

Green CPC lists on local bourse First in energy sector

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Jo-Maré Duddy – Alpha Namibia Industries Renewable Power Ltd (Anirep) yesterday became the first alternative electricity company and the second capital pool company to list on the Namibian Stock Exchange (NSX).

Anirep listed on the Development Capital Board of the NSX after raising more than N\$110 million from institutional and retail investors via a private placement process. The majority are local shareholders, while others are regional and international.

Anirep aims to facilitate the investment of long-term capital in infrastructural renewable energy projects in Namibia and Sub-Saharan Africa, with an initial focus on the renewable energy sector in generation, transmission and distribution.

“The listing of Anirep brings both deepening and diversification of the Namibian capital markets with Anirep being the first company to list in the energy sector on the NSX,” the chief executive officer of the bourse, Tiaan Bazuin, said at the listing.

Skilled team

The company was initiated by Tulive Private Equity, an infrastructural fund manager, Jordaan Oosthuysen Nangolo, a construction project cost and management consultant, EMCON PSE Consultants, an engineering consultant, and Doranova Oy, a Finland-based biogas and soil remediation engineering procuring and construction company.

The managing director of Anirep, Iyaloo Nangolo, told Market Watch the vehicle of a capital pool company (CPC) was chosen to “acquire and consolidate the fragmented renewable energy market in Namibia”.

"The development of renewable energy assets is an expensive pursuit that requires significant investment of capital. The NSX requirements cater for our financing needs in the establishment phase," Nangolo said.

"Moreover, we were keen to allow for Namibian investors to have an opportunity to invest in a local energy asset," he added.

The NSX's CPC rules allow Anirep a two-year window to deploy the raised capital.

Nangolo said Anirep has identified a number of renewable prospects in varying stages of development. "Anirep will at the right time disclose more information about this matter. At this stage the information is proprietary."

Regulatory environment

Bazuin told Market Watch that CPC's are bound to grow in popularity and that more listings can be expected in the near future.

"I think it's already clear this product has a lot of potential to allocate our local funds to be utilised locally. Various models have been attempted to get our capital allocated locally and this model really appears to have potential," he said.

"However, the fruits of the capital allocation could be somewhat delayed as the capital needs to be allocated after listing," Bazuin said.

"That's why it is important that regulators come to the party and relook our total regulatory allocation system so funds get the required returns to grow every year to sustain pensions in the future."

Bazuin said the NSX is actively engaging in this regard, "as we have seen pension fund returns go down in the last few years following regulatory amendments".

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