

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")

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2021

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 28 February 2021

	Group	Company	
	2021	2021	2020
	N\$	N\$	N\$
Revenue	69,722,176	1,504,635	0
Gross Profit	43,692,436	1,504,635	0
Operating profit/(loss)	10,807,896	(7,104,181)	(5,074,550)
Profit/(loss) before taxation	3,384,485	(4,714,296)	(825,476)
Taxation	(2,697,210)	0	0
Profit/(Loss) for the year	687,275	(4,714,296)	(825,476)
Number of shares in issue	16,881,847	16,881,847	16,881,847
Headline earnings (no adjustment required)	687,275	(4,714,296)	(825,476)
Net asset value per share (cents per share)	998	940	968
Basic earnings per share (cents)	4.1	(27.9)	(11.0)
Dividend per share	Nil	Nil	Nil

Key features

- ANIREP made the following acquisitions during the current financial year and their financial performance for the year have been consolidated accordingly.
 - 70% of Hopsol Power Generation (Pty) Ltd (now renamed ANIREP Solar (Pty) Ltd) was acquired on the 19th of June 2020 for a consideration of N\$88.6 million. ANIREP Solar 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 Power Purchase Agreements ("PPAs") with Nampower and Cenored.
 - 80% in Hopsol Africa (Pty) Ltd was acquired on the 1st of April 2020 for a consideration of N\$56 million. Hopsol Africa is an EPC and O&M contractor in Namibia, which has installed about 100MW of the 150 MW solar PV in Namibia.
- As the acquisitions were completed on 19 June 2020 and 1 April 2020 respectively, the financial results for the year incorporate only 8 months and 12 days consolidation for ANIREP Solar and 11 months consolidation for Hopsol Africa. As a result, ANIREP generated the following for the year:
 - Revenue of N\$69.7 million on the back of the PPAs with Nampower and Cenored and EPC revenue (2020: N\$ Nil)
 - Gross profit of N\$43.7 million, at a margin of 62.7% (2020: N\$ Nil)
 - EBITDA of N\$17.3 million, demonstrating the cash generative nature of the business (2020: -N\$5.1 million)
 - Profit before tax of N\$3.4 million (2020: -N\$0.8 million)
 - Basic earnings per share of 4.1 cents (2020: -11 cents)
 - Headline earnings per share of 4.1 cents (2020: -11 cents)

ANIREP Managing Director Iyaloo Nangolo said:

"I am pleased that ANIREP generated its maiden profit on the back of the acquisitions, which were completed well within a year of listing and we have now moved to the main board and we are part of FTSE NSX index from December 2020. Reclassified as the only Alternative Electricity Utility entity on the main board. ANIREP has now created a solid platform with predictable and sustainable long-term cash flows which generated EBITDA of N\$17.3 million and operating cash flow of N\$22.5 million for the year. We have a healthy pipeline of projects, which include expanding our existing capacity of 10 MW, installing battery storage for our current PPA utility clients and installing renewable energy to contested commercial and institutional buyers and further acquisition opportunities".

Group financial performance

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.

The results for the financial year represent 11 months consolidation for Hopsol Africa (Pty) Ltd and 8 months and 12 days consolidation for ANIREP Solar (Pty) Ltd. The Group posted revenue of N\$69.7 million, investment income from short terms investments amounted to N\$4.5 million, while interest expense of N\$11.9 million was paid out to lenders of ANIREP. ANIREP posted a modest comprehensive income for the year of N\$687,275. This is in line with the J-Curve effect where cumulative IRR is initially expected to dip before positive returns can be achieved after a 5-year period. ANIREP investments are long term in nature with lifespans of 25 years thus the targeted IRR returns are achieved in the medium to long term.

Final Dividend

No dividends were declared or paid during the period under review (2020: 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. ANIREP will continue to pursue investments into renewable energy plants through acquisitions and EPC constructions 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 31st of May 2021, via the NSX link: <https://senspdf.jse.co.za/documents/2021/nsx/isse/ane/ANERes0221.pdf>

Alternatively, the full announcement is available on our website at: <https://anirep./integrated-reports-and-annual-financial-statements/>.

The condensed consolidated financial statements for the year ended 28 February 2021 have been reviewed by Ernst & Young. A copy of the auditor's review report and the full announcement of the annual financial statements are available for inspection at ANIREP's registered office at no charge, weekdays during office hours.

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

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

*Finnish

**Ethiopian

***Ugandan

****South African

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Auditors

Ernst & Young
Registered Accountants and Auditors
Cnr Otto Nitzsche and Maritz Streets
Klein Windhoek Windhoek, Namibia

Company Secretaries

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By order of the Board

31 May 2021

Sponsor

Cirrus Securities (Pty) Ltd
Member of the Namibian Stock Exchange