

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")



UNAUDITED GROUP FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 AUGUST 2023

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

for the half year ended 31 August 2023

	Unaudited	Unaudited	Year ended 28
	Half Year ended 31 August 2023	Half Year ended 31 August 2022	February 2023 Restated
	N\$	N\$	N\$
Revenue			
Sale of electricity	17,218,332	17,340,858	38,105,121
Sale of goods (recurring O&M revenue)	<u>4,780,545</u>	<u>5,729,648</u>	<u>13,216,229</u>
Recurring annuity revenue	21,998,877	23,070,506	51,321,350
EPC revenue	<u>13,244,362</u>	<u>27,043,229</u>	<u>27,658,042</u>
Total Group Revenue	35,243,239	50,113,735	78,979,391
Gross profit	25,736,570	41,312,344	69,698,370
Operating profit			
Normalised operating profit	3,662,874	18,064,185	27,782,186
ANIREP Solar - normalised operating profit from sale of electricity	4,969,245	9,509,744	25,392,707
HopSol Africa and other - normalised operating profit	(1,306,370)	8,554,441	2,389,479
Warrant proceeds	-	24,433,487	24,433,487
Solar panels written off	-	<u>(9,090,567)</u>	<u>(9,090,567)</u>
Reported operating profit	3,662,874	33,407,105	43,125,106
Profit before taxation	(5,355,208)	26,564,881	28,711,817
Taxation	(19,106)	(10,472,390)	(8,854,782)
Profit for the half year – Basic earnings	5,374,314	16,092,491	19,857,035
Attributable to Ordinary equity holders	(4,487,348)	12,461,968	12,221,797
Attributable to non-controlling interest	(886,966)	3,630,524	7,635,238
Reported EBITDA	8,400,148	37,707,446	53,210,505
Normalised EBITDA	8,400,148	22,364,526	37,864,636

Number of shares in issue	16,881,847	16,881,847	16,881,847
Headline earnings	(5,374,314)	5,659,306	8,392,757
Attributable to ordinary equity holders	(4,487,348)	5,158,738	4,196,802
Attributable to non-controlling interest	(886,966)	500,568	4,195,955
Net asset value per share (cents per share)	1,106	1,201	1,138
Basic earnings per share (cents)	(27)	74	72
Headline earnings per share	(27)	31	25
Dividend per share	Nil	Nil	Nil

Key features:

The core annuity revenue for the Group is derived from the IPP Sale of Electricity and Operations & Maintenance services, both consistently generating cash in accordance with the nature of the long-term contracts and power purchase agreements.

During the first half, the IPP Sale of Electricity through ANIREP Solar (Pty) Ltd consistently generated a steady income of N\$17.2 million, aligning with the preceding period, attributable to Power Purchase Agreements (PPAs). The PPA with NamPower remains effective until 2040, while the PPA with CENORED was extended in December 2022 for an additional year, now spanning until 2042. This extension accommodates a 120% capacity increase (and volumes), expanding the current capacity from 5MW to 11MW, a development slated to commence in 2024.

The Operations and Maintenance for HopSol Africa generated revenue of N\$4.8 million, a decrease of 16.6% compared to the prior period, as some of the contracts lapsed during the period with new contracts expected to contribute positively in the new financial year. The long-term strategy of the group is to grow annuity income.

The Engineering Procurement and Construction (“EPC”) Revenue reflects the fluctuations inherent in the construction contracts managed by HopSol Africa. This revenue segment amounted to N\$13.2 million for the half-year period, representing a 73% decrease compared to the prior period's revenue of N\$27 million. The earlier period encompassed revenue generated from constructing the Omburu 25MWp PV Power Plant for NamPower. Presently, the company is preparing for its upcoming project, another 25MWp PV Power Plant, expecting a significant portion of its revenue in the forthcoming financial year. Looking ahead, the company has established a robust project pipeline, positioning itself for the commencement of two additional projects in the first quarter of the 2024 calendar year. Projects currently under construction by HopSol Africa (Pty) Ltd have achieved margins of 73%.

During the reporting period, there was a discernible pattern of rising interest rates, resulting in an increase in interest costs. Specifically, these costs surged from N\$11.4 million for the 6-month period concluding on August 31, 2022, to N\$13.6 million for the corresponding period this year.

- ANIREP generated the following for the year:
 - Revenue of N\$35 million a decrease compared to same period last year of N\$50.1 million
 - Gross profit of N\$25.7 million a decrease compared to the same period last year of N\$41.3 million.
 - EBITDA of N\$8.4 million shows a 78% decrease compared to half year 2022 EBITDA of N\$37.7 million.
 - Total operating profit achieved for the year amounts to N\$3.7 million
 - Loss before tax of N\$5.4 million (31 Aug 2022 Profit before tax N\$26.6 million)
 - Basic earnings per share of minus 27 cents down from 74 cents for the half year half ended 31 August 2022.
 - Headline earnings per share of minus 27 cents (31 Aug 2022: 31 cents).
- ANIREP Limited was granted an exemption by the NSX from subjecting interim results to be reviewed by external auditors following the emphasis of matter that was included in the auditor’s report for the year ended 28 February 2023. The event resulting in the emphasis of matter was regarded as a once off and that ANIREP Limited has put in place adequate mechanisms to ensure such will not recur in future.

ANIREP Managing Director Iyaloo Nangolo said:

ANIREP is a channel for Capital Markets to invest in Infrastructure Renewable Energy Projects, providing investors with reliable, long-term investments that yield consistent returns on equity over prolonged periods.

The company has established a robust foundation characterized by consistent and sustainable long-term cash flows. The successful fundraising conducted during the listing phase played a pivotal role in establishing this stable and resilient platform for ANIREP.

Currently, the company proudly owns a total generation capacity of approximately 13.34MWp. Building on this accomplishment, ANIREP eagerly anticipates the imminent phase of its capacity expansion program.

Interim dividend

No interim dividends were declared or paid during the period under review (31 Aug 2022: N\$ Nil).

Outlook

ANIREP's robust portfolio of ongoing projects, include the construction of a 25MWp PV Plant in Khan, the installation of 6.8 MWp of Solar PV and a 3 MWp/9MWh Battery Energy Storage System in Otjiwarongo, and the establishment of a 25MWp PV power plant to supply power to Dundee Precious Metals.

Namibia is presently encountering an energy shortfall, resulting in the importation of electricity from neighbouring regions. ANIREP's strategic direction aligns with Namibia's objective of transitioning to a net exporter of renewable electricity by 2030. According to the National Integrated Resource Plan, over 70% of the country's installed electricity capacity is projected to be derived from renewable sources by 2030. With abundant wind and solar resources, Namibia is positioned to be one of the most cost-effective regions for renewable energy production.

With a vision to secure a 30% market share in the renewable energy sector, ANIREP is dedicated to pursuing renewable energy installations for prospective buyers, exploring acquisition opportunities, fostering capacity development initiatives, and engaging in Engineering Procurement and Construction (EPC) and Operations & Maintenance (O&M) projects. These efforts are aimed at augmenting shareholder value.

ANIREP's distinctive vertically integrated structure, serving as an Independent Power Producer (IPP) while also owning the foremost EPC company in Namibia specializing in renewable energy development, positions the company at the forefront of delivering affordable renewable power within the country.

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 is accessible from 7th December 2023, via the NSX link: <https://senspdf.jse.co.za/documents/2023/nsx/isse/anenm/aneres0823.pdf>

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

https://anirep.com/documents/ANIREP_Group_Full_Interim_Results_Ended_31_August_2023.pdf

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

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

*Finnish

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By order of the Board

8 December 2023

Sponsor



Member of the Namibian Stock Exchange