

# 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")

## **ANNOUNCEMENT OF A PROPOSED RIGHTS OFFER**

### **1. INTRODUCTION**

As part of ANIREP's ongoing growth strategy execution, which commenced on the 12<sup>th</sup> of September 2019 upon listing on the NSX development board, ANIREP has since achieved a 139% growth in revenue with a healthy pipeline of more than 200MW in development in Namibia. This success comes with stringent cash flow and cost management to implement the development which is underpinned by long-term Power Purchase Agreements (PPA) with off-takers.

In order to maintain a sustainable growth level, ANIREP is proposing an equity capital raise by way of a Rights Offer to Qualified Shareholders.

The successful implementation of the Rights Offer will:

- allow ANIREP to de-gear and substantially restructure its balance sheet, facilitating a more appropriate capital structure;
- allow management greater financial and operational flexibility to implement ANIREP's developmental goal and seize potential growth opportunities.

### **2. THE RIGHTS OFFER**

ANIREP is aiming to raise equity of approximately NAD 570 million in the short to medium term, to continue the development and acquisition of renewable energy projects.

The proceeds of the Rights Offer will be used to underpin ANIREP's debt to sustainable levels, as it embarks on bringing new projects online with the objective of achieving financial stability and creating sufficient capacity for management to focus on driving forward operational performance within the Group. The Rights Offer price will only be determined nearer to the date of launch of the Rights Offer and, in line with market practice.

The Rights Offer is subject to the shareholders of ANIREP adopting the resolutions referred to in paragraph 4.1 below and to the fulfilment or waiver of the other Conditions Precedent referred



# NOTICE TO SHAREHOLDERS

to in paragraph 4.4 below. The resolutions will be proposed in a circular to be issued to ANIREP shareholders together with a notice of a general meeting. Should the shareholder resolutions be adopted and the other conditions precedent be fulfilled or waived, a second circular will be issued to ANIREP shareholders, setting out full details of the Rights Offer.

## 3. OVERVIEW OF THE PROVIDENCE FOR EQUITY RAISE

### 3.1 Rationale

ANIREP has successfully deployed the initial NAD 167 million equities raised on the 12<sup>th</sup> of September 2019. Thus, the Company is gearing up to play a major role in **increasing** the commercial installed renewable energy generation in Namibia from the current 150MW to 760MW by 2025. The successful completion of the capital raise would allow the company to increase its market share of renewable energy generation in the country, from 7% as at Feb 2022 (up from 0% in 2020) to its internal target of **30% of the forecasted 760MW by 2025**.

The Company has proven its experience in executing projects through leveraging its strategic capacity at both HopSol Africa Pty Ltd (Engineering Procurement Construction and Operation and Management) and ANIREP Solar Pty Ltd (Independent Power Producer).

### 3.2 Project pipeline

The project pipeline is expected to finance approximately NAD 13,000,000 per MWp installed. This is one of the lowest levelized cost of energy in the region, which translates to the total development cost of NAD 1.4 billion. The capital raised will be utilised for the development of Khan (25MW), Kokerboom (25MW), Otjiwarongo upgrade up to (11MW) with 3MW Regulated Energy Storage System.

ANIREP is a quality renewable utility company with competent management team to execute these projects within cost, quality and time constraints with operational flexibility focus of the renewable energy growth. The Rights Offer will thus advance the objective of creating value for ANIREP's shareholders and other stakeholders.

## 4. KEY CONSIDERATIONS

### 4.1 Required shareholder resolutions

The Rights Offer are subject to the adoption by ANIREP shareholders of resolutions covering, inter alia, the following:

- grant the Company authority to facilitate the Rights Offer;
- grant the Company authority to allot shares for the Rights Offer.

### 4.2. New shareholders Right to nominate directors

Any new investor under the Rights Offer who subscribes more or each full 20% of the ANIREP shares beneficially owned from time to time by a single institutional/retail investor and related entities, will be entitled to nominate one nominee ("Investor Nominee") who will become a non-executive director on the ANIREP board of directors, provided that no more than two ANIREP directors, at any given time, will be single "Investor" Nominees.



# NOTICE TO SHAREHOLDERS

## 4.3 Non-compete

Any new Institutional/retail investor mentioned in paragraph 4.2 above will be required to be subjected to non-compete undertakings in respect of ANIREP, which will apply for as long as “Investor” and related entities beneficially own at least 20% of the ANIREP shares.

## 4.4. Other conditions precedent

In addition to the adoption of the shareholder resolutions set out in paragraph 4.1 above, the Rights Offer is subject to the fulfilment or waiver of, inter alia, the following conditions precedent:

- All relevant approvals from the NSX being obtained.
- ANIREP obtaining all approvals required for the implementation of the Rights Offer and such approvals being obtained unconditionally, or subject to conditions acceptable to ANIREP, acting reasonably;
- ANIREP obtaining all approvals required for the implementation of the Rights Offer in terms of the Exchange Control Regulations, 1961 made in terms of the Currency and Exchanges Act No. 9 of 1933; and

The completion date of the Rights Offer is dependent on when shareholder, lender and regulatory approvals are obtained, however a completion date during the first quarter of 2023 is being targeted.

## 5. SHAREHOLDER CIRCULAR AND NOTICE OF GENERAL MEETING

A circular, setting out further details on the Rights Issue and incorporating a notice of general meeting seeking the approval of the shareholder resolutions referred to in paragraph 4.1 above will be distributed to ANIREP shareholders in due course.

## 6. UPDATE ON THE DEBT FINANCING

The board of ANIREP is considering the listing of a Medium Term Note Programme “Green Bond” to support the equity financing of the ANIREP pipeline. Management is currently finalising the process and will approach the markets in due course with details of tranches, and the transaction will also be communicated once finalised.

## 7. ANIREP RESPONSIBILITY STATEMENT

The ANIREP directors collectively and individually accept full responsibility for the accuracy of the information contained in this announcement in relation to ANIREP, and certify that, to the best of their knowledge and belief, there are no facts which have been omitted which would make any statement in this announcement in relation to ANIREP false or misleading, and that all reasonable enquiries to ascertain such facts have been made.

## 8. CONTINUAL CAUTIONARY ANNOUNCEMENT

Accordingly, shareholders are advised to continue exercising caution when dealing in the company’s shares until a further announcement is made.

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**By order of the Board**

Windhoek

12 October 2022

**Sponsor**

Cirrus Securities (Proprietary) Limited

Registration Number: 98/463

Member of the Namibian Stock Exchange

**Legal advisor**

Ellis Shilengudwa DLA Piper Africa Inc.

Registration Number: 2011/0099