$)

	Opening balance	Accretion of interest	Total non-cash movements	Cash flows	Closing balance
Borrowings	110 922 423	–	–	(9 772 348)	101 150 075
Lease liabilities	661 134	–	–	(169 702)	491 432
Loans from group companies	136 272 387	1 390 175	1 390 175	3 430 183	141 092 745
Total liabilities from financing activities	247 855 944	1 390 175	1 390 175	(6 511 867)	242 734 252

Reconciliation of liabilities arising from financing activities – Group – 2022 (N\$)

	Opening balance	Accretion of interest	Total non-cash movements	Cash flows	Closing balance
Borrowings	119 813 436	–	–	(8 891 013)	110 922 423
Lease liabilities	614 295	46 839	46 839	–	661 134
Loans from group companies	135 834 551	4 595 806	4 595 806	(4 157 970)	136 272 387
Total liabilities from financing activities	256 262 282	4 642 645	4 642 645	(13 048 983)	247 855 944

Reconciliation of liabilities arising from financing activities – Company – 2023 (N\$)

	Opening balance	Cash flows	Closing balance
Lease liabilities	661 134	(169 702)	491 432
Loans from group companies	–	1 230 383	1 230 383
Total liabilities from financing activities	661 134	1 060 681	1 721 815

Reconciliation of liabilities arising from financing activities – Company – 2022 (N\$)

	Opening balance	Accretion of interest	Total non-cash movements	Closing balance
Lease liabilities	614 295	46 839	46 839	661 134
Total liabilities from financing activities	614 295	46 839	46 839	661 134

34. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic EPS calculations:

	Group			Company	
	2023	2022 Restated	2021 Restated	2023	2022
	N\$	N\$	N\$	N\$	N\$
Weighted average number of ordinary shares for basic EPS	16 881 947	16 881 947	16 881 947	16 881 947	16 881 947
Earnings per share	0.72	0.10	(0.04)	(0.40)	(0.16)

35. Going concern

The consolidated and separate 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 directors believe that the group and company has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate annual financial statements have been prepared on a going concern basis. The directors are satisfied that the group and company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group or company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group or company.

36. Events after the reporting period

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

37. Contingencies

In favour of Bank Windhoek:

- Limited Otjiwarongo Plant
- Registered Cession of Comprehensive Insurance Policy;
- Registered Cession of the Power Purchase Agreement (PPA) and Transmission Connection Agreement (TCA) between Cenored and ANIREP Solar (Pty) Ltd;
- Registered Cession of all monies due to ANIREP Solar (Pty) Ltd in terms of PPA and TCA between Cenored and ANIREP Solar (Pty) Ltd;
- Registered Cession over the warranties and guarantees on the equipment (foundations, trackers, invertors and panels etc.), provided by the suppliers and subcontractors;
- Standard module power output warranty 30-year module power output warranty- Otjiwarongo Plant, effective 05 December 2022 and therefore 29.8 years remain;
- 5 year's warranty of inverters – SMA Solar Technology, effective 01 September 2015 and therefore 1 years remain;
- 10 year's product warranty (materials and workmanship), effective 01 September 2015 and therefore 6 years remain;
- Unlimited pledge over Movable assets held at Otjiwarongo plant;
- Negative undertaking of liabilities and encumbering assets; and
- A First Notarial Leasehold Bond for N\$1 500 000 over Portion 12 of the Farm Otjiwarongo Townlands No. 18 Otjiwarongo, Namibia.

37. Contingencies (continued)

Otjozondjupa [Grootfontein] Plant

- Registered Cession of Comprehensive Insurance Policy;
- Registered Cession of the Power Purchase Agreement (PPA) and Transmission Connection Agreement (TCA) between NamPower and ANIREP Solar (Pty) Ltd;
- Registered Cession of all monies due to ANIREP Solar (Pty) Ltd in terms of PPA and TCA between NamPower and ANIREP Solar (Pty) Ltd;
- Registered Cession over the warranties and guarantees on the equipment (foundations, trackers, invertors and panels etc.), provided by the suppliers and subcontractors:
- 25 years' module power output warranty, effective 01 June 2016 and therefore 22 years remain;
- 5 years' warranty of inverters, effective 01 June 2016 and therefore 2 years remain;
- 10 years product warranty (materials and workmanship) – effective 01 June 2016 and therefore 7 years remain;
- Unlimited Pledge over Movable assets held at Otjozondjupa plant;
- Negative undertaking of liabilities and encumbering assets;
- 1st Covering Mortgage Bond for N\$1,350,000 over Portion 2 or 3 of Farm Ackerbau Number 3, Grootfontein – zoning to be confirmed;
- Limited Suretyship for N\$127,100,000 by Alpha Namibia Industries Renewable Power Ltd, Reg. No. 2018/0148, supported by securities in own name;
- Limited Suretyship for N\$27,900,000 by Ouyelele Energy (Pty) Ltd, Reg. No. 2014/1159, supported by security in own name;
- Cession and subordination of all shareholder's loan held by Alpha Namibia Industries Renewable Power Ltd in ANIREP Solar (Pty) Ltd;
- Cession of shares held by Alpha Namibia Industries Renewable Power Ltd in ANIREP Solar (Pty) Ltd;
- A share buy-back agreement between Bank Windhoek Ltd held by Alpha Namibia Industries Renewable Power Ltd;
- Cession of shares held by Ouyelele Energy (Pty) Ltd in ANIREP Solar (Pty) Ltd; and
- It is a specific condition that any collateral held and/or required must be in the Bank's possession and in legal order before the loan may be implemented.

In favour of Tulive Private Equity (Pty) Ltd

- The notarial bond registered in favour of Tulive-GIPF Infrastructure Fund and/or Government Institutions Pension Fund ("GIPF"), against the notarial lease endorsed on the title deed pertaining to the property identified as Portion of Otjiwarongo Townland West No. 408, measuring 12 (twelve) Hectares with commencement date 01 April 2015, for a duration of 33 (thirty three years);
- The general notarial collateral bond registered in favour of Tulive-GIPF Infrastructure Fund and/or Government Institutions Pension Fund ("GIPF"), over the following movable property: all solar panels, trackers, gears and all sundry equipment on the property referred to in clause 2.8.1, to the value of N\$112,000,000 (one hundred and twelve million Namibia Dollar) for the provision of solar power to Central North Regional Electricity Distributor (Proprietary) Limited ("CENORED") in accordance with the Power Purchase Agreement concluded with CENORED;
- A first continuing covering mortgage bond registered in favour of Tulive-GIPF Infrastructure Fund and/or Government Institutions Pension Fund ("GIPF"), to the amount of N\$113,000,000 (one hundred and thirteen million Namibia Dollar) over the property identified as Portion 2 or 3 Farm Ackerbau No. 3, Grootfontein;
- The general notarial Collateral Bond registered in favour of Tulive-GIPF Infrastructure Fund and/or Government Institutions Pension Fund ("GIPF"), over the following moveable property: all solar panels, trackers, gears and all sundry equipment pertaining to the property identified in clause 2.8.3, to the value of N\$113,000,000 (one hundred and thirteen million Namibia Dollar) which are for the provision of solar power to the Namibia Power Corporation (Proprietary) Limited ("NamPower") in accordance with the Power Purchase Agreement concluded with NamPower;
- Cession of ANIREP Solar (Pty) Ltd's rights, title and interest, of any nature whatsoever, in and to the bank accounts into which proceeds under the PPA contracts are paid; and
- The above security is second ranking to the security provided to Bank Windhoek for similar claims.

Details of collateral of the parent

- Cession and subordination of shareholders loan – Hopsol Africa (Pty) Ltd
- Unlimited cession of shares – Hopsol Africa (Pty) Ltd

37. Contingencies (continued)

In favour of Hopsol/Tulive joint venture

- The loan is secured by HopSol Africa's profit share in the HopSol Africa (Pty) Ltd and Tulive Private Equity (Pty) Ltd Joint Venture

In favour of Tulive Private Equity/GIPF (Pty) Ltd

- A notarial bond in an amount equal to N\$112 497 500.00 (one hundred and twelve million four hundred and ninety seven thousand five hundred Namibia Dollars) to be registered against the solar panels, trackers, gears, inverters and all sundry equipment located at No.408 Otjiwarongo Townland West, Otjozondjupa, Region Namibia; and portions 2 and 3 of Farm Ackerbau No.3, Grootfontein, Otjozondjupa Region
- The above security is second ranking to the security provided to Bank Windhoek

38. Analysis of Shareholding for the year ended 28 February 2023

Range of shares	Number of shareholders	% of shareholders	Number of shares	% of shares
100-499	24	11.59%	6 807	0.04%
500-999	101	48.79%	53 775	0.32%
1000-1999	22	10.63%	27 050	0.16%
2000-2999	11	5.31%	24 500	0.15%
3000-3999	8	3.87%	26 100	0.15%
4000-4999	5	2.42%	20 000	0.12%
5000-9999	11	5.31%	64 368	0.38%
10000 and above	25	12.08%	16 659 247	98.68%
	207	100%	16 881 847	100%
Public and non-public shareholders				
Public shareholders	190	91.79%	438 200	2.60%
Non-public shareholders	17	8.21%	16 443 647	97.40%
	207	100%	16 881 847	100%

Largest shareholders - more than 5 % of share capital

	Number of shares	% of shares
Alternative Electricity Consultants (Pty) Ltd	950 000	5.63%
FNB Nominees (Namibia) (Pty) Ltd (Government Employees Pension Fund)	8 750 000	51.83%
Standard Bank Namibia Nominees (Pty) Ltd (Government Institutions Pension Fund)	5 300 000	31.39%
	15 000 000	88.85%

38. Analysis of Shareholding for the year ended 28 February 2023 (continued)

Directors' interest in share capital

I.J. Nangolo	12 500
M.S. Demamu	5 000
S.A. Oosthuysen	19 600
H. Hamukoto	500
Amb. P.K. Kambala	500
	38 100

39. Prior period errors

In response to the Omburu tender issued by Nampower, Hopsol Africa and Tulive Private Equity (Pty) Ltd entered into an arrangement on 25 February 2020. The arrangement resulted in the formation of an unincorporated joint operation.

The tender was awarded to the joint operation in December 2020. The tender entailed the construction of a solar PV plant at Omburu for Nampower and ensure that the plant is satisfactorily operational for a period of 2 years after its commercial operation date, which was 29 March 2022.

In terms of the arrangement, Tulive Private Equity (Pty) Ltd was responsible for engineering and procurement of parts necessary for the solar plant, while Hopsol Africa was responsible for the construction of the solar plant. The assets, liabilities, revenue and expenses of the arrangement were to be shared between Hopsol Africa and Tulive Private Equity equally. No initial investment from the partners of the joint arrangement was required.

The results of the joint operation were not consolidated into the annual financial statements of Hopsol Africa, and indirectly in the ANIREP Ltd group's consolidated annual financial statements as well, for the years ended 28 February 2021 and 28 February 2022. This error has been corrected retrospectively during the 2023 financial statements, by restating 2022. The impact of the restatement on the various line items in the annual financial statements is summarised below:

	2022	2022	2022	2021	2021	2021
	Old	Adjustment	Restated	Old	Adjustment	Restated
	N\$	N\$	N\$	N\$	N\$	N\$
Loans from group	80 573 781	55 698 606	136 272 387	84 731 752	51 102 799	135 834 551
companies De- ferred tax liability	19 366 787	(507 593)	18 859 194	15 722 208	72 184	15 794 392
Trade and other payables	8 152 690	1 196 030	9 348 720	7 403 856	4 030 906	11 434 762
Deferred income	-	-	-	-	39 646 383	39 646 383
Current tax payable	353 938	(353 938)	-	1 260 927	(1)	1 260 926
Bank overdraft	958 067	27 694 651	28 652 718	-	7 409 850	7 409 850
Other financial assets	-	53 349 619	53 349 619	-	51 082 958	51 082 958
Inventories	4 913 200	2 128 810	7 042 010	4 664 652	-	4 664 652
Trade and other receivables	10 240 535	22 062 393	32 302 928	3 706 261	51 332 555	55 038 816
Current tax receivable	-	1 391 704	1 391 704	-	-	-
Cash and cash equivalents	28 394 236	7 105	28 401 341	45 982 795	1	45 982 796
Total equity	176 984 605	(4 788 124)	172 196 481	168 475 697	153 393	168 629 090

39. Prior period errors (continued)

	2022 Old N\$	2022 Adjustment N\$	2022 Restated N\$
Revenue	166 916 362	90 588 771	257 505 133
Cost of sales	(101 758 446)	(75 881 267)	(177 639 713)
Other operating income	1 123 697	169 322	1 293 019
Other operating gains/(losses)	178 650	(8 961 031)	(8 782 381)
Other operating expenses	(40 861 488)	(10 018 498)	(50 879 986)
Finance income	5 280 413	2 945 756	8 226 169
Finance cost	(16 980 120)	(6 109 990)	(23 090 110)
Taxation expense	(5 390 222)	2 325 419	(3 064 803)
Profit for the year	8 508 846	(4 941 518)	3 567 328
Other comprehensive income	-	-	-
Total comprehensive income	8 508 846	(4 941 518)	3 567 328
Earnings per share	0.50	(0.40)	0.10

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Detailed Income Statement

		Group		Company	
	Note(s)	2023	2022	2023	2022
		N\$	Restated N\$	N\$	N\$
Revenue					
Sale of goods		38 219 894	38 089 202	-	-
Rendering of services		40 759 497	219 415 931	2 926 251	4 014 793
	22	78 979 391	257 505 133	2 926 251	4 014 793
Cost of sales					
Opening stock		(4 913 200)	(4 664 652)	-	-
Purchases		(7 984 518)	(177 888 261)	-	-
Closing stock		3 616 697	4 913 200	-	-
	23	(9 281 021)	(177 639 713)	-	-
Gross profit		69 698 370	79 865 420	2 926 251	4 014 793
Other operating income					
Fees earned		-	1 500	-	-
Bad debts recovered		119 667	-	-	-
Cost recoveries		-	200 000	-	200 000
Gain on bargain purchase in a business combination		-	236	-	-
Gain on disposal of shares		-	802 050	-	802 050
Insurance refund		-	82 352	-	-
NTA refund		528 234	32 839	-	-
Other income		28 660	174 042	-	-
Warrant proceeds		24 433 487	-	-	-
	24	25 110 048	1 293 019	-	1 002 050
Other operating gains/(losses)					
Gains on disposal of assets or settlement of liabilities		-	800	-	-
Foreign exchange gains (losses)		3 546 500	(8 783 181)	219 402	(63 021)
		3 546 500	(8 782 381)	219 402	(63 021)
Expenses (Refer to page 68)		(55 229 812)	(50 879 986)	(10 075 304)	(8 011 739)
Operating profit/(loss)	25	43 125 106	21 496 072	(6 929 651)	(3 057 917)
Finance income	26	9 748 802	8 226 169	313 136	616 967
Finance cost	27	(24 165 040)	(23 090 110)	(54 299)	(226 231)
Income/(loss) from equity accounted investments		2 949	-	-	-
Profit/(loss) before taxation		28 711 817	6 632 131	(6 670 814)	(2 667 181)
Taxation	28	(8 854 782)	(3 064 803)	-	-
Profit/(loss) for the year		19 857 035	3 567 328	(6 670 814)	(2 667 181)

The supplementary information presented does not form part of the consolidated and separate annual financial statements and is unaudited.

Detailed Income Statement

		Group		Company		
		Note(s)	2023	2022	2023	2022
			N\$	Restated N\$	N\$	N\$
Other operating expenses						
Accounting fees		81 050	37 741	-	-	
Administration and management fees		1 798 200	1 798 200	1 798 200	1 798 200	
Advertising		790 950	273 534	370 844	210 882	
Auditor's remuneration – external audit	25	1 239 911	1 193 542	844 472	826 778	
Bad debts		49 355	208 116	-	-	
Bank charges		832 839	2 608 734	8 436	9 403	
Board fees		1 411 049	1 455 645	663 450	457 875	
Cleaning		19 384	18 595	-	-	
Computer expenses		204 412	90 850	81 840	493	
Consulting and professional fees		2 237 165	1 054 777	1 431 815	488 399	
Consumables		81 775	63 331	24 155	19 468	
Depreciation		10 082 450	9 462 129	256 270	249 814	
Donations		867 971	104 670	207 971	-	
Due diligence		-	16 250	-	16 250	
Employee costs		20 066 534	18 997 220	3 487 853	3 044 900	
Entertainment		8 629	1 079	8 629	1 079	
Fines		215 126	60	-	-	
Insurance		1 353 794	2 386 402	25 846	70 511	
Legal fees		7 733	1 027 733	-	-	
Levies		185 897	69 620	185 897	69 620	
Medical expenses		112 073	380 612	-	-	
Motor vehicle expenses		962 689	698 449	-	-	
Municipal expenses		417 265	566 373	18 860	15 449	
Non-audit fees		-	46 839	-	46 839	
Other expenses		34 793	39 250	34 793	3 000	
Placement fees		216 652	282 600	216 652	282 600	
Printing and stationery		106 552	127 745	18 760	18 868	
Protective clothing		40 766	636 899	-	-	
Repairs and maintenance		426 605	362 889	-	-	
Secretarial fees		203 712	436 961	150 143	270 074	
Short-term leases		481 766	400 653	798	-	
Solar panels written off		9 090 567	-	-	-	
Staff welfare		404 287	177 294	-	-	
Subscriptions		156 756	149 724	69 862	92 865	
Telephone and fax		298 139	316 286	21 232	13 827	
Training		29 835	-	29 835	-	
Transport and freight		7 886	4 973 254	-	-	
Travel and accommodation		574 191	290 717	103 316	4 545	
Warehouse storage		115 679	125 213	-	-	
Withholding tax		15 375	-	15 375	-	
		55 229 812	50 879 986	10 075 304	8 011 739	

The supplementary information presented does not form part of the consolidated and separate annual financial statements and is unaudited.

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Shareholders

Major Shareholders

As far as the Directors are aware, as at the date of the annual report, the following persons, directly or indirectly, have an interest of 5% (five percent) or more of the shares in issue:

Name of Shareholder	Number of Shares	% of Shares
in issue		
Government Institution Pension Fund (GIPF)	8 750 000	51.8%
Government Institution Pension Fund (Public Investment Corporation)	5 300 000	31.4%
Investec Asset Management	1 262 000	7.5%
Alternative Electricity Consultants(AEC) as General Partners	950 000	5.6%

Analysis of shareholders

	Number of shareholders	Percentage of shareholders	Number of shares	Percentage of shares
Range of shareholders				
1-99 shares	0	0.00	0	0.00
100-499 shares	24	11.6%	6807	0.04
500-999 shares	101	48.8%	53775	0.31
1000-1999 shares	22	10.6%	25 550	0.15
2000-2999 shares	11	5.3 %	24500	0.15
3000-3999 shares	8	3.9 %	29100	0.17
4000-4999 shares	5	2.4 %	16000	0.09
5000-9999 shares	11	5.3 %	69368	0.41
10000 shares and above	25	12.1 %	16 658 247	98.68
Total shareholders	207			
Total number of shares in issue	16 881 847	100%		

Category

CorporateBodies	3	1.49	1117647	6.62
NomineeCorporate	1	0.5	5300000	31.39
Nominee	10	4.98	10012000	59.31
Individuals	186	92.54	442200	2.62
Trusts	1	0.5	10000	0.06
Total				

Notice to Shareholders of The Annual General Meeting

Notice of 5th Annual General Meeting

Notice is hereby given to the Virtual Annual General Meeting of shareholders of ANIREP Limited to be held on Friday, 17th November 2023 at 10:00 am (Namibian Time) and shall be held virtually through electronic communication to all shareholders from the Head Office of ANIREP Limited per link (xxxxxxx).

Proposed Agenda and Resolutions:

1. Notice, Constitution and Quorum

To read and accept the notice of the meeting and ensure that there is a quorum of Shareholders present in person or by proxy.

2. Ordinary Resolution 1

Adoption of Minutes of the previous AGM

To adopt the Minutes of the 4th Annual General Meeting held on 16th November 2022.

3. Ordinary Resolution 2

Adoption of Annual Financial Statements

To receive and consider that the Annual Financial Statements and consolidated financials for the year ended 28th February 2023 together with the reports of the Directors and Auditors thereon.

4. Ordinary Resolution 3

Declaration of dividend

To resolve that no dividend is declared for the year ended 28th February 2023.

5. Ordinary Resolution 4

To accept resignation and re-election of Directors

To accept the retirement of the following directors

- **Mr. Hans Hamukoto**
- **Ms. Meklit Demamu**
- **Ms. Sphiwe Mayinga**
- **Mr. Faniel Kisting**

To re-elect the following Directors who retire by rotation in accordance with the Company's Articles of Association, but being eligible, offer themselves for re-election:

- **Ms. Sphiwe Mayinga**
- **Mr. Faniel Kisting**

6. Ordinary Resolution 5

Re – appointment of External Auditor

Resolved that Ernst & Young Namibia are hereby reappointed as the independent external auditors of the Company for the year ending 28th February 2024.

7. Ordinary Resolution 6

Re – appointment of Company Secretary

Resolved that ESI Secretarial Services are hereby reappointed as Company Secretaries for the year ending 28th February 2024.

8. To transact such other business as may be transacted at an annual general meeting

Any member is entitled to attend and vote at the meeting, or entitled to appoint a Proxy to attend and vote in his/her stead. The prescribed scanned Proxy Form (as enclosed) should be forwarded to reach the Company Secretary at: anna-marie.sautamas@esi.dlapiperafrica.com/info@anirep.com (not less than 48 hours before the time of the meeting), i.e. latest by 10h00 on the 15th of November 2023.

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Notes: Approvals required for resolutions :All resolutions shall be decided on a poll and every shareholder of the company shall have one vote for every share held in the company by such shareholder.

Ordinary resolutions require the approval by more than 50% of the votes exercised on the resolutions by shareholders present or represented by proxy at the AGM, subject to the provisions of the Companies Act, the AOA of the Company and the NSX Listing Requirements.

Special resolutions require the approval by at least 75% of the votes exercised on the resolutions by shareholders present or represented by proxy at the AGM subject to the provisions of the companies Act, the AOA of the Company and NSX Listings Requirements.

NOTE: VOTING THROUGH PROXY FORM

1. A member entitled to attend and vote at the annual general meeting may appoint a proxy to attend (via online participation) and vote on his/her behalf. Such a proxy need not be a member of the Company.

2. Shareholder are notified that due to the change in how the meeting is occurring, voting via attendance at the meeting will not be possible and will have to be completed via the relevant forms.

This will be available to be done in two ways;

- The proxy form attached to this notice can be downloaded, completed and emailed to info@anirep.com before the meeting. Shareholders that choose not to participate in the meeting can still submit their proxy form online ahead of time.
- The proxy form attached will be available online to be completed online up until the meeting on the 15th November 2023. This can be obtained via the following link (.....).

All shareholders have to attach the following documents to either the email sent through option (a) or the registry of the Electronic Participation form on pages [XXX] available via the online link (registration is required on the electronic form before completing the voting form).

- All individuals to submit a copy of their ID or Passport.
- All entities to submit a resolution providing the representation of a specific person and that persons ID or Passport.
- All proxy holder to submit the completed and signed proxy form as well as a copy of the representatives ID or Passport.

3. Accessing and Voting at the Virtual AGM

To participate electronically the following procedure needs to be followed;

- Register online [provide address that must be accessed to register on line]
- Submit the necessary documents along with the Electronic Participation form.
- Last date to register is the 15th November 2023. This is necessary to arrange for the relevant electronic participation. Attendance and voting may still be admitted after this date, however verification of those shareholders must be done prior to the AGM.

BY ORDER OF THE BOARD
ELLIS SHILENGUDWA INCORPORATED
COMPANY SECRETARY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023



Alpha Namibia Industries Renewable Power Limited
(Incorporated in the Republic of Namibia)

Registration Number 2018/0148

Date of Registration: 08/03/2018

Share code: ANE

ISIN: NA000A2JQ364

("ANIREP" or "the Company")

FORM OF PROXY (Yellow) – FOR USE BY CERTIFICATED SHAREHOLDERS ONLY

Electronic Participation Number:

I/We, (Full name in block letters)

Of _____ (address):

Telephone No: _____

e-mail Address: _____

being the registered holder(s) of: _____ (numbers) Ordinary Shares in Alpha Namibia Industries Renewable Power Limited hereby appoint:

1 _____ of _____
or, failing him/her

2 _____ of _____
or, failing him/her

3 the chairperson of the General Meeting
as my/our proxy to vote for me/us on my/our behalf at the General Meeting which will be held for the purpose of considering and, if deemed fit, approving and adopting, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the said resolutions and/or to abstain from voting in respect of the Shares registered in my/our name(s), and at any adjournment thereof as follows:

Number of shares**	For	Against	Abstain
Ordinary Resolution 1: Resolved to adopt Minutes of the 4 th Annual General Meeting held of 16 th November 2022			
Ordinary Resolution 2: Resolved that the Annual Financial Statements for the year ended 28 th February 2023 be received and adopted			
Ordinary Resolution 3: Resolved that no dividend is declared for the year ended 28 th February 2023			
Ordinary Resolution 4.1: Resolved to accept the retirement of Mr. Hans Hamukoto.			
Ordinary Resolution 4.2: Resolved to accept the retirement of Ms Meklit Demamu			
Ordinary Resolution 4.3: Resolved that Ms Sphiwe Mayinga, who is retiring by rotation as per Company's articles of association, is eligible to be re – elected and is hereby re-elected as an independent non – executive Director of the Company.			
Ordinary Resolution 4.4: Resolved that Mr Fanuel Kisting, who is retiring by rotation as per Company's articles of association, is eligible to be re – elected and is hereby re-elected as an independent non – executive Director of the Company.			
Ordinary Resolution 5 Resolved that Ernst & Young Namibia are hereby reappointed as the independent external auditors of the Company for the year ending 28 th February 2024.			
Ordinary Resolution 6 Resolved that ESI Secretarial Services are hereby reappointed as the Company Secretaries for the year ending 28 th February 2024.			

(Indicate instruction to proxy by way of a cross in space provided above.) Unless otherwise instructed, my proxy may vote as he/she deems fit.

Signed this day of 2023

Signature of Shareholder

Assisted by (where applicable)

Note 1: A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend, speak and on a poll vote in his/her stead, and such proxy need not also be a Shareholder of the Company.

Note 2: One vote per Share held by ANIREP Shareholders. ANIREP Shareholders must insert the relevant number of votes (**) they wish to vote in the appropriate box provided or "X" should they wish to vote all Shares held by them. If the form of proxy is returned without an indication as to how the proxy should vote on a particular matter, the proxy will exercise his/her discretion as to whether, and if so, how he/she votes.



47 Nelson Mandela Avenue
Klein Windhoek, Windhoek, Namibia

Website: <https://anirep.com/>