

NOTICE TO SHAREHOLDERS

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")



GROUP HALF YEAR FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2022

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME for the half year ended 31 August 2022

	Unaudited		Audited
	Six Months ended 31 August 2022	Six Months ended 31 August 2021	Year ended 28 February 2022
	N\$	N\$	N\$
Revenue	72,273,194	87,119,806	166,916,362
Gross profit	42,420,317	27,645,890	65,157,916
Operating profit	45,631,128	10,800,290	25,598,775
Profit before taxation	38,788,905	4,728,454	13,899,068
Taxation	(14,029,526)	(1,963,792)	(5,390,222)
Profit/(loss) for the period	24,759,379	2,764,662	8,508,846
Number of shares in issue	16,881,847	16,881,847	16,881,847
Headline earnings (no adjustment required)	24,759,379	2,764,662	8,508,846
EBITDA	49,886,696	15,502,241	35,060,904
Net asset value per share (cents per share)	1,201	1,014	1048
Basic earnings per share (cents)	147	16	50
Dividend per share	Nil	Nil	Nil

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 lieu 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).

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".

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.

Interim dividend

No dividends were declared or paid during the period under review (half year 2021: N\$ Nil).

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.

Short form announcement

This short form announcement is the responsibility of the directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details.

Any investment decision should be based on the full announcement accessible from 30th November 2022, via the NSX link: <https://senspdf.jse.co.za/documents/2022/nsx/isse/anenm/aneres0822.pdf>

Alternatively, the full announcement is available on our website at:

https://anirep.com/documents/notices/NENS_Interim_Results_2022.pdf

By order of the Board

2 December 2022

Non-Executive Directors: M. Hengari (Chairperson), S. Oosthuysen, Amb. P. Kambala, G. Nakazibwe-Sekandi**, M Demamu**, S Mayinga****, F G Kisting

Executive Directors: I. Nangolo, H. Hamukoto, A. Myllärinen*, J Nyandoro*****

*Finnish

**Ethiopian

***Ugandan

****South African

*****Zimbabwean

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Sponsor



CIRRUS
SECURITIES

Member of the Namibian Stock Exchange

Auditors



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Company Secretaries



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