Alpha Namibia Industries Renewable Power Limited

(Registration number 2018/0148)

Unaudited Consolidated annual financial statements

for the six months ended 31 August 2022

Anirep Group

ANIREP Consolidated Interim Report
for the six months ended 31 August 2022

Statement of Profit or Loss and Other Comprehensive Income

	Notes	Six Months Ended 31-Aug-22 Unaudited N$	Six Months Ended 31-Aug-21 Unaudited N$	Year Ended 28-Feb-22 Audited
Revenue	**2.3**	**72,273,194**	**87,119,806**	**166,916,362**
Cost of Sales		**29,852,877**	**59,473,916**	101,758,446
Gross profit		**42,420,317**	**27,645,890**	**65,157,916**
Other operating income		**26,742,994**	**688,805**	**1,123,697**
Other operating gains (losses)		0	0	178650
		-	-	
Other operating expenses		**(23,532,183)**	**(17,534,402)**	**(40,861,488)**
Accounting fees/Bookkeeping fees		275,502	376,541	84,580
Administration costs		100,389	841,876	
Advertising and promotion		287,370	133,099	273,534
Auditors fees (including reversal of accrual)		259,255	502,167	1,672,941
Cleaning		11,024	6,748	18,595
Computer Expenses		56,457	32,477	84,775
Board fees		450,500	181,250	457,875
Management fees		899,100		1,798,200
Bank charges		2,634,405	95,933	226,771
Consulting Fees		80,000	29,385	9,000
Depreciation		4,255,568	4,701,951	9,462,129
Donations & Sponsorship		330,000	43,670	104,670
Electricity		246,771	230,296	566,373
Employee costs		9,713,602	7,684,028	19,001,765
Entertainment costs		2,453		1,079
Insurance		432,001	427,410	1,338,894
Legal Fees		192,544	60,889	677,064
Maintenance Costs		1,500	81,214	362,889
Medical Box & Medical Examination		93,759	524,379	380,612
Motor Vehicle Expenses		757,028	429,442	698,449
Staff Welfare		501,958		
Loan raising fees		-		
Rental expense (gain or loss on lease)		296,075	223,305	400,653
Office consumables & Small Tools		16,987		
Protective Clothing/Equipment		25,637	226,420	636,899
Telephone and Fax		148,490	149,472	316,286
Staff Welfare		2,379	28,439	177,294
Electricity		-		
Computer Expenses		42,893		
Internet Charges		7,388		
Printing and stationary		50,940	70,484	127,745
Professional fees		575,064		242,098
Corporate Advisory Fees		247,384		
Subscriptions		7,651	522	149,724
Secretarial fees		20,738	177,313	436,961
Tender fees		6,000		
Warehouse Storage		58,475		125,213
Travel and Accommodation		444,897	82,424	286,172
Bad Debts				208,116
Consumables			8,618	63,331
Due Diligence				16,250
Fines				60

	Note			
Levies				69,620
Other Expenses				39,250
Placement Fees			132,600	282,600
Unrealised Exchange Loss				63,021
Staff Training			52,050	
Operating profit (loss)		**45,631,128**	**10,800,293**	**25,598,775**
Finance income	**2.4**	**2,071,259**	**2,576,451**	5,280,413
Finance cost		(8,913,482)	(8,648,287)	(16,980,120)
Profit/(loss) before taxation		**38,788,905**	**4,728,457**	**13,899,068**
Taxation	**2.5**	(14,029,526)	(1,963,792)	(5,390,222)
Profit/(loss) for the year		**24,759,379**	**2,764,665**	**8,508,846**
Other comprehensive income		**-**	**-**	
Total comprehensive income/(loss) for the year		**24,759,379**	**2,764,665**	**8,508,846**

Anirep Group

ANIREP Consolidated Interim Report
for the six months ended 31 August 2022

Statement of Financial Position as at 31 August 2022

	Notes	Six Months Ended 31 Aug 2022 Unaudited N$	Six Months Ended 31 Aug 2021 Unaudited N$	Year Ended 28 Feb 2022 Audited N$
Assets				
Non-Current Assets				
Property, plant and equipment		163,389,458	169,888,497	166,326,184
Finance lease receivables		5,964,788		5,964,787
Right-of-use assets		445,979	527,066	445,979
Goodwill	**2.6**	138,409,423	129,391,043	138,409,423
Loans to group companies		-	1	-
Loans to shareholders		44,844,804	41,394,422	43,072,892
Investments in subsidiaries		751,332		-
		353,805,783	**341,201,029**	**354,219,265**
Current Assets				
Inventories		4,310,941	8,085,531	10,496,617
Work in Progress		27,091,222	-	-
Short term Investments		43,157,835	-	53,349,619
Loans to group companies		0	-	-
Trade and other receivables		28,196,900	4,063,022	30,461,775
Prepayments		3,524,907	215,302	206,189
Cash and cash equivalents		39,590,055	43,547,352	28,401,342
		145,871,860	**55,911,207**	**122,915,542**
Total Assets		**499,677,644**	**397,112,236**	**477,134,807**
Equity and Liabilities				
Equity				
Equity Attributable to Equity Holders of Parent				
Share capital		164,240,863	164,240,863	164,240,863
Retained Income / (Accumulated Loss)		5,113,104	- 439,888	- 1,670,130
Current year Profit / (Loss)		17,318,326		5,294,508
		186,672,292	163,800,975	167,865,241
Non-controlling interest		16,021,048	7,439,486	9,870,695
		202,693,340	**171,240,461**	**177,735,936**
Liabilities				
Non-Current Liabilities				
Loans from group companies	**2.7**	72,970,411	78,186,396	75,692,827
Lease liabilities		469,134	469,134	503,087
Shareholders Loans		500		500
Interest-bearing borrowings	**2.8**	142,470,624	106,479,455	157,643,963
Deferred tax liability		19,625,029	17,164,027	19,366,787
		235,535,698	**202,299,012**	**253,207,164**
Current Liabilities				
Loans from group companies	**2.7**		4,665,764	4,880,954
Trade and other payables		11,188,163	9,069,303	8,618,967
VAT Payable		3,323,919		-
Taxation		14,029,526	1,073,562	- 5,095,546
Bank Overdraft		18,241,675		2,503,444
Interest-bearing borrowings	**2.8**	14,665,322	8,690,011	35,125,841
Lease liabilities		-	74,124	158,047
		61,448,605	**23,572,764**	**46,191,707**
Total Liabilities		**296,984,303**	**225,871,776**	**299,398,870**
Total Equity and Liabilities		**499,677,644**	**397,112,237**	**477,134,806**

Anirep Group

ANIREP Consolidated Interim Report
for the six months ended 31 August 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 August 2022	Share capital N$	Share premium N$	Accumulated loss N$	Total attributable to equity holders of the Group	Non - controlling interest N$	Total equity N$
Audited balance at 28 February 2021	168,818	164,072,045	(1,670,130)	162,570,733	5,904,964	168,475,697
Profit for the period	-	-	1,230,141	1,230,141	1,534,521	2,764,662
Total comprehensive loss for the period	**-**	**-**	**1,230,141**	**1,230,141**	**1,534,521**	**2,764,662**
Business combinations	-	-	99	99	-	99
Total changes	**168,818**	**164,072,045**	**(439,890)**	**163,800,973**	**7,439,485**	**171,240,458**
Reviewed balance at 1 September 2021	**168,818**	**164,072,045**	**(439,890)**	**163,800,973**	**7,439,485**	**171,240,458**
Profit for the period (unaudited/unreviewed)	-	-	3,312,937	3,312,937	2,431,148	5,744,085
Total comprehensive loss for the year	-	-	3,312,937	3,312,937	2,431,148	5,744,085
Business combinations				-	62	**62**
Total changes	**-**	**-**	**3,312,937**	**3,312,937**	**2,431,210**	**5,744,147**
Audited balance at 1 March 2022	**168,818**	**164,072,045**	**2,873,047**	**167,113,910**	**9,870,695**	**176,984,605**
Profit for the period (unaudited)	-	-	18,609,025	18,609,025	6,150,353	24,759,378
Total comprehensive income for the period	**-**	**-**	**18,609,025**	**18,609,025**	**6,150,353**	**24,759,378**
Business combinations			949,358	949,358		949,358
Total changes	**-**	**-**	**19,558,382**	**19,558,382**	**6,150,353**	**25,708,735**
Unaudited balance at 31 August 2022	**168,818**	**164,072,045**	**22,431,429**	**186,672,292**	**16,021,048**	**202,693,340**

Anirep Group
ANIREP Consolidated Interim Report
for the six months ended 31 August 2022

Statement of Cash Flows for the 6 months to 31 August 2022

	Notes	Six Months Ended 31 Aug 2022 Unaudited N$	Six Months Ended 31 Aug 2021 Unaudited N$	Year Ended 28 Feb 2022 Audited N$
Cash flows from operating activities				
Profit/(loss) before taxation		38,788,905	4,734,555	13,899,068
Adjustments for:				
Depreciation - property, plant and equipment		4,255,568	4,701,951	9,302,658
Depreciation - right of use assets		-		159,471
Finance income		(2,071,259)	(2,576,451)	(5,280,413)
Finance cost		8,913,482	8,648,287	16,980,117
Movement in leave pay provision			96,846	302,196
Movement in loans with shareholders		(1,771,912)		
Movement in Deferred Tax		258,242		
Movement in VAT		3,323,919		
Gain or loss on lease modification		198,026		
Net movement in finance leases		(192,000)		(5,964,786)
Changes in working capital:				
Inventories		6,185,676	(3,420,879)	(248,548)
Trade and other receivables		2,264,875	(419,644)	(6,534,274)
Movement in Work In Progress		(27,091,222)		-
Prepayments		(3,318,718)	(51,769)	(42,657)
Trade and other payables		(2,311,758)	1,728,332	446,638
Cash generated from/(used in) operations		**27,431,825**	**13,441,228**	**23,019,470**
Interest received		2,071,259	2,576,451	1,964,425
Interest paid		(8,913,482)	(8,648,287)	(16,933,215)
Tax paid		5,095,546	(806,185)	(2,652,631)
Net cash from operating activities		**25,685,147**	**6,563,207**	**5,398,049**
Cash flows from investing activities				
Purchase of property, plant and equipment		(1,318,842)	(760,532)	(1,877,311)
Acquisition of subsidiary net of cash acquired		-	-	(9,018,380)
Short Term Investments		10,191,784		-
Acquisition of investments		(751,332)		-
Loans advanced to group companies		-	(6,001)	-
Net cash from investing activities		**8,121,610**	**(766,533)**	**(10,895,691)**
Cash flows from financing activities				
Loans received from group companies				
Interest bearing borrowings repaid		(35,633,856)	(6,523,564)	(8,891,013)
Loans from related parties repaid		(2,722,416)	(1,637,515)	(4,157,971)
Rental repayments		-	(71,038)	-
Net cash from financing activities		**(38,356,272)**	**(8,232,117)**	**(13,048,984)**
Total cash movement for the year		**(4,549,515)**	**(2,435,443)**	**(18,546,626)**
Cash at the beginning of the year		25,897,897	45,982,795	45,982,795
Total cash at end of the year		**21,348,382**	**43,547,352**	**27,436,169**

Anirep Group
ANIREP Consolidated Interim Report
for the six months ended 31 August 2022

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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Basis of preparation

The announcement has been preprared in accordance with the NSX Listing Requirements and the requirements of the Companies Act of Namibia. The accounting policies applied in the preparation of this announcement are in terms or IFRS (IAS 34) and are consistent with those applied in the previous annual financial statements.

The condensed interim financial report for the half year reporting period ended 31 August 2022 has been prepared in accordance with the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards (IFRS) disclosure as required by IAS 34 interim Financial Reporting Standards, as amended, the Companies Act of Namibia and Namibian Stock Exchange Listings Requirements. The condensed interim financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 28 February 2021. The accounting policies and methods of computation used in the preparation of this report are consistent with those of the previous period and with those applied in the financial statements for the year ended 28 February 2021.

1. OTHER INFORMATION	**31 August 2022**	**31 August 2021**	**28 February 2022**
	Unaudited		**Audited**
Number of shares in issue	16,881,847	16,881,847	16,881,847
Net asset value per share (cents per share)	1,201	1,014	1,053
Listed market price per share (cents per share)	1,000	1,000	1,000
Premium to net asset value	(201)	(14)	(53)
Capital commitments (including approved but not contracted)	N$ Nil	N$ Nil	N$ Nil

2. NOTES TO THE FINANCIAL RESULTS

2.1 Basic and Headline earnings per share	**31 August 2022**	**31 August 2021**	**28 February 2022**
	Unaudited		**Audited**
Shares in issue			
Total number of shares in issue	16,881,847	16,881,847	16,881,847
Weighted number of shares in issue	16,881,847	16,881,847	16,881,847
Basic earnings per share (cents)	147	16	50
Headline earnings per share (cents)	147	16	50
Dividends per share (cents)	-	-	-

The weighted average number of issued shares as at 31 August 2022 is 16,881,847 (28 February 2022:16,881,847).

2.2 Accounting Policies

For general applicable accounting policies, the reader is advised to refer to our accounting policies as per 28 February 2022 audited financial statements, available from our website. (https://www.anirep.com/)

Basis of preparation

The consolidated annual financial statements incorporate the annual financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group. The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal. All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. 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. IFRS 3 was applied in the current year, however this does not significantly affect the results as the entity acquired is dormant at this stage.

2.3 Revenue	**31 August 2022**	**31 August 2021**	**28 February 2022**
	Unaudited		**Audited**
Revenue consist of sales of goods and rendering of services			
Sale of goods	23,830,828	23,573,526	50,034,897
Rendering of services	48,442,365	63,546,280	116,881,465
	72,273,194	87,119,806	166,916,362

Revenue generated from HopSol Africa (Pty) Ltd totals N$ 54,932,336 and Anirep Solar (Pty) Ltd totals N$ 17,340,858.

2.4 Interest received

Interest income comprises of interest received on funds with financial institutions.

2.5 Taxation

The tax balance relates to a current tax amount

2.6 Goodwill and Business Combinations.

Goodwill relates to the acquisition done during the previous financial year between the equity in the business and the cash paid for the relative portion. Goodwill for HopSol Africa (Proprietary) Limited totalled N$ 44,024,541. Goodwill for Anirep Solar (Proprietary) Limited totalled N$ 83,581,745.

2.7 Loans to / (from) related parties for the six months ended 31 August 2021

	31 August 2022	31 August 2021	28 February 2022
	Unaudited		Audited
Sinco Investments 178 (Proprietary) Limited	44,844,804	41,394,422	43,072,892

The loan is unsecured, bears interest at prime plus 0.5% per annum and has no fixed repayment terms.

	31 August 2022	31 August 2021	28 February 2022
Tulive Private Equity (Proprietary) Limited	Unaudited		Audited

The loan is secured, bears interest at 9.25% 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.

2.8 Interest-bearing borrowings for the six months ended 31 August 2021

	31 August 2022	31 August 2021	28 February 2022
	Unaudited		Audited
Borrowings are held at amortised cost			
Bank Windhoek: CL 4000080726	80,520,545	86,638,802	83,331,908

The loan is secured, bears interest at the prime lending rate (9.25% at half 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) monthly 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.

	31 August 2022	31 August 2021	28 February 2022
	Unaudited		Audited
Bank Windhoek: CL 4000080678	26,085,289	28,530,663	27,590,515

The loan is secured, bears interest at the prime lending rate plus 0.50% (9.75% at half 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) monthly 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.

2.9 Subsequent events

There were not Subsequent to the interim results

Furthermore, Alpha Namibia Industries Renewable Power Limited's business model is to acquire entities in the renewable energy sector, thus there is always scope for further acquisitions. Stakeholders should note that in order for this to be realised, a capital raising exercise will be considered in the future.

3.DIRECTORS' COMMENTARY

3.1 Key features

- Revenue for the 6 months of N$72.3 million is lower than prior year six months of N$87.1 million. Prior year's revenue was driven by construction of a 20MW Omburu Solar PV Power plant, that HopSol Africa was constructing for NamPower. However, progress on the similar 20MW Khan Project with a 25 year PPA with NamPower has been slow in the period under review. As such the material portion of the work in progress of Khan Project worth N$300 million will be done in the 2023/24 financial year.

- HopSol Africa (Pty) Ltd achieved a revenue of N$54.9 million for the period under review
- ANIREP Solar (Pty) Ltd continued to generate steady income of N$17.3 million for the six months on the back of the PPAs with NamPower and CENORED which are in place until 2040 and 2041 respectively.
- No new acquisitions were concluded during the six months under review.
- During the 6 months ANIREP solar received cash in leu of warranty for solar panels installed at Otjiwarongo Solar PV Plant which were negatively affected by the Namibian extreme weather. The extreme weather caused delamination of the panels with a potential effect of reducing yield. Management has commenced with the replacement of the delaminated panels using the warranty proceeds with mono perc crystal panels which are suited for the Namibian extreme weather conditions. This Replacement exercise is expected to be completed by March 2023.
- Results of the Omburu JV where HopSol Africa (Pty) Ltd own 50% in the Omburu EPC project have been included in these results
- For the six months, ANIREP generated the following results:
  - Revenue of N$72.3 million lower than N$87.1 million for the same period last year.
  - Gross profit of N$42.4 million at a margin of 59% higher than last year's 39%. Projects currently under construction by HopSol Africa (Pty) Ltd have better returns as the cost of equipment and shipping lines improved after Covid-19 impact. (half year 2021: N$27.6 million).
  - EBITDA of N$49.9 million is higher than the full year to 28 February 2022 of N$35.1 million. The Group continues to generate cash in line with the nature of the business (half year 2021: N$15.5 million).
  - Profit before tax for the six month of N$38.8 million (half year 2021: N$4.8 million).
  - Basic earnings per share went up by 194% to 147 cents from 50 cents achieved for the year ended 28 February 2022 (half year 2021: 16 cents).
  - Headline earnings per share of 147 cents (half year 2021: 16 cents).

3.2 ANIREP Managing Director Iyaloo Nangolo said:

"I am pleased that ANIREP continues to post profits consistent with performance of Solar PV Utility Power Plants and through excellent execution of EPC and O&M contractor, HopSol Africa (Pty) Ltd. The nature of the long term PPA contracts of IPP subsidiary ANIREP Solar (Pty) Ltd, brings to the group a solid platform with predictable and sustainable long-term cash flows. As a result, ANIREP generated EBITDA of N$49.9 million and operating cash flow of N$25.7 million for the six month period ended 31 August 2022. In addition, we have a healthy pipeline of projects, which include expanding our existing capacity of 11.4 MWp, by installing battery energy storage system for CENORED, Supply 18.5MW power to Dundee Precious Metals through MSBM offering as well as through 25MWp Khan Project which is currently under construction. As a group, we will continue to pursue installation of renewable energy to contested buyers, further acquisitions and capacity development opportunities".

3.3 Group financial performance

ANIREP was created to provide a bridge for Capital Markets into the Infrastructural Renewable Energy Projects. The Company continues to provide investors with good, predictable, and long-term yielding investments generating a consistent return on equity over the long term.

The Group posted revenue of N$72.3 million, investment income from short terms investments amounted to N$2.1 million, while interest expense of N$8.7 million was paid out to lenders of ANIREP. ANIREP posted a half year comprehensive income for the year of N$24.8 million which is well ahead of J-Curve expectations whereby cumulative IRR is initially expected to dip before positive returns can be achieved after a 5-year period. ANIREP is reaping the benefits of investing in EPC contractor HopSol Africa (Pty) Ltd, who while driving ANIREP's growth strategy, is involved in the development of Solar Power plants which will add value to shareholders. Through development revenue is generated for the Group before Commercial Operation Date (COD) and operation and maintenance post COD. The Solar PV Plants (if owned by ANIREP) will then generate value for shareholders through long term PPAs after COD. ANIREP investments are long term in nature with lifespans up to 25 years thus the targeted IRR returns are achieved in the medium to long term horizons.

3.4 Outlook

The sector in which ANIREP operates is considered vital and essential, as energy is a necessity for most aspects of life and business. Namibia is facing a deficit in energy, resulting in importation from Southern African Power Pool. With a vision of becoming a 30% player in the renewable energy sector, ANIREP, will continue to pursue investments into renewable energy plants through acquisitions and EPC and O & M works with the view to increase shareholder value. This is in line with Namibia's target to become a net-exporter of renewable sourced electricity by 2030. National Integrated Resource Plan estimates that 70% or more of the electricity installed capacity will come from renewable sources by 2030.

3.5 Changes to the Board

There were no changes to the Board during the period under review:

3.6 Contingent liabilities

The Board is not aware of any contingent liabilities.

3.7 Property, plant and equipment

There were no significant additions or disposals in the period under review.

Property in Anirep Solar (Proprietary) Limited is encumbered as security against borrowings.
Refer to note 2.8 for more information.

3.8 Interim dividend
No dividends have been declared or paid during the period under review (31 Aug 2021: N$ Nil).

3.9 Appreciation
The Board would like to thank the management team and service providers for their continued support and dedication.

REGISTERED OFFICE
47 Nelson Mandela Avenue
Klein Windhoek
Windhoek, Namibia

COMPANY SECRETARY
ESI Secretarial Services Close Corporation
1st Floor, 1 @ Steps
C/O Chasie and Grove Street
Kleine Kuppe
Windhoek
Namibia

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

TRANSFER SECRETARIES
Transfer Secretaries Pty Ltd
4 Robert Mugabe Avenue
Windhoek, Namibia

SPONSORS
Cirrus Securities (Pty) Ltd
P.O Box 27
2nd Floor Maerua Office Tower
Windhoek
Namibia

Corporate Advisors
Tulive Private Equity (Pty) Ltd
47 Nelson Mandela Ave
Klein Windhoek
Windhoek
Namibia