



ANE - Alpha Namibia Industries Renewable Power Limited
 Alpha Namibia Industries Renewable Power Limited (Incorporated in the Republic of Namibia)
 Registration Number 2018/0148
 NSX Share code: ANE | ISIN: NA000A2JQ364
 ("ANIREP" or "the Company")

Unaudited Interim Condensed Consolidated Financial Statements FOR THE SIX MONTHS ENDED 31 AUGUST 2020

Group financial performance

- ANIREP completed the acquisition of 70% of Hopsol Power Generation and 80% of Hopsol Africa for a combined equity consideration of N\$144.6 million, during the current period
- On completion of the acquisitions, ANIREP listing was moved to the main board of the NSX on the 1st October 2020 from the development board.
 - ANIREP will be included in the FTSE NSX Index Series as of the 3rd week of December 2020 **Review Period in accordance with standard policy**; and
 - ANIREP had raised N\$167 million when it listed in 2019 as a Capital Pool Company (CPC), and is the first listed strategic investor in infrastructural renewable energy projects in Namibia.
- The acquisitions, as summarized below, provide a platform for ANIREP to take an early mover advantage to expand and install new capacity in Namibia and to attract further institutional investors and unlock a potentially higher investment allocation to renewable power.
 - Hopsol Power Generation is a high-quality renewable cash yielding 10 MW IPP, with two 5 MW solar PV grid connected utility plants commissioned in 2015 and 2016, underpinned by 25 year PPA contracts. The revenue of Hopsol Power Generation for year ended 31 December 2019 was N\$38,1 million, EBITDA was N\$ 32 million and net profit was N\$8, 9 million.
 - Hopsol Africa is the leading solar EPC and O&M contractor in Namibia, which has installed about 100MW of the 150 MW solar PV in Namibia. The revenue of Hopsol Africa for year ended 31 March 2020 was N\$38,3 million, EBITDA was N\$ 6 million and net profit was N\$3, 6 million.
- The acquisitions were completed on 19 June 2020 and 1 April 2020 respectively and accordingly, during the current six month period ANIREP accounted for Hopsol Power Generation for 2 months and 12 days and Hopsol Africa for 5 months and ANIREP generated:
 - Revenue of N\$20 million (Year ended 28 February 2020: N\$ Nil);
 - EBITDA of N\$2.9 million (Year ended 28 February 2020: loss of -N\$5.1 million); and
 - Profit before tax of N\$0.3 million (Year ended 28 February 2020: loss of -N\$0.8 million).

The interim condensed consolidated financial statements consolidated both entities as from the date of acquisition. The full value created is not reflected due to the acquisition in the current year and we expect the true profitability to reflect in the next full 12 months.

The current pandemic is negatively affecting business locally and worldwide, and as power remains a basic need, the sales have not been affected by the pandemic at this stage. However, Covid-19 mitigation measures will increase costs, which will impact margins. The lockdown also delayed the financial close of the acquisitions, which increased some of the cost linked to the acquisitions. As a result, the group experienced a loss due to the related additional acquisition costs. At a company level, both subsidiaries in their individual interim reports have reported a profit.

We wish to extend our sympathy to those impacted by the COVID-19 global pandemic and offer our gratitude to those in the front lines battling on our behalf, as we all adjust to a new reality, in every aspect of our lives. Our priority at ANIREP, during this global pandemic, has been to protect our employees and families, customers, and those in the communities we serve, whilst managing market impacts. We have kept our business productive and we are leveraging all tools available to us, to provide our customers and partners with uninterrupted, dependable solutions and service support.

As a group we look forward to creating further value for our stakeholders and providing returns to our shareholders.

Dividend declaration

No dividends have been declared or paid during the period under review (31 August 2019: N\$ Nil).

Financial Highlights

	Six months ended 31 August 2020 Reviewed N\$	Six months ended 31 August 2019 Reviewed N\$	Year ended 29 February 2020 Audited N\$
Revenue	19 966 000	-	0
Gross profit	12 733 272	-	0
EBITDA	2 867 008	-	(5 047 550)
Profit / (loss) before tax	288 901	3 337	(825 476)
Taxation	(2 754 223)	-	-
Profit / (loss) for the period	(2 465 322)	3 337	(825 476)
Headline earnings per share (cents)	(13)	0.02	(11)
Basic earnings per share (cents)	(13)	0.02	(11)
Dividends per share (cents)	-	-	-
Net asset value per share (cents)	984	351	968
Shares in issue	16 881 847	287 800	16 881 847

Outlook

ANIREP was created to provide a bridge for Capital Markets into the Infrastructural Renewable Energy Projects. The Company intends to provide investors with good, predictable, and long-term yielding investments generating a consistent return on equity over the long term, whilst the listing facilitates liquidity for investors to further invest or exit.

The ANIREP group has a healthy pipeline of projects, which include:

- Own IPP expansion by increasing current installed capacity and in addition the installation of battery storage on the existing two solar PV plants
- Leveraging the Hopsol Africa EPC & O&M capability to:
 - Provide integrated off-balance sheet solar PV solutions of contested commercial and institutional entities; and
 - Net metering and off-grid solutions to commercial entities.
- Potential acquisition opportunities to increase the footprint and provide further own IPP expansion assets.

The pipeline is underpinned by the National Integrated Resource Plan (NIRP), which forecasts the generation to peak to approximately 1,328.5 MW by year 2035, with 70% or more of the electricity installed capacity to come from renewable sources by 2030. This is evident in NamPower's aggressive 5 year (2019-2023) strategy plan to develop 170MW of renewable energy.

The Namibian market is well placed to unlock renewable power, based on the progressive reforms and the abundance of natural resources for power generation the massive solar irradiation potential and large open spaces. A series of progressive reforms in the power sector in Namibia created an enabling environment that ANIREP believe is possibly the most conducive in the SADC region, for mobilizing private sector investment into power projects. These reforms in Namibia, are well ahead of its peers in the SADC region, and include the adoption of cost reflective tariffs, an independent and functional regulator, and significant steps towards a competitive market structure, including the ability to purchase power from any producer, other than NamPower, under approved Modified Single Buyer Market (MSBM).

ANIREP Managing Director Iyaloo Nangolo said:

"I am pleased that we completed the acquisitions well within a year of listing and we have now moved to the main board and will be part of NSX index. ANIREP has now created a solid platform with predictable and sustainable long-term cash flows and a healthy pipeline of projects, which include expanding our existing capacity of 10 MW and installing battery storage, installing renewable energy to hundreds of contested commercial and institutional buyers and further acquisition opportunities."

Short form announcement

This short form announcement is the responsibility of the directors. It is only a summary of the information contained in the unaudited interim condensed consolidated financial results booklet and does not contain full or complete details. Any investment decision should be based on the full announcement accessible from Friday, 27 November 2020, via the NSX link: <https://senspdf.jse.co.za/documents/2020/nsx/isse/anenm/ANEAug2020.pdf> and our website at <https://anirep.com/ANIREP Limited Unaudited Interim Financial Results August 2020.pdf>.

The condensed consolidated financial statements for the six months ended 31 August 2020 have been reviewed by Ernst & Young. A copy of the auditor's review report and the full announcement of the unaudited interim condensed consolidated financial statements are available for inspection at ANIREP's registered office at no charge, weekdays during office hours.

