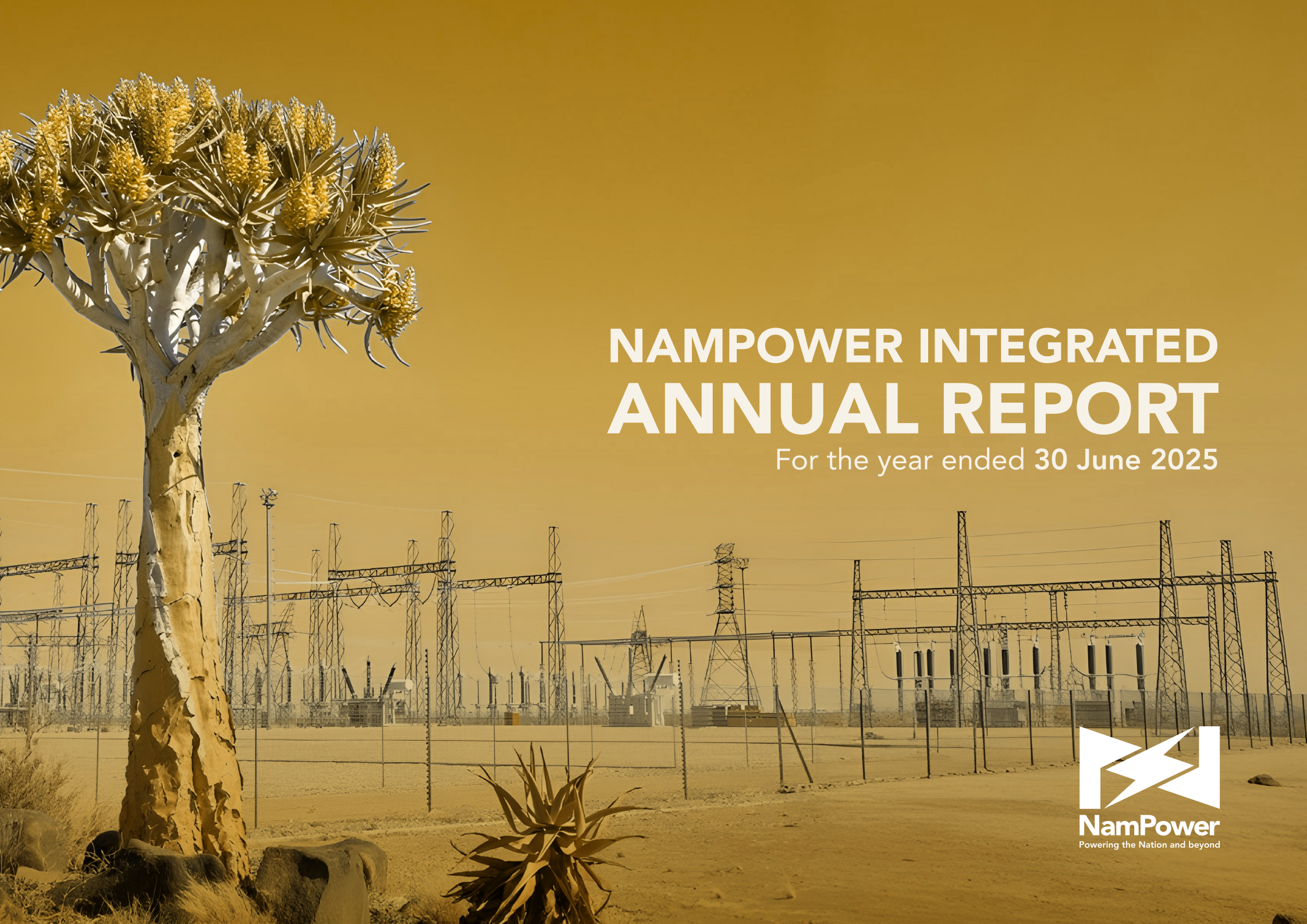


NAMPOWER INTEGRATED ANNUAL REPORT

For the year ended **30 June 2025**

NamPower

Powering the Nation and beyond

WELCOME TO NAMPOWER's 2025 INTEGRATED ANNUAL REPORT

This report provides a comprehensive overview of our performance, strategic progress, and impact during the 2024/25 financial year. It reflects a year in which NamPower strengthened the reliability and resilience of Namibia's power system, advanced the energy transition through renewable generation, and drove innovation across operations to meet the evolving needs of our customers and the nation.

Our commitment to delivering a secure, affordable, and sustainable electricity supply remains unwavering. During the year, NamPower invested in new infrastructure, reinforced system stability, and collaborated with regional partners to build a robust, future-ready energy sector that underpins Namibia's growing economy.

We welcome stakeholders' feedback and insights on NamPower's performance, strategy, and value-creation journey.

Please send your comments or enquiries to:

NamPower
P O Box 2864
Windhoek
register@nampower.com.na

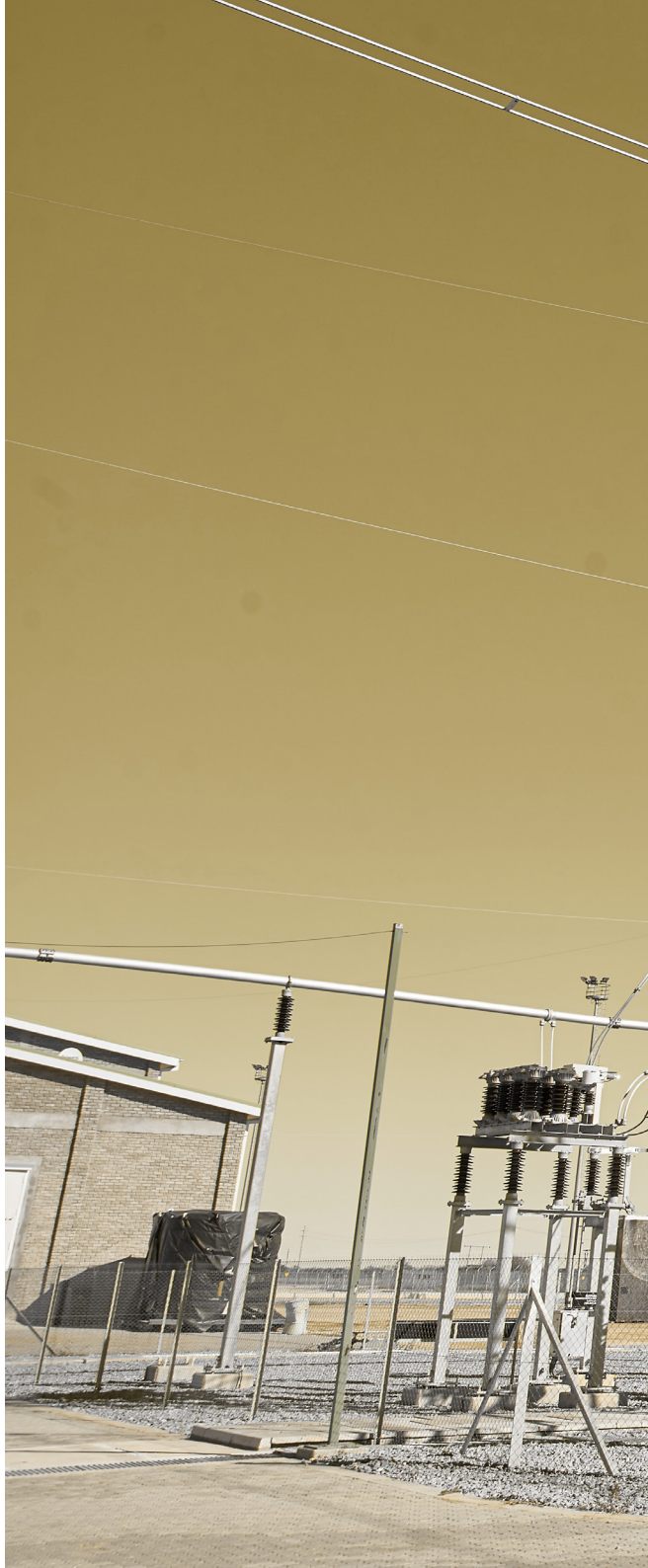




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01

INTRODUCTION

OUR MANDATE, VISION, MISSION AND CORE VALUES

OUR MANDATE

NamPower, the national state-owned power utility, serves as a driving force behind Namibia's socio-economic development. Our core mandate is the provision of bulk electricity supply to all sectors of the economy and the population, particularly in areas where Regional Electricity Distributors (REDs) have not yet been established or where municipalities are unable to provide distribution services.

As a commercial public enterprise, NamPower operates under the oversight of the Ministry of Industries, Mines and Energy and the Ministry of Finance in adherence to the provisions of the Public Enterprises Governance Act, 2019 (No.1 of 2019) and the transitional directives relating to reporting for commercial public enterprises. We also maintain reporting obligations to the Ministry of Industries, Mines and Energy (MIME), which holds the authority to establish policy in the country's electricity supply industry (ESI).

Under the Electricity Act, 2007 (No. 4 of 2007), NamPower's mandate spans the entire electricity value chain, including generation, transmission, distribution, supply, and trading. This also involves facilitating electricity imports and exports, enabling us to fulfil our role within the dynamic regulatory and market environment.

VISION AND MISSION

NamPower's vision and mission statements are built on our four strategic pillars (see page 25), which guide our strategic direction and behaviour. We are committed to upholding these pillars to ensure they align with our overarching vision and mission. These pillars are essential in shaping NamPower's strategic approach and ensuring consistency with its overarching vision and mission.

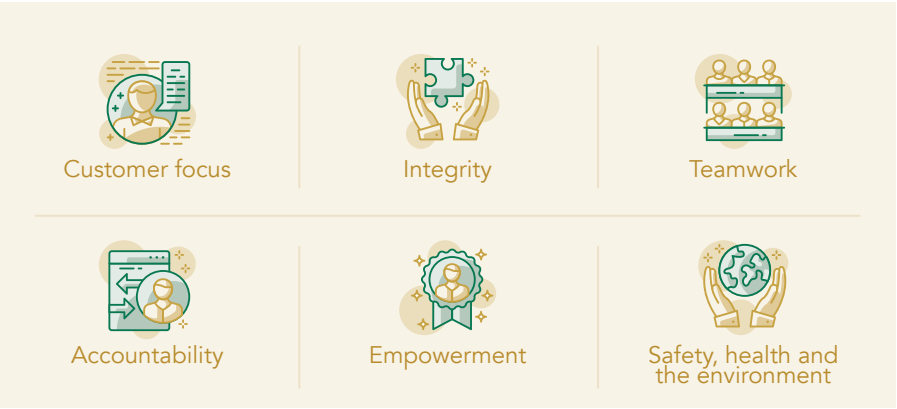
Vision:
To be the leading electricity solutions provider of choice in SADC.

Mission:
To provide innovative electricity solutions in an evolving market, which satisfy the needs of our customers, fulfil the aspirations of our staff and the expectations of our stakeholders in a competitive, sustainable, and environmentally friendly manner.

CORE VALUES

NamPower is committed to upholding high ethical standards while fulfilling its mandate. The organisation places a strong emphasis on fostering a culture of teamwork that brings out the best in each individual. Serving customers with excellence and prioritising the safety and well-being of its staff and the public are core principles that NamPower deeply values.

OUR VALUES REFLECT WHAT WE CARE ABOUT MOST



CODE OF CONDUCT

NamPower's Code of Conduct and Conflicts of Interest Policy highlights our commitment to integrity and ethical behaviour. These foundational documents define our responsibilities towards colleagues, stakeholders, and the shareholder, providing a clear framework for decision-making.

The three key purposes of the policy include:

- guiding ethical decisions to establish ethical standards and support good governance;
- building trust to drive sustainable performance and foster stakeholder trust; and
- promoting ethical culture to encourage ethical behaviour and the reporting of misconduct, in alignment with the organisation's other policies.

ABOUT OUR REPORT

NamPower's 2025 Integrated Annual Report is a comprehensive overview of our ongoing efforts to create and preserve value for our stakeholders. Serving as a key communication tool for our principal shareholder, the Government of the Republic of Namibia, and other key stakeholders, the report presents accurate, relevant, and transparent information on our progress in value creation.

'With a strong focus on sustainability, growth, and positive impact, we are committed to sharing our story with clarity and transparency.'

The report highlights our dedication to sustainable development and outlines our current achievements and strategic initiatives in delivering reliable and environmentally responsible energy solutions.

INTEGRATED THINKING

NamPower's fifth Integrated Annual Report reflects our commitment to embedding integrated thinking and reporting as an ongoing process. This commitment, initiated in the 2020/21 financial year, promotes good governance and disclosure practices and recognises the interdependencies between the capitals we utilise and how these influence our ability to create value. We also remain aware of the inherent trade-offs associated with our strategic choices.

Our commitment to transparent reporting encompasses both the value created and preserved as well as the value eroded. By comprehending the intricate dynamics between these elements, we aim to enhance our ability to deliver sustained value for all stakeholders across the short, medium, and long terms.

REPORT BOUNDARY, SCOPE AND FRAMEWORK

This report presents NamPower's performance for the year ended 30 June 2025. In determining the material matters to report on, we have considered the top risks and opportunities derived from our operating context and stakeholder relationships.

Our reporting process adheres to the principles and requirements outlined in the International Financial Reporting Standards (IFRS), the International <IR> Framework (issued by the IFRS Foundation), the Corporate Governance Code for Namibia (NamCode), the Companies Act, 2004 (No. 28 of 2004), and the Report on Corporate Governance for South Africa 2016 (King IV). The report is further informed by the IFRS Sustainability Disclosure Standards (IFRS S1 and S2), which are being progressively adopted in our reporting approach.

EVOLVING MARKET, ENVIRONMENTAL, SOCIAL AND GOVERNANCE EXPECTATIONS

The landscape of environmental, social, and governance (ESG) reporting is rapidly evolving, with frameworks and standards now converging under the guidance of the International Sustainability Standards Board (ISSB), operating within the IFRS Foundation. This shift underscores the growing importance of transparency, consistency, and accountability in sustainability reporting. The Board and Executive Management Committee (ExCo) remain attentive to these developments and their implications for our business. NamPower's approach to ESG performance reflects this awareness, with a summary of our key activities and progress presented on pages 125 to 126.

MATERIALITY

This report focuses on matters we identified as having the most significant material impact on our capacity to create value and fulfil our core purpose in the short, medium, and long terms.

An independently facilitated materiality process was conducted to assess these value-creating issues, which inform the content and structure of this report. Through discussions, we explored the significant risks, opportunities, and impacts associated with our activities in the short term (less than 12 months), medium term (two to five years), and long term (beyond five years).

Our approach to managing these material matters is reflected in our operating context (refer to page 52 to 55), the material interests of our stakeholders (refer to page 56 to 57), and the principal risks facing the organisation (refer to page 59).

TARGET AUDIENCE

This report has been primarily prepared for the principal shareholder, the Government of the Republic of Namibia, as well as for current and prospective investors to aid in their assessments of capital allocation. Additionally, it aims to provide valuable insights to regulatory authorities in Namibia, including the Electricity Control Board (ECB), to inform their assessments of our performance.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements regarding NamPower's future performance and prospects. These statements are based on our judgements and expectations at the time of preparing this report. However, it is important to acknowledge that numerous risks, uncertainties, and other significant factors may result in actual outcomes that differ materially from our expectations. These factors may include circumstances that could adversely impact our business and financial performance.

BOARD OF DIRECTORS' RESPONSIBILITY STATEMENT

NamPower's Board of Directors (Board) acknowledges its responsibility to uphold the integrity of the Integrated Annual Report. The Board has applied its collective expertise to the preparation and presentation of the report, believing that it addresses all material matters and offers a balanced view of NamPower's strategy and its impact on value creation in the short, medium, and long terms. The Board is confident that the report adequately addresses NamPower's use of capitals, its effects on these capitals, and the reciprocal relationship between the availability of these capitals and the organisation's strategy and business model.

We, as the Board, confirm that this Integrated Annual Report was prepared in accordance with the International Integrated Reporting Council's Framework. The report, which remains the ultimate responsibility of the Board, is prepared and collated under the supervision of executive management and is submitted to the Audit and Risk Management Committee, which, having reviewed the contents, recommends it to the Board for approval.

The Board, supported by the Audit and Risk Management Committee, bears ultimate responsibility for NamPower's system of internal controls, which is designed to identify, evaluate, manage, and provide reasonable assurance against material misstatement and loss.

The consolidated Annual Financial Statements on pages 129 to 259 were audited by our external auditors, PricewaterhouseCoopers. The Integrated Annual Report was issued on 18 March 2026.

Mr Clive L. Kavendjii Chairperson of the Board Management Committee	Mr Kahenge S. Haulofu Managing Director	Ms Silke Hornung Audit and Risk (Board Committee)



PERFORMANCE SUMMARY BY CAPITALS FOR 2024/25

NamPower's 2025 performance across the six capitals that drive sustainable value creation are summarised in the table below. Each capital represents a vital dimension of how NamPower delivers sustainable value; from strengthening financial performance and operational capacity to investing in people, technology, partnerships, and environmental stewardship. Together, these outcomes demonstrate how NamPower's strategy and operations contribute to reliable power supply, organisational resilience, and Namibia's long-term development goals.



FINANCIAL CAPITAL

Profit after tax
N$1.5 billion
(2024: N$1.4 billion)
5.5% increase, supported by a significant tax credit in 2025 ↑

Group revenue
N$9.1 billion
(2024: N$8.6 billion)
6.4% increase, driven by steady demand and improved commercial performance ↑

Cash flow from operations
N$1.9 billion
(2024: N$1.7 billion) ↑



SOCIAL AND RELATIONSHIP CAPITAL

Rural electrification: NamPower-funded projects
N$45.5 million
(2024: N$51.5 million) ↓

Localised preferential procurement
N$1.6 billion
(2024: N$630 million) ↑

Total Corporate Social Investment (CSI)
N$46 million
(2024: N$40 million) ↑



INTELLECTUAL CAPITAL

GridOnline trading revenue
N$20.2 million
(2024: N$14.3 million) ↑

ERP system migration (SAP S/4HANA) Implementation progress
100% completed
(2024: Initiated)

Improved operational efficiency through business process re-engineering enhancements and digital transformation
(2024: Initiated)



HUMAN CAPITAL

Headcount
1,097
(0,3%) (2024: 1,094) ↑

Employee turnover
1.19%
(2024: 1.55%) ↓

Employee costs
N$1.2 billion
(2024: N$1.2 billion) ↔



MANUFACTURED CAPITAL

Total assets under construction
N$3.2 billion
(2024: N$3.4 billion)

Transmission system performance Maintained at
99.81%
(2024: 99.80%)

Electricity generated by NamPower
44.6% of 4,856 GWh
(2024: 46.5% of 4,676 GWh) ↓



NATURAL CAPITAL

67
Operational (new and renewed) environmental clearance certificates (ECCs) obtained
(2024: 30)

ONE
ECC application for infrastructure projects
(2024: Seven)

Ruacana Power Station output
2,050 GWh
(2024: 2,067 GWh) ↓

Average price per kWh sold
206.7 c/kWh
(2024: 207.6 c/kWh)

Total assets
N$59.0 billion
(2024: N$54.9 billion)

Capital expenditure
N$2.9 billion
(2024: N$1.3 billion)

Export sales
N$958 million
(2024: 695 million)

Improved cash flow from operations
N$1.9 billion
(2024: N$1.7 billion)

Debtors' collection days
69.25 days
(2024: 69.49 days)

Number of electricity customers
3,053
(2024:3,024 customers)

External bursaries awarded:
9 in 2025
and 8 in 2024

Vocational training bursaries awarded:
16 in 2025
and 15 in 2024

Stakeholder engagement outcomes achieved through ongoing structured engagement

Exports (GWh):
539 GWh
(2024: 540 GWh)

Total tax remittances
N$1.15 billion
(2024: N$1.29 billion)

Market participation systems
(MSB compliance audit)
ECB audit in 2025: Compliant – with improvement areas
2024: Initial compliance preparation

5G connectivity licence (CRAN)
Secured in 2025

Overall company performance
2.91/4
(2024: 3.24/4)

Staff training and development
N$3.5 million
(2024: N$2.4 million)

Female representation
27%
(2024: 27%)

LTIR
0.67%
(2024: 0.64%)

Maximum demand
670 MW
(2024: 672 MW)

Units into the system (GWh)
4,856 GWh
(2024: 4,676 GWh)

Contribution by REFIT and other IPPs
(357 GWh)
(2024: 361 GWh)

Imported electricity
48%
(2024: 46%)

Total transmission lines
12,060 km
(2024: 12,043 km)

Total distribution lines
23,059 km
(2024: 22,978 km)

Additional transmission lines
17 km
(2024: 287 km)

Additional distribution lines
81 km
(2024: 48 km)

New renewable capacity added
20 MW
(2024: 0 MW)

Ruacana Power Station output (marginal decrease of 0.8%)
2,050 GWh
(2024: 2,067 GWh)

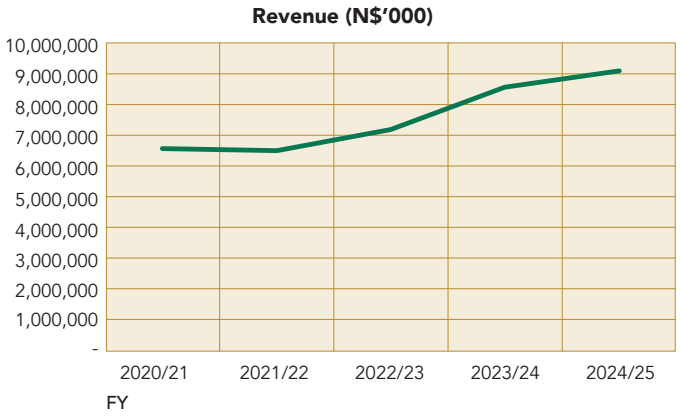
Environmental management and compliance initiatives implemented during the reporting period

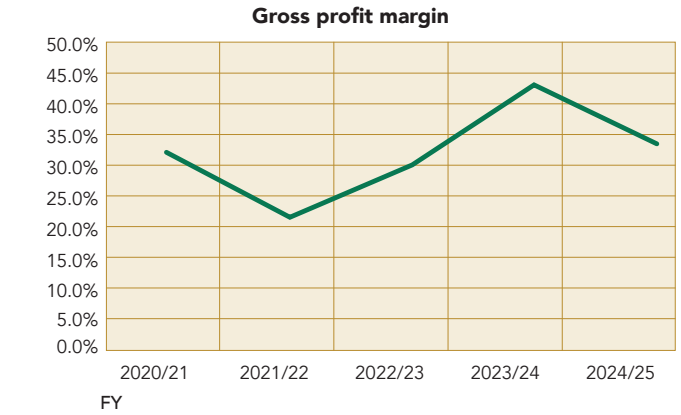
Cost of electricity:
23.9%
(from N$4.9 billion to N$6 billion)

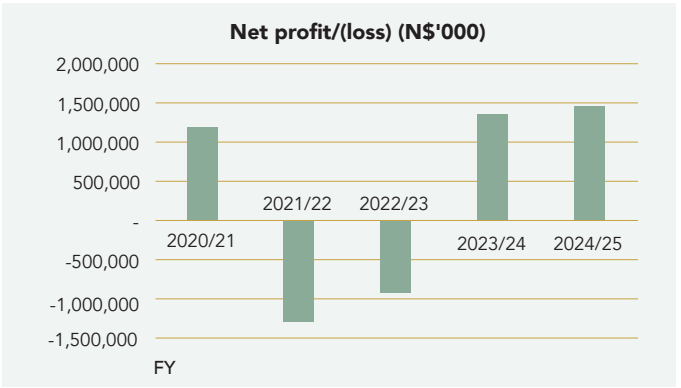
Depreciation and amortisation:
29.7%
(as new assets came online)

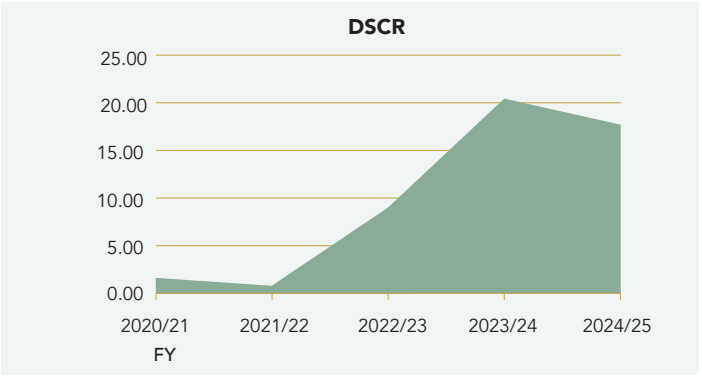
Installed generation capacity
565 MW
(2024: 509.5 MW)

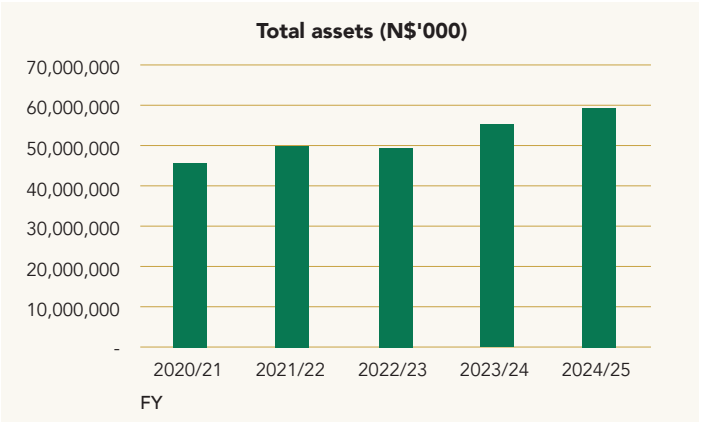
NamPower five-year financial summary (2020/21 -2024/25)

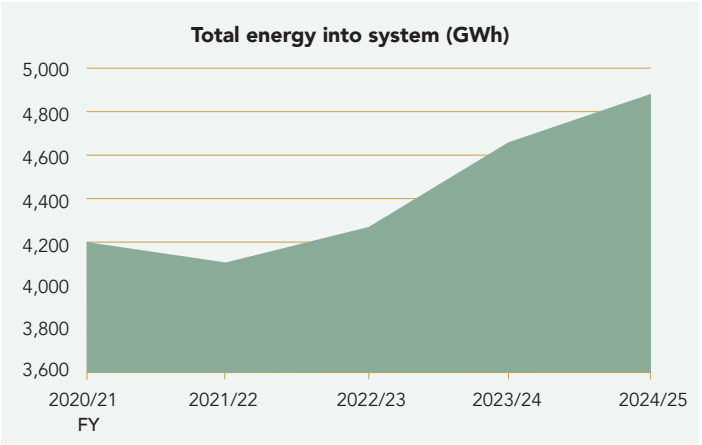












02

OUR BUSINESS



UNDERSTANDING OUR BUSINESS

NamPower remains committed to delivering innovative electricity solutions in an evolving market. Our focus is on meeting the diverse needs of customers, empowering employees, and exceeding stakeholder expectations in a manner that is competitive, sustainable, and environmentally responsible.

As a vertically integrated utility, NamPower operates across the generation, transmission, and energy trading segments of Namibia's electricity value chain, supplying power to regional distributors, local authorities, and large customers.

This integrated structure enables coordinated system planning, operational efficiency, and a secure and reliable national electricity supply.

OVERVIEW OF NAMPOWER'S GENERATION FLEET

NamPower's generation fleet comprises a diverse mix of hydro, thermal, and renewable power stations, strategically located across Namibia to ensure a reliable and secure electricity supply. Each facility plays a distinct role – from baseload and peaking plants to standby and renewable units – providing the flexibility required to balance demand, integrate variable renewable energy, and maintain grid stability.

During the year under review, NamPower continued to invest in upgrades, new capacity additions, and digital optimisation, reinforcing its commitment to the security of supply, operational excellence, and a sustainable energy transition in line with national development priorities.

The following table provides an overview of NamPower's installed generation capacity, highlighting the contribution of each power station within the energy portfolio.

Power station	Generation source	Installed capacity (MW)	Operating regime
Ruacana Power Station	Run-of-the-river hydropower	347	Variable / baseload support
Van Eck Power Station	Thermal (coal-fired)	120	Emergency / standby
Anixas I Power Station	Diesel / very low sulphur fuel oil	22.5	Emergency / standby / quick-start dispatchable
Anixas II Power Station	Diesel / very low sulphur fuel oil	54	Emergency / standby / quick-start dispatchable
Omburu Solar Photovoltaic Power Station	Renewable (solar photovoltaic)	20	Variable
Total installed generation capacity	–	563.5	–



POWER IMPORTS AND SUPPLY MIX

NamPower supplements domestic generation with electricity imports through the Southern African Power Pool (SAPP) via its Energy Trading System.

The volume of imported power fluctuates depending on local generation availability and has, over the past two years, accounted for approximately 40-50% of Namibia's total energy supply on average. This dynamic import arrangement enables NamPower to optimise cost efficiency, maintain supply reliability, and balance local generation output during variable hydrological or regional conditions.

EXPANDING LOCAL GENERATION CAPACITY

Over the years, NamPower has expanded Namibia's local generation capacity through plant refurbishment, technology upgrades, and strategic partnerships that enable private-sector participation in renewable energy projects.

Rapid advancements in solar photovoltaic (PV), wind, biomass, and battery storage technologies present new opportunities to diversify Namibia's energy mix, reduce its dependency on imports, and enhance supply security.

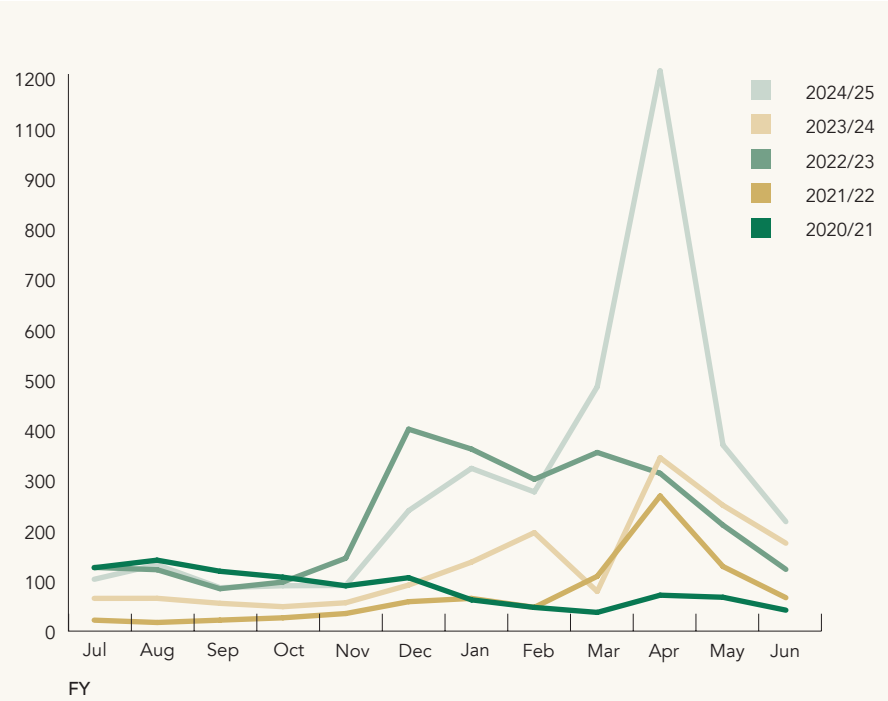
The Omburu 20 MW Solar PV Power Station, commissioned in 2022, and the newly inaugurated Anixas II (54 MW) serve as flagship examples of NamPower's expanding renewable and quick-start capacity, strengthening the reliability and flexibility of Namibia's power system.

Ruacana Power Station



Operation of the Ruacana Power Station was characterised by a combination of baseload and mid-merit peaking during the year under review. The baseload operation occurred between December 2024 and June 2025, when the Kunene River flow was sufficient to sustain baseload operation. Similar to the previous financial year, the middle-to-lower Kunene River catchment area received early rains, as illustrated in the figure below, resulting in an extended period of baseload operation.

Monthly average of Kunene River flow at Ruacana



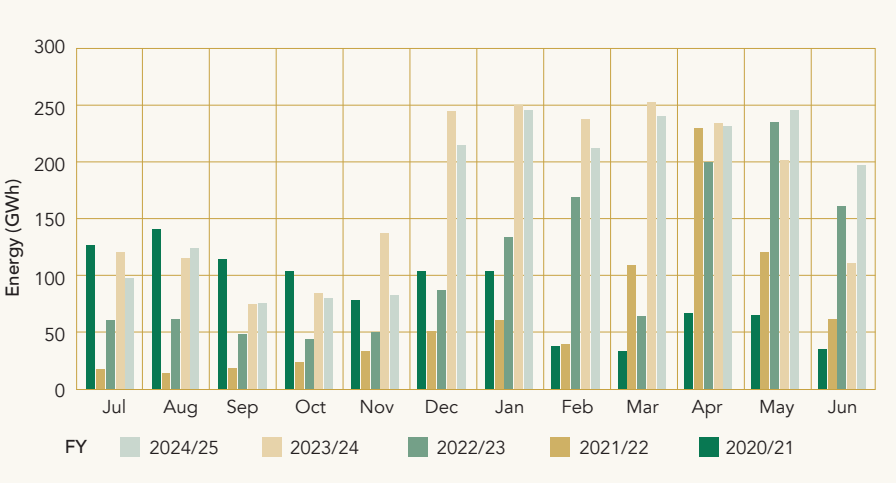
The Ruacana Power Station's generating units have consistently achieved high levels of availability and reliability throughout the year. The total energy generated and dispatched amounted to 2,049 GWh, surpassing 2,000 GWh for a second consecutive year. This output exceeded the budgeted energy of 1,300 GWh by 58%, underscoring the power station's strong operational performance.

Over the past two years, the power station has demonstrated significant improvement compared with previous periods, with the lowest recorded output in the past decade being 780 GWh in 2021. The notable increase in energy production is attributed to favourable rainfall conditions, effective collaboration with Angolan counterparts in

managing the Kunene River, and the sustained operational excellence of the power station.

The following figure illustrates the energy generated and dispatched from the Ruacana Power Station during the reporting year, compared with the past five years.

Energy generated and dispatched from Ruacana (2020/21-2024/25)



Anixas Power Station



The Anixas Power Station, located in the coastal town of Walvis Bay, has a combined installed capacity of 76.5 MW, comprising Anixas I (22.5 MW) and Anixas II (54 MW). Together, the two plants form an integral part of NamPower's standby and quick-start generation capacity, designed to maintain grid stability during peak demand or when imported electricity from the SAPP is insufficient to meet national requirements.

The integration of Anixas I and II has strengthened NamPower's overall operational flexibility and response capability. By increasing the installed capacity at the Anixas Power Station with this capability, Anixas I and II enhance grid stability during peak demand and regional supply disruptions. Going forward, NamPower will focus on maintaining high availability across both units, optimising operational efficiency, and leveraging local expertise to sustain reliable quick-start generation in support of Namibia's growing electricity demand.

Both stations operate in line with international standards for safe and reliable generation. In January 2025, Anixas I achieved ISO 9001:2015 recertification for its Quality Management System (QMS) through Bureau Veritas Namibia, reaffirming compliance with globally recognised quality benchmarks.

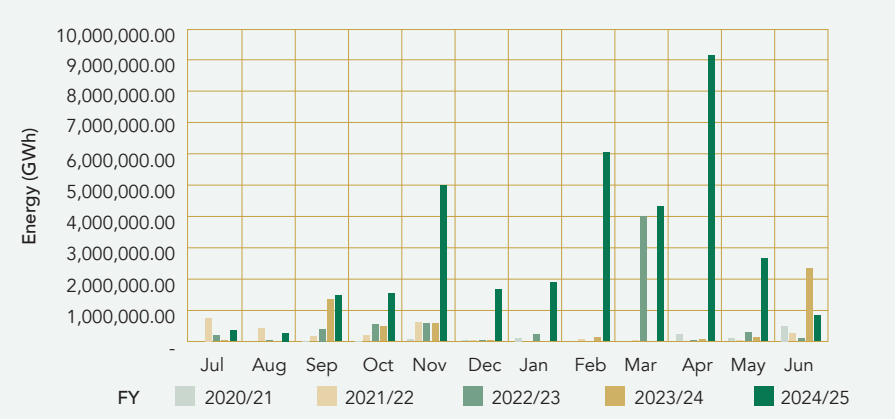
Anixas I primarily functions as a standby emergency power station, providing fast-response support to the national grid whenever required. Its reliability is demonstrated by its consistent ability to supply electricity at full capacity on demand.

The commissioning of Anixas II in November 2024 marked a significant milestone in NamPower's capacity expansion strategy, adding 54 MW of quick-start generation to complement the existing Anixas I facility. The new plant provides additional emergency, backup, and dispatchable generation, which is particularly valuable in supporting the integration of intermittent renewable sources such as solar PV and wind.

During the year under review, the combined output from Anixas I and II totalled 35,958,676 kWh, a substantial increase from 5,236,843 kWh in the previous year. This sharp rise in generation was driven by regional power supply constraints, short-term power purchase agreements (PPAs), and the commissioning of Anixas II, which significantly boosted quick-start capacity and responsiveness.

Both power stations are operated and maintained by NamPower personnel who have undergone extensive local and international training, reflecting NamPower's commitment to building the technical expertise required for evolving generation technologies.

Units sent out



Van Eck Power Station



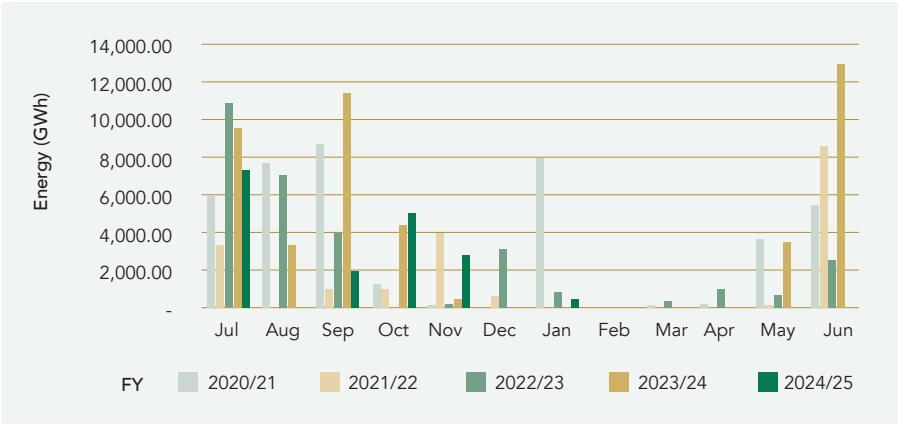
The Van Eck Power Station, a coal-fired thermal power station located in Windhoek, continues to serve as NamPower's emergency standby generation facility. Originally designed with an installed capacity of 120 MW (30 MW per unit x 4), the power station now operates at a minimum load of 11 MW per unit due to ageing equipment, particularly the boilers. Two of the units can be operated as synchronous condensers to support grid voltage and system stability.

The station is operated under specific conditions, such as when the generation tariff is lower than the market-based energy import price, during planned outages, or in response to national supply emergencies.

As illustrated in the following figure, the power station was required to operate during the first two quarters of the reporting period to supplement increased electricity demand during the winter season and during the annual maintenance outage at the Ruacana Power Station. The total number of units dispatched during the year amounted to 16.925 GWh, representing a 62% decrease compared with 44.355 GWh in the previous year.

The reduction in generation output is primarily attributed to increased forced outages, reduced plant reliability, and declining availability linked to the ageing of critical components. NamPower continues to manage the Van Eck Power Station prudently to ensure that the facility remains available for strategic standby use when required.

Units sent out



20 MW Omburu Solar PV Power Station



The 20 MW Omburu Solar PV Power Station, located 12 kilometres southeast of Omaruru in the Erongo Region, occupies an area of 42 hectares and commenced commercial operations on 29 March 2022.

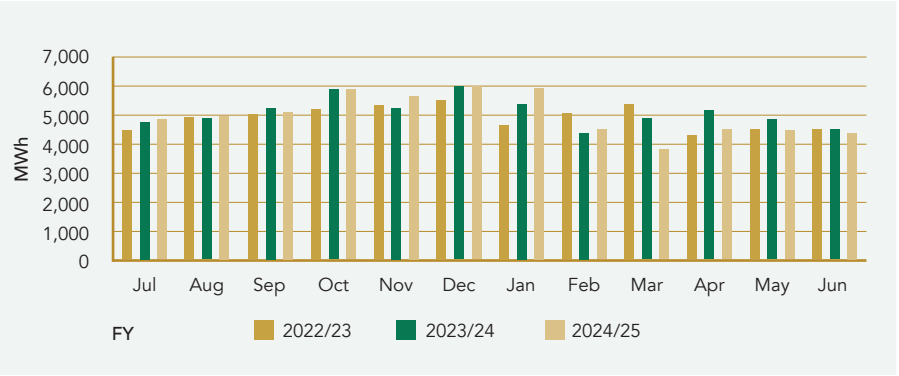
During the period under review, the power station achieved operational availability and reliability levels exceeding 99%, maintaining consistently low operational costs. The station generated 59,643 kWh of clean energy, a 1.9% reduction compared with the previous year, mainly due to above-average rainfall recorded in the Omaruru area during 2025. The power station measured 333 mm of seasonal rainfall in 2025, compared with 153 mm in 2024.

The Omburu Solar PV Power Station continues to demonstrate the potential of renewable energy in diversifying Namibia's energy mix and reducing reliance on imports. Despite seasonal weather fluctuations, the plant consistently meets operational targets while maintaining high reliability and efficiency. NamPower will continue to monitor long-term climate patterns and system performance to optimise energy yield and strengthen the contribution of solar generation to uphold national supply stability.

Seasonal rainfall variability continues to have a significant impact on solar PV generation. During the wet season (February to May 2025), the power station exported less energy than in previous years, averaging an output of 4,319 kWh per month, compared with 4,775 kWh in 2024 and 4,793 kWh in 2023. Conversely, higher generation levels were recorded between July 2024 and January 2025, averaging 5,457 kWh per month, supported by clear-sky conditions and the delayed onset of the 2025 wet season.

However, over the course of each year seasonal fluctuations tend to normalise, resulting in relatively stable overall performance. Since entering commercial operation, the total annual energy output has varied only marginally – 60,784 kWh (2024) and 58,634 kWh (2023) – reflecting the plant's consistent reliability and ability to meet its generation targets.

Units sent out



TRANSMISSION SYSTEM

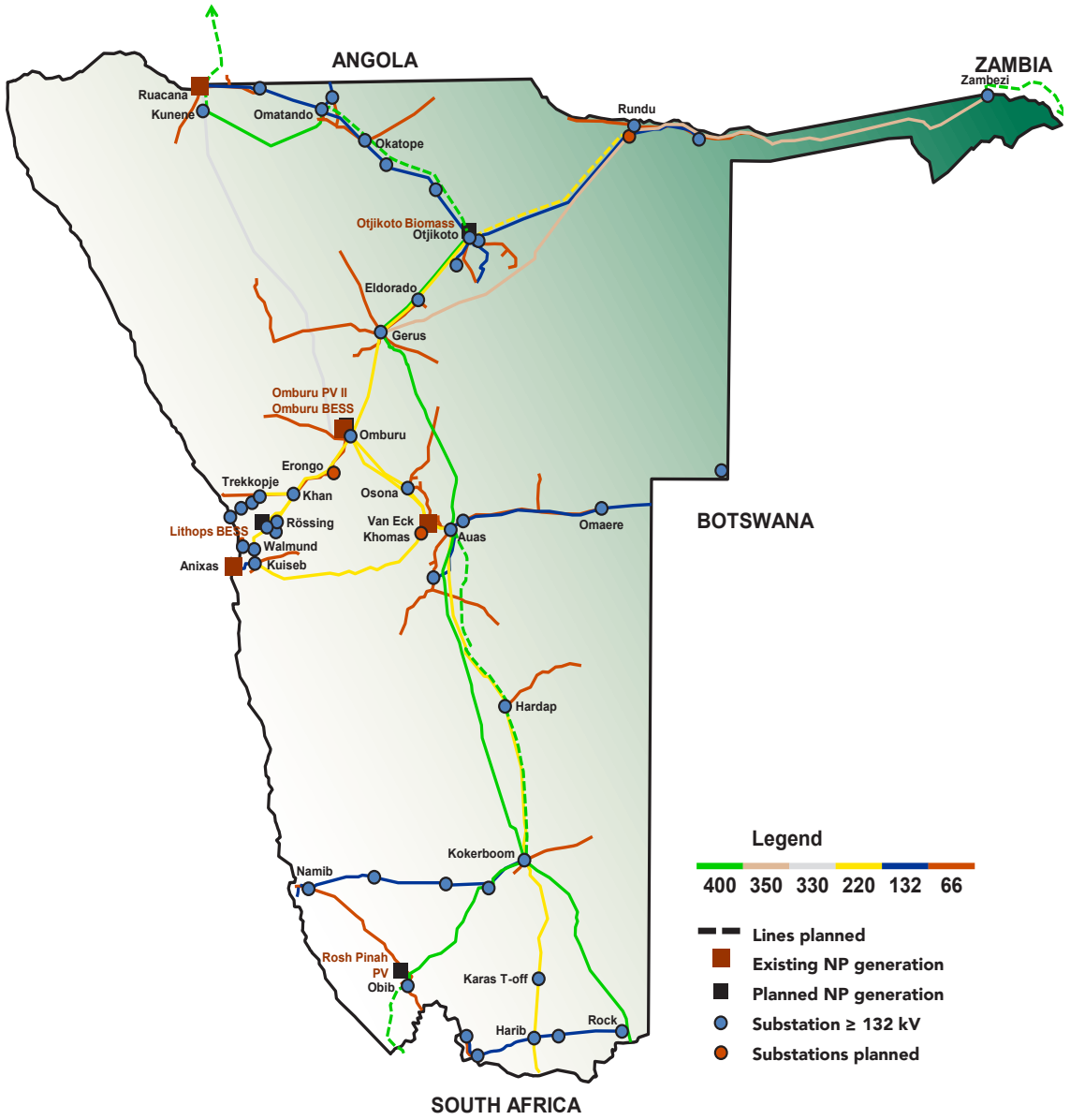
NamPower prides itself on operating a world-class transmission system, with an extensive network of overhead lines ranging from 66 kV to 400 kV, stretching approximately 12,060 kilometres across Namibia – an increase of 17 kilometres from 12,043 kilometres recorded in the previous year. This national grid is a testament to local expertise as it has been primarily designed and built by Namibian professionals.

To ensure an efficient, reliable, and resilient network with minimal disruptions, NamPower consistently invests in strengthening, modernising, and maintaining the national grid. The Company's Transmission Master Plan functions as a strategic blueprint for backbone development, guiding future expansion and reinforcement of the transmission system. The plan is reviewed annually to align with changing electricity demand and to uphold national supply security.

As part of its mandate, NamPower remains dedicated to planning, developing, and maintaining its generation and transmission infrastructure – the backbone of the Company's operations. Additionally, NamPower continues to support distribution and rural electrification projects, fulfilling its duty to expand access and promote Namibia's socio-economic development.



Transmission and Generation Stations and Lines



System demand

The system maximum demand of 670 MW was recorded at 20:00 on 30 July 2025, compared with 672 MW in the previous year, reflecting a slight year-on-year decrease of 0.3%. Despite this marginal reduction, system demand remained broadly stable, indicating consistent consumption patterns across the network.

System minimum and maximum demands

01:00 Monday - 00:00 Friday	
Weekday maximum	669.758
Weekday minimum	331.166
01:00 Saturday - 00:00 Sunday	
Weekend maximum	650.681
Weekend minimum	339.398

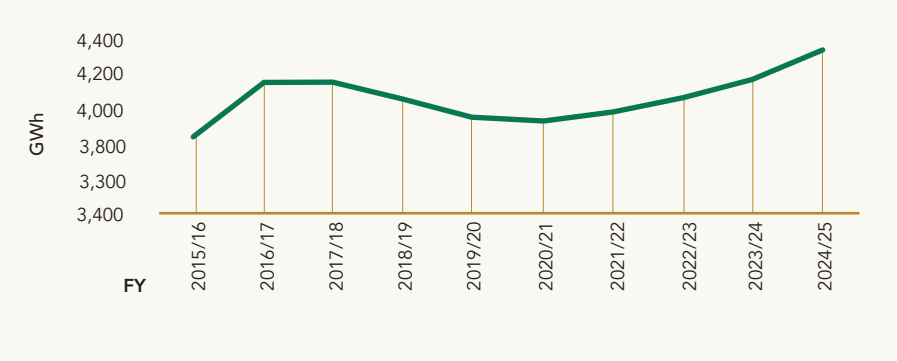
Historical energy demand growth

Over the 12-year period from 2012/13 to 2024/25, Namibia's energy demand has shown steady long-term growth despite short-term fluctuations. Total consumption increased from 3,471 GWh in 2012/13 to 4,322 GWh in 2024/25, reflecting an overall rise of 24.5%.

After modest annual growth averaging 5-8% between 2014/15 and 2016/17, demand stabilised and slightly declined from 2018/19 to 2020/21 due to subdued economic activity and pandemic-related disruptions. From 2021/22 onwards, energy demand rebounded, driven by economic recovery and expanding industrial and urban electricity use, recording a 4% increase in 2024/25, the highest annual growth rate since 2016/17.

The upward trajectory from 2021/22 to 2024/25 indicates renewed momentum in electricity consumption, aligning with the broader economic rebound and increased electrification efforts across Namibia.

Energy demand



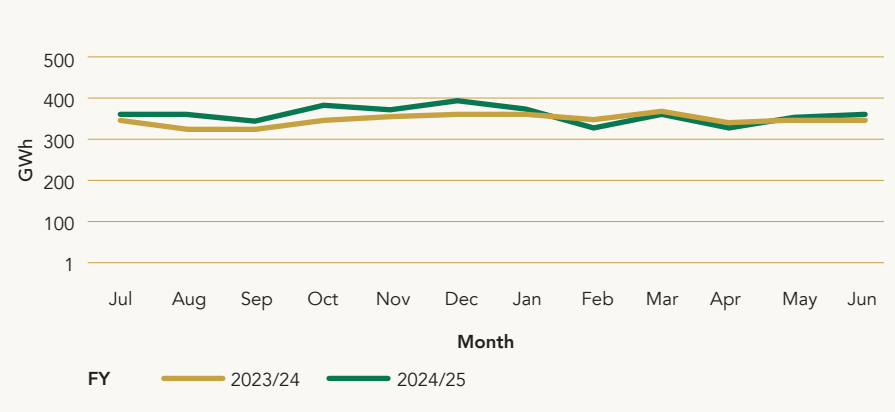
Monthly energy demand compared with the previous financial year

During the year under review, the total energy demand grew by 4.01%, increasing from 4,155 GWh in 2023/24 to 4,322 GWh in 2024/25. This growth, largely driven by natural demand expansion, reflects sustained economic recovery and higher electricity consumption across key sectors. Monthly demand remained consistently above the previous year, except in February, March, and April when slight declines were recorded, most likely due to seasonal rainfall patterns and reduced consumption. Notable peaks occurred in October and December 2024, driven by heightened industrial activity and seasonal usage.

In meeting this demand, local generation supplied 51% of the total energy requirements, while 49% was met through regional imports, reflecting Namibia's continued reliance on cross-border power trade amid variable hydrological conditions. During the year, an additional 20 MW of renewable capacity was commissioned through independent power producers (IPPs), strengthening the national supply mix and advancing progress towards a more sustainable energy portfolio.

Overall, 2024/25 recorded a higher and more stable energy demand compared with 2023/24, underscoring continued growth in Namibia's electricity consumption and the importance of maintaining sufficient generation and transmission capacity to meet rising needs.

Monthly energy demand (2024 vs 2025)



Key figures on energy consumption and supply (2023/24 vs 2024/25)

Key figures	2024/25	2023/24
Energy consumption	4,322 GWh	4,155 GWh
Local supply	52%	54%
Imports	48%	45%
Additional energy; renewable energy capacity (including IPPs)	20 MW	0 MW

The following consolidated key statistics summarise NamPower's performance for the 2024/25 financial year, reflecting progress across financial results, operational outputs, and system capacity.

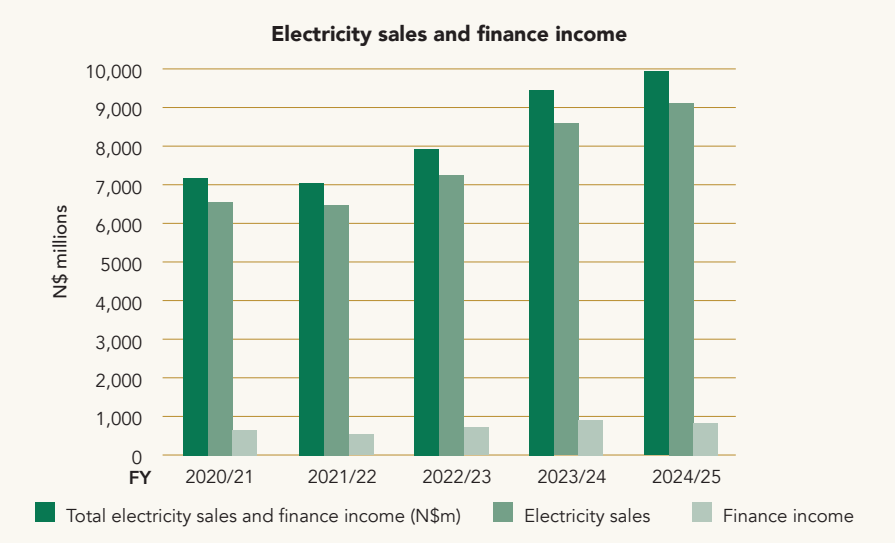
Consolidated Key Statistics

		2024/25	2023/24
1.	Total revenue (N$'000)	**9,105,644**	8,559,648
2.	Taxation (N$'000)	**7,616**	(1,992,404)
3.	Capital expenditure (N$'000)	**2,916,579**	1,327,659
	Property, plant and equipment	**2,903,281**	1,326,814
	Intangible assets	**13,298**	845
4.	Coal cost per ton (N$)	**2,231**	2,246
5.	Average price per unit sold (cents/kWh)	**206.7**	207.6
6.	Number of electricity customers	**3,053**	3,024
7.	System maximum (hourly demand) (MW)		
	- Excluding Skorpion	**670**	672
	- Including Skorpion	**670**	672
8.	Units into system (GWh)	**4,856**	4,676.8
	NamPower (Pty) Ltd	**2,164**	2,176
	ZESCO	**836**	1,201
	Eskom	**1,087**	516
	ZPC	**315**	384
	SAPP market	**97**	39
	REFIT IPPs and other IPPs	**357**	361
9.	Units sold (GWh)	**4,375**	4,288
	Customers in Namibia	**3,708**	3,618
	Orange River	**128**	130
	Exports	**539**	540
10.	Installed generation capacity (MW)	**565**	509.5
	- Ruacana Power Station	**347**	347
	- Van Eck Power Station	**120**	120
	- Anixas Power Station	**78**	22.5
	- Omburu PV Power Station	**20**	20
11.	Installed transmission capacity (MW)		
	- Zambezi Link Interconnector	**300**	300
	- 400 kV Interconnector	**600**	600
12.	Transmission lines		
	- 400 kV (km)	**1,275**	1,466
	- 350 kV (km)	**953**	953
	- 330 kV (km)	**713**	522
	- 220 kV (km)	**3,207**	3,207
	- 132 kV (km)	**2,308**	2,308
	- 66 kV (km)	**3,604**	3,587
13.	Distribution lines		
	- 33 kV (km)	**12,335**	12,250
	- 22 kV (km)	**4,939**	4,947
	- 19 kV (SWER) (km)	**4,634**	4,633
	- 11kV (km)	**1,151**	1,148
14.	Employees	**1,097**	1,094

Together, these indicators show steady operational delivery and continued investment in strengthening Namibia's electricity network.

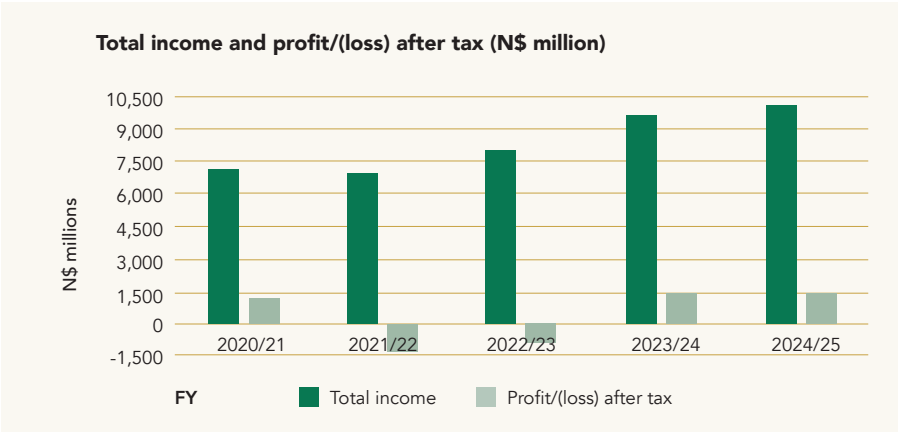
Electricity sales and finance income (2021-2025)

As illustrated in the following figure, the total electricity sales and finance income from 2021 to 2025 show a steady upward trend, with a slight recovery from the dip in 2021, followed by consistent year-on-year growth. Revenues strengthen notably from 2023 onwards, with 2024 and 2025 marking the highest levels in the period, reflecting rising demand, improved system performance, and a stable contribution from finance-related income alongside electricity sales.



Total income and profit/(loss) after tax (2021-2025)

Total income increased steadily from N$7.26 billion in 2021 to N$10.25 billion in 2025, reflecting consistent revenue growth. Profit after tax shows a clear recovery trajectory: after a strong profit in 2021, the organisation recorded losses in 2022 and 2023, followed by a significant turnaround in 2024 and further improvement in 2025. This indicates that while revenue generation has strengthened consistently, profitability has been influenced by cost pressures and operational challenges, with a clear recovery emerging from 2024 onward.



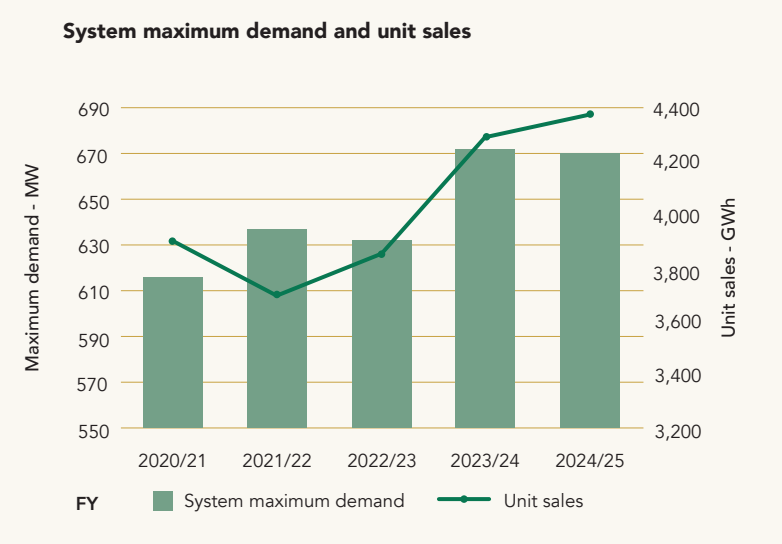
System maximum demand and unit sales (2021-2025)

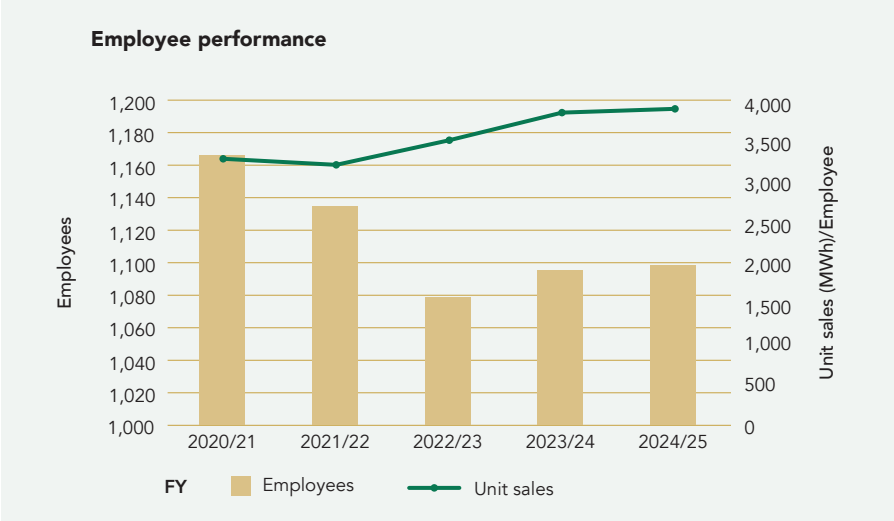
The following figure illustrates the trends in NamPower's system maximum demand (MW) and unit sales (GWh) over the period 2021 to 2025.

Following a decline in 2021 and 2022, system demand and unit sales began to recover steadily from 2023 onwards. Maximum demand rose from approximately 615 MW in 2021 to over 670 MW in 2024, reflecting increased electricity consumption and load growth, before stabilising slightly in 2025.

Similarly, unit sales dipped in 2022, reaching a low point of about 3,701 GWh, but rebounded strongly thereafter, peaking at around 4,400 GWh in 2025.

This upward trajectory from 2023 to 2025 highlights a sustained recovery in both demand and sales, underpinned by improved economic activity, greater grid reliability, and growing energy requirements across Namibia.





Employee performance (2021-2025)

The following figure presents the trends in employee headcount and unit sales per employee (productivity) from 2021 to 2025.

The number of employees peaked in 2021 at 1,165, before declining steadily to 1,077 in 2023. A modest increase followed in 2024 and 2025, reflecting measured workforce stabilisation after earlier optimisation efforts.

Over the same period, unit sales per employee – a key indicator of workforce productivity – showed consistent improvement. After a slight dip in 2022, productivity rose year-on-year, reaching its highest level in 2025, driven by improved operational efficiency and stronger sales performance.

These trends demonstrate a leaner, more productive workforce, underscoring NamPower's continued focus on efficiency, performance improvement, and value creation through its people.



OUR FOUR STRATEGIC PILLARS

HOW WE DELIVER ON OUR VISION AND MISSION

Our vision "to be the leading electricity solutions provider of choice in the SADC region" drives our efforts to deliver on our Integrated Strategic Business Plan (ISBP) for the period 2020-2025.

The ISBP is supported by four strategic pillars: ensuring security of supply, unlocking the value of electricity sector collaboration, optimising financial sustainability, and driving organisational and operational excellence.

These strategic pillars serve as the foundation for our decision-making and the execution of our overall strategy. They are carefully designed to create value for our stakeholders in the short, medium, and long terms.

In our ISBP, we recognise the contributions from all operational areas within our Company towards achieving our strategic objectives over the next two years. The targets outlined in the ISBP undergo annual review, considering market factors, relevant information, and our Company's operational performance.

As we present this Integrated Annual Report, we demonstrate our commitment to aligning our vision, strategy, and operations, thereby providing a comprehensive view of our sustainable business performance and the value we create for our stakeholders.

Our strategy is geared towards ensuring the delivery of a sustainable security of supply and a predictable tariff path to support economic growth. It is aligned with the country's national policies and National Integrated Resource Plan for the electricity sector.



HOW WE ARE MANAGED

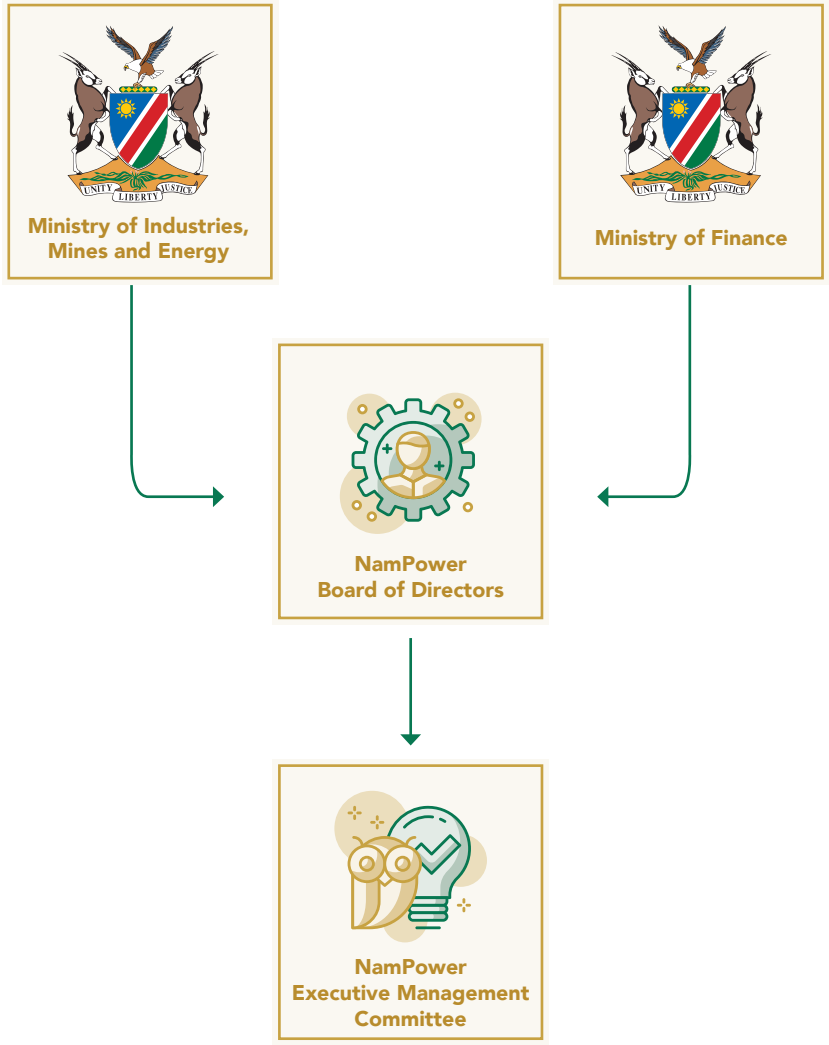
NamPower operates under the oversight of two fundamental entities: the Ministry of Finance, which represents the shareholder, and the Electricity Control Board (ECB), which is the regulatory authority. These entities play crucial roles in providing guidance, supervision, and governance to NamPower.

The Ministry of Finance appoints a Board of Directors to oversee NamPower's operations. The Board of Directors is responsible for ensuring that NamPower adheres to its strategic objectives and effectively fulfils its mandate.

This reporting structure ensures clear lines of communication and accountability between NamPower, the Ministry of Finance, and the appointed Board of Directors, facilitating effective oversight and strategic decision-making.



The following figure illustrates the reporting structure within NamPower.



OUR BUSINESS MODEL – HOW WE CREATE VALUE

NamPower's business model demonstrates how the Company transforms key inputs - such as financial, technical, and human resources - into electricity generation, transmission, and system operations that deliver reliable, affordable, and sustainable energy to Namibia.

Through its core activities, NamPower creates value for customers, shareholders, employees, and the broader economy. By ensuring secure power supply and enabling access to the national grid, NamPower supports industrialisation, socio-economic development, and environmental stewardship in line with national development plans.

Core value proposition
Delivering secure, reliable, affordable, and sustainable electricity for Namibia's growth.

OUR PROFIT FORMULA

NamPower's profit formula reflects how value is created through the generation and delivery of electricity. Revenue is primarily derived from electricity sales and regulated service fees, while energy procurement, operations, and capital investment largely drive costs. The relationship between these factors determines the Company's capacity to sustain operations, invest in new infrastructure, and deliver long-term value to stakeholders.

(+) Revenue drivers
Total revenue generated for the year amounts to N$9.1 billion, representing a 6.4% increase from N$8.6 billion in 2024.

- Electricity sales to bulk customers, regional distributors, and large power users
- Cross-border and regional trading within the Southern African Power Pool (SAPP)
- Transmission wheeling and network access charges (including GridOnline revenues from IPPs and eligible customers) Connection and technical service fees
- Other income, including limited property rentals, tower leases, and investment returns
- Ancillary and balancing services

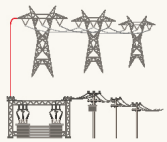
(–) Cost Drivers: Major operational costs
- Cost of electricity ↑ 23.9% (N$6.0 billion from N$4.9 billion in 2024)
- Generation costs (fuel, water, operations and maintenance)
- Employee compensation and training
- Depreciation and finance costs on infrastructure investment
- System losses, grid balancing, and ancillary services
- Regulatory compliance, administration, and overheads
- Exchange rate and inflation impacts
- Transmission asset maintenance and refurbishment
- ICT systems, including cyber-security
- Employee remuneration and benefits: N$1.2 billion (stable)
- Employee training and development: N$3.5 million (2024: N$2.4 million)
- Finance costs and interest on borrowings

Capital costs
- Grid expansion and strengthening
- Generation refurbishments
- Renewable energy integration
- Digitalisation projects (ERP, SCADA upgrades)

OUR PRIMARY OPERATIONS AND ACTIVITIES



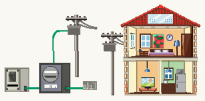
Generation
- Operation and maintenance of hydro, thermal, and solar power stations
- Integration of new renewable capacity (IPP and utility-scale projects)
- Optimising dispatch through SAPP trading and regional imports



Transmission
- Expansion and maintenance of Namibia's national transmission backbone
- Grid strengthening (Auas–Kokerboom II, BESS projects)
- Managing system reliability, network planning, interconnectors, and load flows



Trading and system operations
- Electricity imports and exports via SAPP
- Load forecasting and balancing supply, demand, and reserve margins
- Grid Online wheeling and open-access transmission services



Customer and commercial services
- Tariff implementation and billing
- Revenue management, debt recovery, customer care, and power purchase agreements



Corporate functions
- Strategy, governance, finance, ICT, SHEQ, risk and compliance, legal, procurement, HR
- Digital transformation and innovation initiatives

Capital inputs

Financial capital

Revenue used to provide electricity to all consumers in Namibia:
Funding our operations and future growth:

- Revenue from electricity sales: N$9.1 billion (2024: N$8.6 billion), supported by higher energy sales volumes of 4,375 GWh (2024: 4,288 GWh)
- Average price per kWh sold (revenue input) : 206.7 c/kWh
- Investment income: N$805.4 million (2024: N$864.5 million)
- Additional income streams: GridOnline wheeling, investment returns, interest on overdue accounts, (↑29.3% growth)
- Cash generated from operations: N$1.8 billion (2024: N$1.7 billion)
- Total assets: N$59.0 billion (2024: N$54.9 billion)
- Capital expenditure: N$2.9 billion (2024: N$1.3 billion)

Manufactured capital

Infrastructure used (our power stations, transmission, and distribution networks, supplemented by IPP capacity) to provide electricity to all consumers in Namibia:

- National grid infrastructure, including:
- 4,856 GWh of total energy supplied into the system (2024: 4,676 GWh)
- 66 kV, 132 kV, 220 kV, and 400 kV transmission lines 12,060 km of transmission lines and 23,059 km of distribution lines (2024: 12,043 km and 22,978 km)
- Substations, switching stations, and transformers
- 565 MW of installed capacity (2024: 509.5 MW)
- Ruacana Hydropower Station, Anixas I and II, Van Eck, Omburu PV
- Operational IT and SCADA systems
- Assets under construction across generation and transmission portfolios

Human capital

Productivity, skills, and experience of our employees and key service providers:

- An experienced Board and executive leadership team provide strategic direction and oversight
- A total of 1,097 employees across Namibia (2024: 1,094) contribute technical expertise and operational excellence
- Continuous training and capacity-building programmes enhance employee competencies and productivity
- A strong focus on safety, health, and well-being supports a motivated and high-performing workforce

Social and relationship capital

The quality of the relationships with our various stakeholders and the investment made in our corporate social responsibility programmes that enhance the quality of lives:

- Constructive relationships with the Government, the Regulator, financiers, employees, service providers, the public, and the media
- Participation in Southern African Power Pool (SAPP) and established bilateral power agreements
- Stakeholder engagement structures and public consultations strengthened through ongoing collaboration and feedback mechanisms
- Corporate social investments through the NamPower Foundation in education, health and social welfare, capacity and skills development, and community development
- Rural electrification and peri-urban development programmes are ongoing
- Preferential procurement supports Namibian participation and economic empowerment

Intellectual capital

The intangible assets that sustain our ability to provide our products and services:

- A sound governance framework and clear strategy guide sustainable decision-making and accountability
- Robust management and information systems support operational efficiency, risk control, and compliance
- The NamPower brand is recognised nationally for reliability, technical excellence, and integrity
- Research, innovation, and planning models, including integrated resource planning, system forecasts, and demand modelling, strengthen institutional capacity and service delivery

Natural capital

The renewable and non-renewable natural resources we draw on in delivering our products and services:

- Hydro and solar energy resources supplied 51.88% of the 4,321 GWh of electricity to the system
- 6.41 billion m^3 of water from the Kunene River for hydropower generation
- Expansion of solar generation and PPAs with renewable IPPs to diversify supply
- Lower carbon intensity over time
- Responsible land and biodiversity management

Capital outcomes

Financial capital

- Net profit after tax N$1.5 billion (↑ 5.5%)
  (FY 2024: N$1.4 billion.
- Revenue N$9.1 billion (↑ N$500 million
  (FY 2024: N$8.6 billion)
- Units sold to customers in Namibia increased by 87 GWh (2024: ↑ by 432 GWh)
- Export sales: N$958 million
  (FY 2024: N$695 million)
- Total assets N$59.0 billion (2024: N$54.9 billion)
- Tax remittances: N$1.15 billion
- Depreciation ↑ 29.7%

Manufactured capital

- Well-maintained and reliable infrastructure
- Expanded and more resilient grid
- N$3.9 billion committed to generation and transmission projects in 2025
- Capital expenditure: N$2.9 billion
- Maintained transmission system performance of 99.81%
- No load-shedding or power outages
- Additional 17 kilometres of transmission lines (2024: 287 kilometres)
- Additional 81 kilometres of distribution lines constructed (2024: 48 kilometres)
- Upgraded IT infrastructure
- Units into the system: 4,856 GWh
- Electricity generated locally: 44.6% of 4,856 GWh
- Maximum demand: 670 MW
- Renewable capacity added: 20 MW
- IPP contribution results
- No load-shedding events reported

Human capital

- Overall company performance: 2.91/4 (2024: 3.2/4)
- Skilled and stable workforce: 1,097 employees (2024: 1,094), maintaining a strong national presence
- N$1.2 billion (2024: N$1.2 billion) invested in employee remuneration and benefits, recognising staff contributions and supporting economic participation
- Reduced staff turnover: 1.19% (2024: 1.55%)
- LTIR: 0.67 (2024: 0.64)
- Increased training reach: N3.5 million invested in more than 50% of employees (FY2024: N$2.4 million)
- Continued focus on employee wellbeing, safety, and inclusion, fostering engagement and productivity.
- Enhanced talent retention and succession pipeline

Social and relationship capital

- N$5.9 million (2024: N$9.4 million) invested through the NamPower Foundation to support education, health, capacity building, and community development
- Nine external bursaries awarded (2024: eight) and 16 vocational training bursaries awarded (2024: 15) building national skills and talent capacity
- Rural and peri-urban electrification programmes: N$45.5 million invested (2024: N$51.5 million)
- N$1.15 billion (2024: N$1.29 billion) contributed in taxes, reinforcing NamPower's support for national development priorities
- Local procurement impact: N$1.6 billion (FY 2024: N$630 million)
- Exports delivered: 539 GWh
- Stakeholder engagement outcomes achieved through ongoing structured engagement.

Intellectual capital

- Integrated governance and risk management frameworks enhanced decision-making, accountability, and regulatory compliance.
- Implementation of business process re-engineering and SAP S/4HANA migration improved operational efficiency and data integration.
- The NamPower brand maintained high stakeholder confidence and recognition for reliability and service excellence.
- Continued alignment of corporate strategy with national energy priorities ensured relevance and policy coherence.
- Improved market compliance (ECB audit)
- Additional revenue generated by the GridOnline and fibre optics rentals: N$20.2 million (2024: N$14.3 million)
- Successful BPR phase completion
- Enhanced data integration (ERP progress)
- Strengthened digital capacity via 5G licence

Natural capital

- Sustainable hydropower utilisation and renewable generation strengthened supply diversity and energy security
- Partnerships with 14 Independent Power Producers (IPPs) under the REFIT Programme expanded Namibia's renewable supply base
- 7 ECCs obtained vs 30 in prior year
- ECC applications for infrastructure projects: 1 (2024: 7)
- Imported electricity outcome: 48% of supply
- Environmental management and compliance initiatives implemented during the reporting period

03

GOVERNANCE AND LEADERSHIP



CHAIRPERSON'S STATEMENT



> As Namibia's energy landscape evolves, NamPower's responsibility remains constant — to ensure that every decision we make today strengthens the country's energy security and sustainability for generations to come.
>
> — Clive L. Kavendjii, Chairperson of the Board

INTRODUCTION AND STRATEGIC REFLECTION

It is my privilege to present NamPower's Integrated Annual Report for the year ended 30 June 2025, a milestone that concludes the implementation of our five-year Integrated Strategic Business Plan (ISBP 2020-2025). This closing year represents both reflection and renewal: an opportunity to consolidate the gains of the past five years and to position NamPower for the next phase of growth, guided by our national development agenda.

The ISBP 2020-2025 provided a disciplined framework for performance, investment, and transformation. Despite a challenging regional power environment, NamPower remained steadfast in fulfilling its mandate. The Board is proud of Management's achievement in maintaining operational stability, expanding local generation, and safeguarding financial sustainability during a period of significant global and regional uncertainty.

NamPower recorded revenue growth to N$9.1 billion in 2025, a reflection of both operational resilience and stakeholder trust. Beyond financial performance, this growth has strengthened the Company's capacity to reinvest in new generation and transmission infrastructure. It demonstrates that NamPower's sustainability is anchored in its ability to balance affordability, financial stability, and long-term investment in the national interest.

PERFORMANCE AND GOVERNANCE OVERSIGHT

Installed generation capacity increased to 565 MW, following the Anixas Power Station upgrade, which enhanced system flexibility and security of supply. The Board regards this achievement as more than an infrastructure milestone; it marks the beginning of a strategic shift toward a more diversified energy mix, integrating renewables and storage solutions to future-proof Namibia's energy system.

Throughout this reporting cycle, the Board focused on ensuring that NamPower's governance, risk, and compliance structures provided a solid foundation for sustainable growth. NamPower's framework is guided by the Public Enterprises Governance Act, the Electricity Act, the Companies Act, the NamCode, and the King IV Report on Corporate Governance. Applying these principles ensures that oversight translates into accountability, transparency, and legitimacy.

During the year, the Board approved the NamPower Ethics Strategy and Code of Ethics, embedding a culture where integrity is non-negotiable. These initiatives are designed to reinforce ethical leadership across all levels of the organisation. Success will be measured through increased ethics awareness, effective use of the ethics helpdesk, and inclusion of ethics objectives in performance agreements.

A Board Performance Assessment is scheduled for 2025/26 to provide an independent view of governance effectiveness. The findings will be used to sharpen the Board's oversight role, strengthen skills where required, and ensure alignment with NamPower's strategic direction and national energy objectives.

COMPLIANCE AND ACCOUNTABILITY

During the year, the ECB conducted an audit under the Modified Single Buyer (MSB) market rules, confirming NamPower's compliance while identifying areas for improvement, such as environmental clearance certificates. The Board responded by strengthening the compliance management framework, prioritising the clearance of environmental certificate backlogs, and embedding compliance accountability within management structures.

Recognising that technology is now a strategic enabler, the Board – through the Audit and Risk Committee – formalised IT governance as a standing agenda item. This includes quarterly oversight of cybersecurity, system integrity, and digitalisation projects. By anchoring IT governance in the principles of King IV, the Board ensures accountability for information security, digital transformation readiness, and the effective use of smart-grid technologies.

SUSTAINABILITY AND HUMAN CAPITAL

The establishment of the Environmental, Social and Governance (ESG) Committee in 2024 signalled the Board's commitment to integrating sustainability into decision-making. The committee ensures that major decisions are tested against environmental, social, and governance considerations. NamPower's Sustainability Roadmap (2025-2030) sets out the path from commitment to measurable impact, including clear milestones for embedding sustainability into business processes and reporting against defined metrics.

The Board also oversaw the review of NamPower's employment conditions and organisational structure to ensure alignment with the new strategic cycle. The guiding principle was to maintain a lean, efficient organisation while protecting the institutional knowledge and technical expertise essential to the evolving energy landscape. Cost optimisation cannot come at the expense of skills critical to NamPower's success. The Board remains committed to attracting and retaining top talent, particularly in renewable energy, digital systems, and project management.

LOOKING AHEAD

As the ISBP 2020-2025 concludes, the Board's focus shifts to the next strategic cycle, the ISBP 2026-2030 which will position NamPower as a catalyst for Namibia's energy transition. This new strategy will emphasise renewable integration, financial resilience, digital innovation, and sustainability-led value creation.

Three governance priorities will guide the Board's oversight in the years ahead:

- Securing long-term supply in a rapidly changing regional power market.
- Embedding sustainability and ethics as core principles of corporate governance.
- Maintaining affordability while enabling the capital investments required for national development.

NamPower's strategy remains fully aligned with NDP 6, the Harambee Prosperity Plan, and the NIRP, which is currently under review, to reflect Namibia's evolving renewable-energy ambitions. The Board will continue to contribute technical expertise to the policy process and ensure that NamPower's future investments support national and regional energy security.

IN APPRECIATION

On behalf of the Board, I extend my sincere gratitude to the Ministry of Industries, Mines and Energy, the Ministry of Finance, and the Electricity Control Board for their continued guidance and partnership. I also thank our shareholder, the Government of the Republic of Namibia, for its confidence in NamPower's leadership and governance.

Finally, I acknowledge my fellow Board members, the Managing Director, the Executive Management team, and all NamPower employees for their commitment, professionalism, and integrity. Together, we have completed one strategic chapter and are ready to begin the next one, even stronger, more agile, and united in purpose to power Namibia's sustainable energy future.



Clive L. Kavendjii
Chairperson of the Board

CORPORATE GOVERNANCE FOR SUSTAINED VALUE CREATION

NamPower remains committed to the highest standards of governance, business integrity, ethical conduct, and professionalism. These principles continue to guide the Company in delivering sustainable value to its shareholders and stakeholders.

BOARD COMPOSITION AND LEADERSHIP

Under the Public Enterprises Governance Act, 2019 (Act No. 1 of 2019), the Minister of Finance and Public Enterprises appointed a diverse and experienced Board comprising seven independent non-executive directors and one executive director. As the five-year strategic planning cycle (ISBP 2020-2025) came to a close, the Board continued to guide Executive Management in executing the Company's strategy and sustaining organisational performance.

GOVERNANCE FRAMEWORK

NamPower's governance framework is shaped by both legislative requirements and voluntary governance principles. The compulsory governance instruments applicable to NamPower as a public enterprise include the Public Enterprises Governance Act (Act No. 1 of 2019), the Companies Act (Act No. 28 of 2004), and NamPower's Memorandum and Articles of Association. These instruments establish the statutory foundation for the Board's authority, accountability, and reporting obligations.

In addition, NamPower aligns its governance practices with leading standards, notably the King IV Report on Corporate Governance for South Africa (King IV) 2016, and also complies with the Corporate Governance Code for Namibia (NamCode) as the national benchmark for good governance. These frameworks together ensure that the Board and Management operate in accordance with sound governance principles, ethical leadership, and responsible corporate conduct.

ROLE AND RESPONSIBILITIES OF THE BOARD

The Board provides strategic direction and oversight, ensuring that NamPower is managed in a way that promotes sustainable value creation and sound governance. It sets the tone for ethical and effective leadership and is supported by its committees in fulfilling its mandate.

In accordance with the Public Enterprises Governance Act, 2019 (Act No. 1 of 2019), the NamPower Board Charter, and the Company's Memorandum and Articles of Association, the Board is responsible for:

- approving NamPower's long-term ISBP, Annual Business and Financial Plan, and related budgets and cash flow forecasts;
- overseeing financial performance and approving the Annual Financial Statements;
- ensuring that the Company's performance management framework aligns with the strategic objectives;
- approving significant investments, divestments, and changes to management and control structures; and
- overseeing the Company's risk management strategy and internal control environment.

The Board's work plan and those of its committees are aligned with the responsibilities outlined in the Board Charter, ensuring the effective execution of its fiduciary and regulatory duties. Through these structures, the Board ensures that good governance practices are embedded across all aspects of the business.

ETHICAL LEADERSHIP AND OVERSIGHT

During the year under review, the Board strengthened its oversight role by reinforcing ethical leadership, accountability, and integrity across all areas of the business. In addition to overseeing organisational performance, the Board focused on embedding an ethical corporate culture, building stakeholder trust, and strengthening internal controls.

NamPower's governance structures collectively ensure accountability, effective oversight, and ethical leadership at every level of the organisation, as illustrated below.

GOVERNANCE STRUCTURES				
BOARD	**EXCO**	**CODE OF ETHICS**	**LEGAL AND COMPLIANCE**	**AUDIT AND RISK**
Our independent Board governs, directs, and has effective control over the Company	Our Executive Committee (ExCo) manages the day-to-day running of the business in line with the tone of governance set by the Board	Our revised Code of Ethics serves as the overarching guide, informing our decisions and guiding our behaviour	This function assesses the legal risks facing the Company and mitigates these by ensuring effective policies, procedures, and contracts are in place	Internal and external audits assess the effectiveness of controls in ensuring compliance and mitigating business risks

OUR GOVERNANCE PHILOSOPHY

NamPower's governance philosophy is founded on the principles of ethical leadership, accountability, and transparency.

The governance framework integrates statutory compliance with sound governance principles to support responsible and well-informed decision-making across all levels of the Company. It clearly defines the respective roles of the Board and Management, promoting integrity, effectiveness, and continuous improvement in how the Company is governed and managed.

Key components of NamPower's governance framework include:

- governance structures: drive top-down governance and facilitate the devolution of responsibility across the organisation;
- risk policy suite: mitigates risks through a comprehensive risk management framework that incorporates identification, assessment, reporting, mitigation, and oversight, in line with the NamPower Risk Management Framework (RMF);
- delegation of authority framework: ensures that clear, specific, and traceable authority is assigned to appropriate levels through defined delegation and sub-delegation mechanisms;
- three lines of assurance: establish clear accountability and ownership for risk management, the control environment, and mitigating action; and
- code of ethics: defines NamPower's principles, values, and expected standards of behaviour, guiding decisions and actions to ensure integrity, accountability, and consistency with the Company's shared values.

GOVERNANCE OF COMPLIANCE

NamPower operates within a highly regulated environment, subject to numerous laws, regulations, and codes governing the ESI. In line with the Modified Single Buyer Model, the Board has set strategic objectives to ensure that the Company remains compliant, relevant, and competitive in the evolving regulatory landscape.

To manage compliance effectively, NamPower has implemented a Compliance Management Framework that establishes, evaluates, and maintains robust systems to monitor and enforce compliance across the organisation. The framework is designed to identify potential risks, ensure adherence to statutory and regulatory requirements, and embed a culture of accountability and ethical conduct.

The ECB, as the sector regulator, oversees and monitors NamPower's operations in its role as market operator under the MSB rules. During the year under review, the ECB conducted an audit to assess NamPower's compliance with the new market rules. The audit confirmed that NamPower is complying with its licence conditions and has developed and implemented the necessary market agreements to support market participation. The ECB recommended further development in specific technical areas, such as congestion management within the Namibian power system, as the market continues to mature.

During the reporting period, an emerging compliance risk relating to the renewal of environmental clearance certificates (ECCs) was identified. NamPower has since prioritised the resolution of this matter, focusing particularly on distribution lines without valid ECCs. No other significant compliance breaches were recorded during the year, reaffirming the Company's commitment to effective compliance management and continuous improvement.

REGULATORY COMPLIANCE

The Board recognises that adherence to legislation and regulatory requirements is essential for sound governance. Oversight of compliance risk is delegated to the Audit and Risk Management Committee, which monitors legal and regulatory obligations and provides assurance to the Board and stakeholders that appropriate controls are in place.

NamPower complies with all applicable legislation, including the Companies Act, 2004 (No. 28 of 2004), Electricity Act, 2007 (No. 4 of 2007), the Labour Act, 2007 (No. 11 of 2007), and its internal governance policies and procedures. The Board also approves and monitors compliance with internal instruments such as the ISBP and the Annual Business and Financial Plan. During the year, the Board ensured the timely completion and submission of the ISBP to the Minister of Industries, Mines and Energy for approval.

It should be noted that the Public Enterprises Governance Act applies only to NamPower itself, and not to its subsidiaries or associates.

> The Board is committed to ensuring that sound governance principles are fully integrated into all aspects of the business.

BOARD PERFORMANCE ASSESSMENT

No formal evaluation of the Board's performance was conducted during the year under review. The next assessment will be undertaken in the 2025/26 financial year.

GOVERNANCE, LEADERSHIP, AND REINFORCING AN ETHICAL CULTURE

NamPower fosters a culture of integrity, accountability, and ethical leadership. Guided by sound governance principles, the Board ensures that ethics policies and codes of conduct address key ethical risks and advance the Company's strategic pillar of driving organisational and operational excellence. Together with Management, the Board sets the tone for ethical behaviour, reinforcing NamPower's values and commitment to responsible and transparent conduct.

During the year under review, the Board approved the NamPower Ethics Strategy and Management Plan, which provides a structured approach to promoting ethical awareness, accountability, and risk management across the Company. The plan's guiding intent is captured as follows:

"We strive to drive organisational excellence by building an ethical culture that inspires an honest workforce within the next three years."

The plan provides a structured approach to promoting ethical awareness, accountability, and risk management across the Company.

Key focus areas include:

- ethics awareness: rolling out ongoing ethics awareness campaigns and embedding ethics into training and communication programmes;
- accountability: ensuring ethics accountability at both governance and management levels through clear, enforceable policies, the creation of an ethics helpdesk, and the inclusion of ethics management goals in performance agreements; and
- ethics risk management: integrating ethics risks into the Corporate Risk Register with defined mitigation measures and regular monitoring.

As part of implementing the Ethics Strategy and Management Plan, the Board approved the NamPower Code of Ethics, which defines the Company's ethical intent, values, and expected standards of conduct. The code serves as a practical framework to guide behaviour and decision-making across the organisation.

To further strengthen ethical oversight, the Board designated the Chairperson of the Environmental, Social and Governance (ESG) Committee as the Ethics Champion, providing executive ownership of the ethics management programme and driving its implementation across the business.

CORPORATE SUSTAINABILITY

Sustainability remains central to NamPower's governance agenda, with renewed emphasis during the year on strengthening oversight, integration, and accountability for ESG principles. The Board recognises that the Company's long-term success depends on creating value responsibly; managing environmental, social, and governance impacts; and supporting Namibia's transition to a sustainable energy future.

The ESG Committee oversees all matters related to sustainability, ensuring that principles of responsible governance and sustainable development guide the Board's decisions. Its mandate includes reviewing policies, performance indicators, and management systems related to environmental stewardship, health and safety, climate resilience, and social responsibility. Sustainability is a standing agenda item at both Board and committee levels, enabling continuous monitoring and strategic alignment.

During the reporting period, NamPower advanced several initiatives to strengthen its sustainability governance framework, which include:

- enhanced ESG oversight: strengthening the role of the ESG Committee to ensure integrated reporting on environmental, social, and financial sustainability matters;
- alignment with emerging standards: putting plans in place to commence the process of aligning internal reporting practices with the IFRS S1 and S2 Sustainability Disclosure Standards and relevant GRI Standards to improve transparency and comparability of disclosures;
- climate and environmental stewardship: continuing to monitor environmental performance under the RMF, with no major environmental management concerns or incidents identified requiring Board intervention during the year;
- social investment and stakeholder impact: reinforcing accountability for the implementation and reporting of social investment initiatives to ensure that community development, education, and energy access programmes deliver measurable, long-term impact; and
- operational resilience: incorporating sustainability considerations into major projects and investment decisions to ensure that future infrastructure and generation capacity support both energy security and environmental sustainability objectives.

The Board's commitment to sustainability is further demonstrated through this Integrated Annual Report, on pages 121 to 128.

INFORMATION TECHNOLOGY GOVERNANCE

The Board assumes overall responsibility for the governance of information and technology, setting the direction for how digital systems and information assets are managed to support NamPower's strategic objectives and operational resilience.

Effective IT governance is critical to ensuring the reliability and security of NamPower's power system operations, protecting critical infrastructure from cyber threats, and aligning technology investments with business priorities.

Oversight of IT governance is delegated to the Audit and Risk Management Committee, which monitors technology and information risks, cybersecurity, and business continuity as part of the Company's Risk Management Framework. The committee receives quarterly reports on IT governance to ensure that systems remain secure, reliable, and responsive to organisational needs.

REMUNERATION PRACTICES FOR DIRECTORS AND EXECUTIVES

Non-executive directors
Remuneration for non-executive directors is determined in accordance with the directives issued under the Public Enterprises and Governance Act, 2019 (No. 1 of 2019) and published in Government Gazette No. 6572: Directives concerning remuneration levels for Chief Executive Officers and Senior Managers and Annual Fees and Sitting Allowances for Board Members.

NamPower is classified as a Tier 3 commercial public enterprise, and directors' annual fees and sitting allowances are applied accordingly. These fees are structured to reflect the responsibilities and time commitments of Board members, while ensuring alignment with national public enterprise governance standards.

GOVERNANCE ACTIVITIES FOR THE YEAR

During the year under review, the Board focused on several key areas aligned with NamPower's strategic pillars, ensuring effective oversight, accountability, and delivery against the Company's strategic objectives.

STRATEGIC PILLAR 1
Driving organisational and operational excellence

KEY FOCUS AREA	GOVERNANCE OUTCOME
Review of the conditions of employment and organisational structure	Achieved an organisational structure aligned to strategy, fit for purpose, and aimed at optimising operational efficiency and managing employment costs
Approval of key internal policies, including the revised Short-term Incentive, Recruitment and Selection, Budget, and Employee Health Management Policies	Strengthened governance, compliance, and workforce management frameworks
Approval of the 2024 Integrated Annual Report	Demonstrated commitment to transparency, integrated reporting, and stakeholder communication

STRATEGIC PILLAR 2
Ensuring security of supply

KEY FOCUS AREA	GOVERNANCE OUTCOME
Oversight of the generation, transmission, and distribution maintenance plans to ensure system reliability	Maintained a stable power supply with minimal system interruptions
Review of the new Determination by the Minister of Industries, Mines and Energy and related investment opportunities	Supported increased local generation and progress toward energy self-sufficiency
Oversight of the implementation of the Pre-paid Meter System and revenue protection initiatives	Reduced customer arrears and bad debts, improving liquidity and cost recovery

STRATEGIC PILLAR 3
Optimising financial sustainability

KEY FOCUS AREA	GOVERNANCE OUTCOME
Approval of the Annual Business and Financial Plan and corresponding budget	Ensured financial plans are aligned with strategic objectives and shareholder expectations
Approval of the audited Financial Statements for the year ended 31 March 2024 and endorsement of these at the Annual General Meeting	Reinforced transparency, accountability, and compliance with statutory reporting requirements
Review of tariff applications and financial performance to ensure affordability and cost-reflective tariffs	Supported financial sustainability and sound decision-making in the national electricity sector

STRATEGIC PILLAR 4
Unlocking the value of electricity sector collaboration

KEY FOCUS AREA	GOVERNANCE OUTCOME
Strengthening partnerships and power trading initiatives within the SAPP	Enhanced regional energy cooperation and access to diversified energy sources
Engagement with the Ministry of Industries, Mines and Energy, ECB, and IPPs to align market participation under the MSB Model	Promoted market development and improved competitiveness in the Namibian electricity sector

During the year under review, the Board approved several key policies to strengthen governance, compliance, and operational efficiency.

APPROVED POLICIES

- Revised short-term incentive policy
- Revised Recruitment and Selection Policy
- Revised Budget Policy
- Vocational Bursary Policy
- Employee Health Management Policy

BOARD COMPOSITION AND CHANGES DURING THE YEAR

The Board meets six times a year and is composed of individuals with diverse expertise, ensuring robust governance and informed decision-making.

During the year under review, Dr Ester Kali was appointed Chairperson of the Board on 1 April 2024, and retired on 31 August 2024. Mr Clive L. Kavendjii was appointed as Acting Chairperson on 21 August 2024 and confirmed as Chairperson on 3 December 2024.

Dr Ester Kali
Member, appointed on 11 April 2024 and retired on 31 August 2024

Mr Clive L. Kavendjii
Member, reappointed on 1 April 2024 and appointed as Chairperson on 3 December 2024

Mr Ralf G. Tobich
Member, appointed on 1 April 2024

Mr Shimweefeleni G. Hamutwe
Member, appointed on 1 April 2024

Ms Silke Hornung
Member, reappointed on 1 April 2024

Mr Evat Kandongo
Member, reappointed on 1 April 2024

Mr Kahenge S. Haulofu
Managing Director

Ms Paulina M. Elago
Deputy Chairperson appointed on 1 December 2024

Ms Martha Mbombo
Member, reappointed 1 April 2024

BOARD COMMITTEE MEETINGS

Board of Directors	Board	Audit and Risk Management Committee	Human Capital Committee	Board Procurement Committee	Investment Committee	Environmental, Social and Governance Committee
Meetings held	4	4	5	4	4	2
Attendance						
Mr Clive L. Kavendjii	4	4	n/a	n/a	n/a	1
Ms Paulina M. Elago (appointed 1 December 2024)	2	n/a	2	n/a	n/a	2
Ms Martha Mbombo	4	n/a	5	4	n/a	2
Ms Silke Hornung	4	4	3	n/a	4	n/a
Mr Evat Kandongo	4	n/a	n/a	4	4	n/a
Mr Ralf Tobich	4	n/a	n/a	4	4	n/a
Mr S.G. Hamutwe	4	4	5	n/a	n/a	2

BOARD COMMITTEES

Audit and Risk Management Committee
(Meets six times a year)

Chairperson: Ms Silke Hornung, appointed on 1 April 2024

Members:
Mr Clive L. Kavendjii, appointed to the committee on 1 April 2024
Mr Shimweefeleni G. Hamutwe, appointed to the committee on 1 April 2024

Mandate
The committee's mandate is to:

- oversee the quality and integrity of NamPower's integrated and financial reporting;
- provide assurance to the Board regarding risk management;
- review and assess the integrity of internal controls;
- oversee compliance with legal and regulatory requirements;
- oversee the qualification, independence, and effectiveness of the internal and external audit functions;
- ensure effective corporate governance;
- monitor compliance and provide reasonable assurance regarding the quality, integrity, and reliability of compliance risk management;
- monitor disclosures made on the Fraud Hotline;
- oversee the implementation of sustainability; and
- oversee the implementation of IT governance.

Key focus areas for the year
The committee's key focus areas for the year included:

- reviewing the finance-related policies;
- evaluation of the financial reports presented;
- approval of the external audit plan;
- consideration of the feedback on the implementation of IT governance, institutionalisation of ethics in NamPower, and property portfolio management;
- discussion of the internal audit reports presented;
- discussion and recommendation of the budget and audited financial statements for approval; and
- consideration of the payment of a dividend to the shareholders.

Human Capital Committee
(Meets four times a year)

Chairperson: Ms Martha Mbombo

Members:
Dr Ester Kali, appointed to the committee on 1 April 2024, served as member until 31 August 2024
Mr Shimweefeleni G. Hamutwe, appointed to the committee on 1 April 2024
Ms Paulina M. Elago, appointed to the committee on 28 March 2025

Mandate
The committee's mandate is to:

- make recommendations to the Board on the optimal structure, appointment of staff, and recruitment process;
- oversee the development and implementation of the human capital development plan;
- consider executive appointments and make recommendations to the Board;
- ensure the development and upgrading, as necessary, of an effective performance management system and monitor its implementation;
- review conditions of service and provide a channel of communication between the Board and Management on remuneration matters; and
- oversee and manage the performance of the Board and its committees.

Key focus areas for the year
The committee's key focus areas for the year included:

- receiving feedback on the performance of employees; and
- reviewing human capital policies.

Board Procurement Committee
(Meets four times a year)

Chairperson: Mr Ralf G. Tobich, appointed as Chairperson of the committee on 1 April 2024

Members:
Ms Martha Mbombo, appointed to the committee on 1 April 2024
Mr Evat Kandongo, appointed to the committee on 1 April 2024

Mandate
The committee's mandate is to:

- consider and recommend the approval of the Annual Procurement Plan to the Board and ensure that it is in accordance with the NamPower budget;
- consider a quarterly report of all procurement activities conducted;
- monitor NamPower's compliance to the NamPower Preferential Procurement Requirements (NamPower Equitable Economic Empowerment Policy [NEEEP]) and the Codes of Good Practice as issued under the Public Procurement Act 2015; and
- receive and consider strategic generation and transmission project reports to ensure compliance to the project timelines as set out in the NamPower ISBP 2020-2025 and Annual Business and Financial Plan.

Key focus areas for the year
The committee's key focus areas for the year included:

- approval of the Annual Procurement Plan;
- consideration and guidance of management in terms of strategic generation and transmission implementation projects;
- taking note of the feedback on the progress on the implementation of transmission projects; and
- guiding the improvement of the NEEEP implementation.

Investment Committee
(Meets four times a year)

Chairperson: Mr Evat Kandongo, appointed as Chairperson of the Committee on 1 April 2024

Members:
Mr Ralf G. Tobich, appointed to the committee on 1 April 2024
Ms Silke Hornung, appointed to the committee on 1 April 2024

Mandate
The committee's mandate is to:

- set and review NamPower's investment policies and strategies;
- establish and maintain investment and borrowing strategies;
- set criteria and targets for investment portfolio returns and evaluate performance against NamPower performance benchmarks;
- evaluate and recommend to the Board approval of new loans required for the overall corporate funding requirements; and
- review and recommend banking facilities.

Key focus areas for the year
The committee's key focus areas for the year included:

- consideration of the submitted investment reports;
- recommendation of the generation and transmission projects to be funded;
- reviewing investment-related policies and recommending them for approval; and
- overseeing the commencement of the process for listing of the NamPower Bond on the Namibian Stock Exchange.

Environmental, Social and Governance Committee
(Established on 26 September 2024; meets four times a year)

Chairperson: Ms Paulina M. Elago, appointed as Chairperson of the committee on 28 March 2025

Members:
Mr Clive L. Kavendjii, appointed to the committee on 26 September 2024, and resigned on 28 March 2025
Ms Martha Mbombo, appointed to the committee on 26 September 2024
Mr Shimweefeleni G. Hamutwe, appointed to the committee on 26 September 2024

Mandate
The committee's mandate is to:

- oversee environmental performance and compliance across all operations;
- monitor health, safety, and wellness standards to ensure a safe and productive workplace;
- review social investment and stakeholder engagement initiatives, including rural electrification programmes;
- evaluate sponsorships and donations, with a focus on education, community development, and sports;
- ensure sound governance, ethical conduct, and organisational integrity; and
- promote sustainability and responsible corporate citizenship throughout the Company.

Key focus areas for the year
The committee's key focus areas for the year included:

- considering and recommending the approval of the Ethics Implementation Strategy;
- recommending the approval of the Code of Ethics;
- recommending the appointment of the Ethics Champion;
- recommending the approval of health management-related policies and procedures; and
- overseeing the sustainable development and implementation of the strategy.

OUR LEADERSHIP

BOARD OF DIRECTORS

Term of appointment: The current Board, appointed on 1 April 2024, will serve a three-year term ending on 31 March 2027.

4 3
41-50 years **1**
51-60 years **4**
61-65 years **2**



Mr Clive L. Kavendjii
(Chairperson)

LLB and B Juris, University of Namibia, Namibia

Date of appointment to the Board:
1 October 2020 to 31 March 2024; reappointed on 1 April 2024
Mr Kavendjii served as the Acting Chairperson from 21 August 2024 and was appointed Chairperson of the Board on 3 December 2024.

Tenure:
Four years and three months

Committee assignment:
Audit and Risk Management Committee member

Mr Kavendjii is a highly accomplished legal practitioner admitted to both the High and the Supreme Court of Namibia. He holds two degrees from the University of Namibia (UNAM). Mr Kavendjii commenced his legal career at Nate Ndauendapo and Associates, where he gained valuable experience and simultaneously served as a full-time lecturer in the Law Faculty at the University of Namibia from 2001 to 2012. In 2004, while still lecturing at UNAM, Mr Kavendjii co-founded Kangueehi and Kavendjii Incorporated. He currently serves as the President of the Law Society of Namibia, demonstrating his esteemed reputation within the legal profession. Mr Kavendjii is a respected member of the Namibia Law Association.



Ms Paulina M. Elago
(Deputy Chairperson)

Master's in International Trade and Finance, Lancaster University, Lancaster, UK
Bachelor's degree in Business Administration; Marketing, Management and Finance, Augustana College, Rock Island, Illinois, USA

Date of appointment to the Board:
1 December 2024 as Deputy Chairperson of the Board

Tenure:
Seven months

Committee assignment:
Environmental, Social and Governance Committee (Chairperson), Human Capital Committee member.

Ms Elago is an accomplished leader in international trade and development, with more than three decades of high-impact service in senior leadership roles across public institutions, regional organisations, multilateral agencies and technical cooperation programmes. Her career spans Southern and East Africa, the Commonwealth, and the African, Caribbean and Pacific (ACP) regions.
She previously served as Executive Secretary of the Southern African Customs Union (SACU), steering high-level trade negotiations and strategic policy initiatives to advance regional integration. Her earlier roles include Chief Trade Negotiator for Namibia, Economic Adviser at the Commonwealth Secretariat, Deputy Chief of Party at the Southern Africa Trade Competitiveness Hub in Botswana, and Tanzania Country Director for TradeMark East Africa, where she successfully led multi-million-dollar, multi-country trade development programmes.
Her leadership has shaped transformative strategies in regional integration, international trade negotiations, trade facilitation, industrialisation, investment climate reforms, trade-related infrastructure development, institutional reform, and capacity building. Her experience also includes strengthening strategic partnerships, advancing digital transformation, and supporting initiatives to promote sustainable economic development across developing countries.
Her board and strategic advisory roles reflect a strong grounding in governance, public policy, value creation, institutional development, and sustainable economic development. Drawing on broad regional and international exposure, she offers a strategic perspective on complex policy, strategy, trade, investment and development matters.



Mr Evat Kandongo

B.Sc. Civil Engineering (Pr. Eng.), Tampere University of Technology, Finland

Date of appointment to the Board:
1 October 2020 to 31 March 2024; reappointed on 1 April 2024

Tenure:
Four years and three months

Committee assignment:
Board Procurement Committee member, Investment Committee (Chairperson)

Mr Kandongo is a registered professional civil engineer with a career that began in the private sector and later expanded to include positions in the City of Windhoek and other organisations. In 2001, he became Associate Director at Stewart Scott Namibia. Mr Kandongo serves as the Chief Executive Officer and majority shareholder of Consulting Services Africa, where he actively participates in various energy-related projects with a specific emphasis on renewable energy. Additionally, he holds the position of trustee for the University of Namibia's Engineering Fund.



Ms Silke Hornung

CA (Nam) and CA (SA), CIMA/CGMA, University of Pretoria, South Africa

Date of appointment to the Board:
1 October 2020 to 31 March 2024; reappointed on 1 April 2024

Tenure:
Four years and three months

Committee assignment:
Audit and Risk Management Committee (Chairperson), Investment Committee member

Ms Hornung is a registered chartered accountant with vast experience and expertise in accounting and finance. She began her career with Deloitte while also lecturing part-time at the former Polytechnic of Namibia and Damelin College in Walvis Bay. Ms Hornung later gained international experience with Deloitte. Returning to Namibia, she joined Bidvest Namibia, where she assumed diverse roles in the finance business unit for several years. Ms Horning then joined Pointbreak Wealth Management as a Senior Wealth Manager before establishing her own consulting firm.



Mr Shimweefeleni G. Hamutwe

BSc Mathematics and Chemistry, University of Namibia, Namibia
MBA Energy, Policy and Technology, Technische Universiteit Twente, Enschede, the Netherlands

Date of appointment to the Board:
1 April 2024

Tenure:
One year and three months

Committee assignment:
Human Capital Committee member, Audit and Risk Management Committee member, Environmental, Social and Governance Committee member.

Mr Hamutwe is a trained energy and environmental advisor, energy technologist/auditor, chemist and mathematician. He has served as an Energy Industry Expert Advisor at national and international institutions, focusing on electricity, renewable energy, green hydrogen, and climate change.



Ms Martha Mbombo

Master of Business Leadership (MBL), UNISA, South Africa

Date of appointment to the Board:
1 October 2020 to 31 March 2024; appointed as Acting Chairperson from 1 October 2023 to 31 March 2024

Tenure:
Four years and three months

Committee assignment:
Human Capital Committee (Chairperson), Board Procurement Committee member, Environmental, Social and Governance Committee

Ms Mbombo is an accomplished human resources practitioner with extensive expertise. She holds multiple degrees, including a Master of Business Leadership, a Bachelor of Business Administration, and a Master of Health Personnel Education. Ms Mbombo began her career in human resources and administration within various government ministries. Ms Mbombo served as Deputy Executive Director in the Ministry of Gender Equality, Poverty Eradication and Social Welfare located in the Office of the President, just before exiting the civil services.



Mr Ralf G. Tobich

BSc Electrical Engineering, University of Cape Town, South Africa
MSc Energy Studies, Energy Research Institute, University of Cape Town, South Africa

Date of appointment to the Board:
1 April 2024

Tenure:
One year and three months

Committee assignment:
Board Procurement Committee (Chairperson), Investment Committee member

Mr Tobich is an energy sector expert with over 30 years of experience in sub-Saharan Africa, primarily in consulting and advisory roles, spanning the fields of renewable energy policy and strategy, power sector development planning, and electricity access. Mr Tobich has industry experience in the mining sector and business development experience in the hydropower, solar PV, and green mini-grids sectors.

EXECUTIVE MANAGEMENT COMMITTEE (EXCO)



Mr Kahenge S. Haulofu
Managing Director

Mr Haulofu holds a BSc Hons in Civil Engineering from the Tampere University of Technology in Finland and is a graduate of the Advanced Management Programme of Harvard Business School in Boston, USA. He is registered as a professional engineer with the Engineering Council of Namibia.

Mr Haulofu joined NamPower in 1998 as Manager of Construction of Projects and Civil Assets, before being appointed as General Manager of the Engineering Services Department, and subsequently General Manager of the Power Generation Department. With his extensive experience in generation and transmission, Mr Haulofu has successfully overseen the implementation of various significant transmission and generation projects locally and regionally.



Mr Fritz C Jacobs
Chief Operating Officer

Mr Jacobs holds a BSc in Electrical Engineering and an MSc in Electrical Engineering from the University of Cape Town, South Africa. He is registered as a professional engineer and also holds the designation of FCIS (Chartered Business Administrator).

Mr Jacobs has extensive experience from many years in the corporate and private sector, ranging from consulting engineering, strategy, and project and contract management to governance and business executive leadership in the electricity, information and communication technology (ICT), mining, and construction environments.



Mr Gerson G. Rukata
Executive: Generation

Mr Rukata is a mechanical engineer and holds a BEng Hons in Agricultural and Mechanical Engineering from the Cranfield University in England. With a 25-year tenure at NamPower, he has acquired extensive experience and expertise.

During his initial two years at NamPower, Mr Rukata played a crucial role in the RSA 400kV Transmission Interconnector Project. Following this, he dedicated six years to maintaining transmission and distribution infrastructure, ensuring their smooth operation. Over the past 18 years, Mr Rukata has focused on developing electricity power generation projects, gaining invaluable knowledge and experience.



Ms Kandali Iyambo
Executive: Modified Single Buyer

Ms Iyambo is a seasoned professional in the regional and local electricity supply industry. Her extensive experience in the electricity industry spans energy trading, power purchase agreement negotiations, financial modelling, electricity system operation, corporate governance, transparency, and value-based organisation. With a MEng in Electrical Engineering (M-Tech), an MBA, and a B Juris degree, Ms Iyambo brings a wealth of knowledge to her directorships in multiple companies, providing strategic oversight in both large and small business organisations.



Mr Leandro Kapolo
Executive: Transmission

Mr Kapolo holds a Bachelor of Technology in Electrical Engineering from CPUT, and a BSc Hons and an MSc in Technology Management from the University of Pretoria. He completed the Executive Development Programme at Stellenbosch University and is a registered Incorporated Engineer with the Engineering Council of Namibia.

With over 29 years of experience in NamPower's Transmission Business Unit, Mr Kapolo has extensive expertise in power systems, grid operations, planning, energy trading, and regional integration within the SAPP. He has played a key role in commercialising NamPower's fibre optic network, and has held leadership positions in the Association of Power Utilities of Africa (APUA) and the SAPP, including chairing the SAPP Operating Subcommittee and the Coordination Centre Board.

Mr Kapolo serves on the Nored Board and on the Ministry of Industries, Mines and Energy Industry Skills Committee under the Namibia Training Authority.

Mr Kapolo is committed to innovation, sustainability, and capacitating others.



Ms Selma Ambunda
Executive: Human Capital

Ms Ambunda is a seasoned Human Capital Executive with extensive experience in strategic human resource management, organisational development, and people leadership. She holds an MBA from the Australia Institute of Business, a Master's Degree in Human Resource Development from the University of South Africa (UNISA), and a Bachelor of Laws (LLB). She is also a graduate of the Executive Development Programme (EDP) and the Management Development Programme (MDP) from the University of Stellenbosch Business School.

Ms Ambunda is a member of the South African Board for People Practices (SABPP), and certified as an Ethics Practitioner, demonstrating her commitment to professional excellence and ethical human resource practices. With over 20 years of professional experience, she has established herself as a seasoned Human Capital leader, with expertise in developing and implementing HR strategies that support organisational transformation, enhance workforce performance, and strengthen institutional capability. Her work has focused on aligning human capital practices with organisational objectives to drive sustainable growth and operational effectiveness.



Mr Michael Gotore
Chief Financial Officer

Mr Gotore is a chartered accountant with a strong educational background. He holds a BCom Hons in Accounting, a Postgraduate Diploma in Applied Accountancy from the University of Zimbabwe, and an MSc in Leadership and Change Management from the Leeds Metropolitan University in England. With over 22 years of experience, Mr Gotore has worked in various sectors, including audit, investment banking, asset management, and financial management.

INTERNAL CONTROL AND ASSURANCE

NamPower's internal control and assurance framework underpins effective governance and sustainable performance. It ensures that risks are managed proactively, operations are well controlled, and decisions are based on reliable information. Through continuous improvement and alignment with global best practice, the framework strengthens accountability, transparency, and value creation across the organisation.

GOVERNANCE AND INDEPENDENCE

The NamPower Board is ultimately responsible for maintaining a sound system of internal control and assurance to safeguard assets, ensure accurate reporting, and support the achievement of strategic objectives. Oversight of this system, including the Internal Audit function (IAF), is delegated to the Audit and Risk Management Committee (ARMC).

NamPower's control environment is supported by clear policies, structured processes, and a strong culture of accountability. These mechanisms collectively promote effective risk management, operational integrity, and good governance.

ADVANCING COMBINED ASSURANCE

NamPower continues to implement a combined assurance model, led by Internal Audit, to coordinate assurance efforts across key functions, including risk management, compliance, legal, health, safety, and environment, as well as external audit. This integrated approach minimises overlap, strengthens oversight, and provides the Board with a more comprehensive view of risk and control.

INTERNAL AUDIT FUNCTION

The Internal Audit function provides independent and objective assurance on the effectiveness of governance, risk management, and control processes. It operates in accordance with the Global Internal Audit Standards and the Institute of Internal Auditors (IIA) framework.

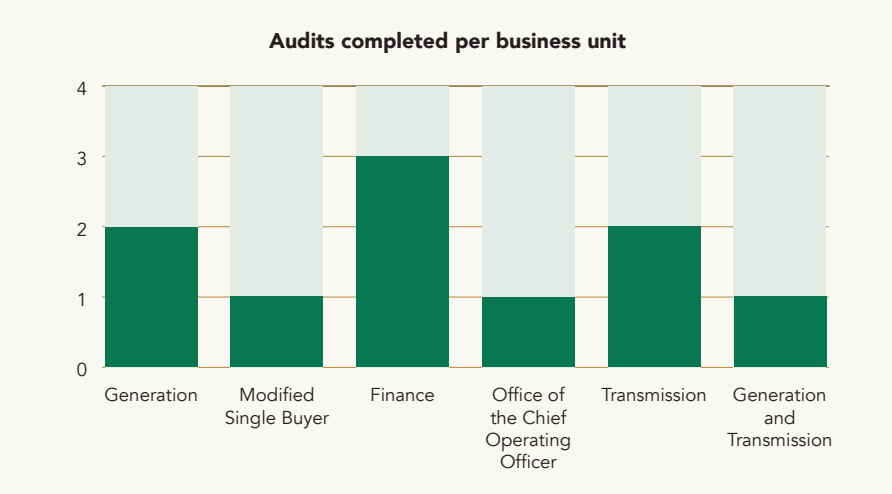
To preserve independence, Internal Audit reports functionally to the ARMC and administratively to the Managing Director. Its authority, mandate, and responsibilities are defined in the Internal Audit Charter, approved by the ARMC.

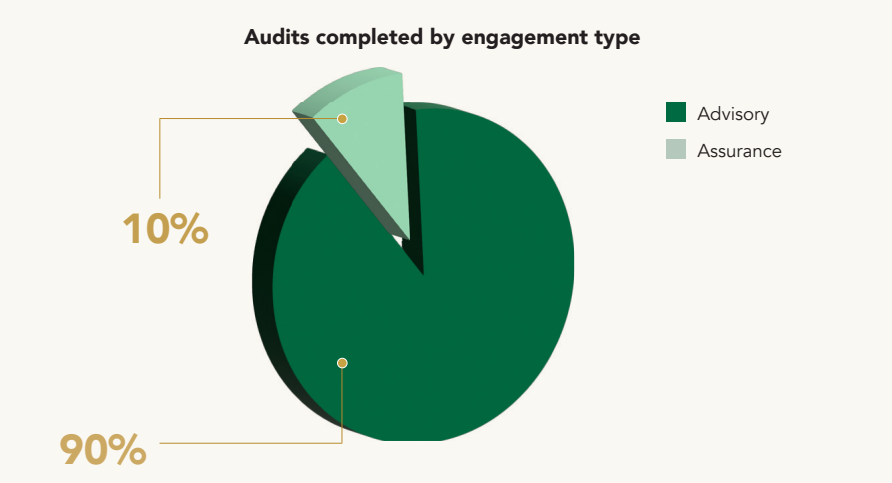
Each year, the IAF develops a risk-based audit plan aligned to NamPower's strategic priorities and enterprise risk profile. The ARMC approves the plan, and progress is reviewed quarterly.

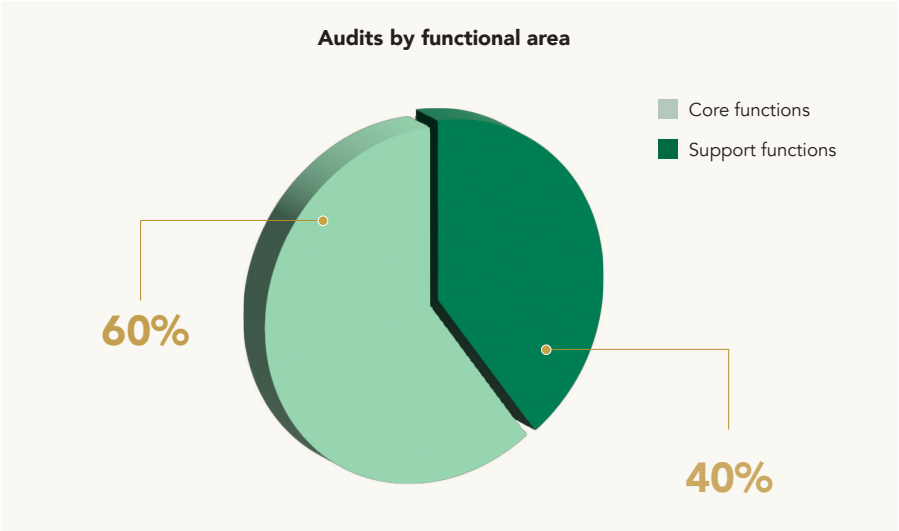
2024/25 INTERNAL AUDIT COVERAGE

During the 2024/2025 financial year, Internal Audit completed 90% (10 audits) of its approved plan. More than half of the completed audits focused on NamPower's core business areas, reflecting the operational risk landscape of NamPower.

The following figures illustrate audits completed by business unit, engagement type, and functional area during the reporting period, respectively.







2025/26 INTERNAL AUDIT PLAN

The 2025/26 Internal Audit Plan will be finalised once NamPower's new ISBP 2026-2030 and enterprise risk profile are approved.

Internal Audit continues to respond to emerging risks and management requests and anticipates expanding its advisory role to support strategic initiatives and governance, thereby enhancing governance.

EXTERNAL QUALITY ASSESSMENT

In keeping with international best practice, Internal Audit is undergoing an independent external quality assessment against the Global Internal Audit Standards, effective from January 2025. The assessment will confirm compliance with all mandatory IIA elements and identify opportunities for further improvement to enhance audit quality and value delivery.

LOOKING AHEAD

In the year ahead, Internal Audit will focus on:

- **implementing quality review recommendations** to improve audit practices and align more closely with global internal audit standards;
- **developing and refining the audit universe** to ensure full visibility of all auditable areas across NamPower and better track audit coverage;
- **strengthening the combined assurance framework** by coordinating efforts with other assurance providers and improving risk oversight;
- **aligning the IAF strategy** with the new ISBP 2026-2030; and
- **gradually expanding internal audit capacity** to deepen audit coverage and advisory impact.

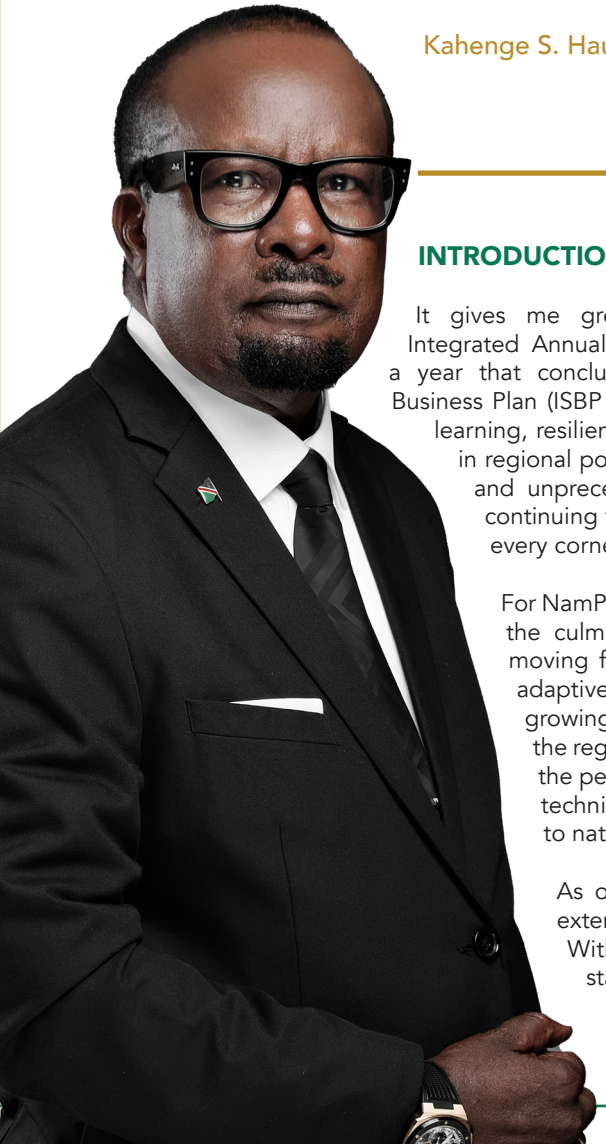
These initiatives aim to further strengthen NamPower's internal control environment and position Internal Audit as a trusted partner in promoting accountability, transparency, and value creation.



04
OUR OPERATING CONTEXT

MANAGING DIRECTOR'S REPORT

> Our purpose is clear: to power progress by combining reliability with innovation, ensuring that NamPower remains resilient, agile, and ready for the opportunities of a transforming energy future.
>
> Kahenge S. Haulofu, Managing Director



INTRODUCTION AND LEADERSHIP REFLECTION

It gives me great pleasure to present NamPower's Integrated Annual Report for the 2024/25 financial year; a year that concludes our five-year Integrated Strategic Business Plan (ISBP 2020-2025). This cycle has been one of learning, resilience, and renewal. We navigated volatility in regional power supply, global inflationary pressures, and unprecedented investment requirements while continuing to deliver electricity safely and reliably to every corner of Namibia.

For NamPower, this final year of the ISBP represents the culmination of five years of transformation: moving from a conventional utility to a modern, adaptive energy company that serves Namibia's growing economy and participates confidently in the regional power market. I am deeply proud of the people of NamPower, their professionalism, technical excellence, and shared commitment to national progress.

As outlined in the Chairperson's report, the external environment remained complex. Within this context, NamPower maintained stability, met its obligations to customers, strengthened its assets, and built the organisational capability required for the next stage of growth.

FIVE-YEAR STRATEGIC PERFORMANCE (2020-2025)

The ISBP 2020-2025 guided NamPower through a period of disciplined execution. The plan's four strategic pillars (ensuring security of supply, unlocking the value of electricity sector collaboration, optimising financial sustainability, and driving organisational and operational excellence) framed every decision and investment we made.

Reliability and system performance
Over five years, NamPower sustained an average system reliability that exceeded 99.7%. Despite regional deficits and infrastructure ageing, no major power interruption occurred. Proactive maintenance, improved outage planning, and digital monitoring ensured that generation and transmission assets remained available when needed most.

The Anixas II Power Station, completed during this cycle, added flexible peaking capacity that bolsters energy security during high-demand periods or hydrological shortfalls at Ruacana. Ruacana Hydro itself continued to anchor Namibia's renewable generation profile, producing more than 2,000 GWh annually in favourable hydrology years.

Infrastructure investment and expansion
NamPower invested more than N$9 billion in capital projects between 2020 and 2025. Key highlights include the expansion of the 330-kV backbone to 713 kilometres, substation upgrades across the central and northern networks, and progress on the Omburu Battery Energy Storage System (BESS) – the first utility-scale facility of its kind in Namibia.
These investments enhance reliability and prepare the grid for greater renewable penetration, regional wheeling, and industrial-growth connections such as those serving the mining and logistics sectors.

Market and generation diversification
Implementation of the MSB framework during this period marked a structural milestone. It opened the way for IPPs to supply large customers directly under transparent market rules, positioning Namibia as one of the most progressive electricity markets in Southern Africa.

NamPower's own project pipeline diversified toward renewables, with several solar and wind developments at feasibility stage and new hybrid options under design. These initiatives directly support national decarbonisation objectives and NDP 6 priorities.

Governance, sustainability, and people
Institutionally, the Company strengthened governance and ethics frameworks, established an ESG Committee, and developed a Sustainability Roadmap (2025-2030). Safety performance improved steadily, and a culture of accountability and inclusion took deeper root.

Our workforce of 1,097 employees benefited from structured technical, leadership, and digital-skills programmes. During this period, more than 600 staff completed targeted training, ensuring NamPower retains critical capabilities for the evolving energy landscape.

OPERATIONAL PERFORMANCE – 2024/25

The 2024/25 financial year showcased operational stability and responsiveness. Total energy delivered into the system rose to 4,856 GWh, with 4,375 GWh sold to customers – the highest in five years.

This performance was supported by steady domestic generation and responsive regional sourcing. Local generation expanded with the addition of Anixas II and strong hydro output, while short-term supply constraints from regional partners required limited supplementary imports through the SAPP to ensure reliability.

Domestic generation assets performed strongly:

- Ruacana Hydro continued to deliver consistent renewable energy and ancillary-service support.
- Anixas provided valuable dispatchable capacity, reducing exposure to peak-period imports.
- Van Eck underwent essential maintenance to enhance readiness.
- Grid-expansion projects advanced on schedule, and integration studies for future renewable projects were completed, ensuring grid readiness for new IPPs expected under the forthcoming planning cycle.
- Customer service and system reliability remained priorities. Major system incidents were contained quickly, and no customer experienced extended supply disruption attributable to internal network failures, which is a testament to our operational discipline.

FINANCIAL PERFORMANCE – 2024/25

NamPower maintained a stable financial footing despite macroeconomic headwinds. Revenue increased to N$9.1 billion from N$8.56 billion in 2024, reflecting higher sales volumes and disciplined tariff management approved by the ECB.

Operating expenditure remained tightly controlled through efficiency measures, improved procurement practices, and fuel-cost optimisation. The Company achieved positive cash flow from operations, supported by effective working-capital management.

Capital investment of N$2.9 billion was directed primarily to:

- transmission reinforcement (48%);
- generation maintenance and upgrades (32%); and
- ICT and digital transformation projects (20%).

Liquidity ratios and the debt-service coverage ratio (DSCR) remained healthy, underpinning continued access to financing for strategic projects.

Note: At the time of reporting, NamPower had received an unaudited opinion from its external auditors, PricewaterhouseCoopers, pending finalisation of the statutory audit process.

The Board and Management remain confident that NamPower's financial position is strong and aligned with long-term sustainability objectives.

OUR PEOPLE, CULTURE, AND LEADERSHIP

Behind every operational result is the dedication of NamPower's people. Over this five-year cycle we invested deliberately in developing leadership, enhancing diversity, and embedding a culture of performance and accountability.

The Leadership Development Programme equipped emerging leaders with strategic-management, financial, and stakeholder-engagement skills. Technical training focused on high-voltage operations, digital grid technologies, and safety. Our health-and-wellness initiatives supported employees through challenging work conditions, while internal communication platforms strengthened transparency and collaboration.

Diversity remains a strategic focus, with women now representing 30% of the professional workforce and increasing participation at supervisory and management levels.

Safety continues to define our operational culture. The Company recorded zero fatalities for the second consecutive year and a declining lost-time-injury frequency rate, a reflection of leadership commitment and employee vigilance.

SUSTAINABILITY AND ESG INTEGRATION

Sustainability is no longer an adjunct to NamPower's business model; it is integral to our value-creation process. In 2024/25 we embedded the ESG Framework across business units, linking environmental and social indicators to performance scorecards. Environmental stewardship remained central to operations: oil-spill containment standards were updated, waste-management procedures were strengthened, and biodiversity assessments were completed for key substations. NamPower continued to offset operational emissions through renewable generation and Ruacana's hydro contribution.

On the social front, the Company advanced rural electrification projects in partnership with the Ministry of Industries, Mines and Energy and maintained community development support through the NamPower Foundation. Procurement policies were refined to maximise local-supplier participation and enterprise development. Governance enhancements included integrating ESG reporting into Board committee oversight and aligning disclosures with the International <IR> Framework and the new IFRS Sustainability Disclosure Standards (S1 and S2).

STRATEGIC OUTLOOK – ISBP 2026-2030

As we look ahead, NamPower stands at the threshold of a new phase of growth. The forthcoming ISBP 2026-2030 will translate national energy policy into actionable programmes that secure supply, drive affordability, and enable industrial development.

Our priorities will include:

- expanding renewable generation: delivering utility-scale solar, wind, and hybrid projects to diversify the energy mix and enhance energy independence;
- modernising transmission infrastructure: completing new 400-kV corridors and regional interconnectors to strengthen cross-border trade and system resilience;
- embedding sustainability and climate resilience: operationalising the ESG Framework and advancing climate-risk assessments for all major projects;
- driving digital transformation: leveraging smart-grid technologies, data analytics, and automation to improve efficiency and customer experience;
- ensuring financial sustainability: optimising the tariff structure, broadening revenue streams, and maintaining prudent debt management; and
- developing people and partnerships: continuing to build the capabilities, leadership, and collaborations required for long-term success.

Through these initiatives, NamPower will continue to power Namibia's development agenda and contribute to the broader regional energy transition.

IN APPRECIATION

I extend heartfelt appreciation to our shareholder and line ministries for their guidance and confidence, to the NamPower Board for its stewardship, and to our customers, suppliers, and partners across the SAPP for their collaboration.

To the employees of NamPower, our greatest asset, thank you for your professionalism, integrity, and unwavering commitment to excellence. Together we have achieved remarkable results, maintained reliability that our nation can depend on, and built the foundation for a future that is sustainable, inclusive, and full of possibility.



Kahenge S. Haulofu
Managing Director

OUR OPERATING CONTEXT

NamPower operates in a rapidly evolving ESI environment shaped by local and global economic trends, regional power dynamics, and Namibia's own socio-political development. These external and internal factors directly influence the Corporation's ability to deliver on its mandate of providing reliable, affordable, and sustainable electricity. Understanding this operating context and the arising material matters provide important insights into how NamPower creates and protects value in the short, medium, and long terms.

ECONOMIC OVERVIEW

Global economy

According to the International Monetary Fund (IMF) World Economic Outlook Update (July 2025), global output is projected to moderate to 3.0% in 2025, following 3.3% in 2024, before edging slightly higher to 3.1% in 2026. Growth in advanced economies is expected to slow to 1.5-1.6%, reflecting tighter financial conditions, waning fiscal support, and subdued investment sentiment. In contrast, emerging market and developing economies are forecast to expand by about 4.1% in 2025, driven by robust momentum in Emerging and Developing Asia, where India and China remain key contributors to global growth.

Rising trade barriers, persistent policy uncertainty, climate-related disruptions, and geopolitical conflicts continue to weigh on growth. At the same time, global momentum towards renewable energy and sustainable infrastructure is accelerating, creating opportunities for countries with abundant renewable resources, such as Namibia, while we take full cognisance of the impact of intermittency these technologies entail.

For NamPower, this global context presents both challenges and opportunities:

- **Cost pressures:** volatile international prices for imported equipment, coal, and fuel remain subject to volatile global pricing, while tighter global financing conditions raise the cost of capital and project financing.
- **Opportunities:** growing access to international climate finance and rising investor interest in green energy projects provides avenues to fund Namibia's transition to a more diversified and sustainable generation mix.

Regional outlook

Sub-Saharan Africa's economy is expected to expand from 3.5% in 2024 to 3.7% in 2025, reaching 4.2% by 2027. Debt pressures, weak external demand, and climate risks remain key constraints. For Namibia, the regional environment has a direct impact on electricity imports through the SAPP.

South Africa
Growth is projected at just 0.7% in 2025 as Eskom transitions through structural changes. Supply has stabilised, resulting in a significant improvement in South Africa's security of supply. Eskom, together with the National Transmission Company of South Africa (NTCSA), remains an important regional energy trading partners for NamPower.

Zambia
With GDP expected to rise by 5.8% in 2025, Zambia's mining-led growth continues to drive internal electricity demand, and the country remains an important energy trading partner.

Angola, Botswana, and the DRC
The economic trajectories will have an impact on NamPower. Future regional projects, particularly in gas-to-power, renewables, and hydropower, provide great potential for expanded interconnections.

Local economy

According to the Bank of Namibia's Economic Outlook Update (August 2025), the Namibian economy recorded growth of 3.7% in 2024 and is projected to expand by approximately 4.0% in 2025. The anticipated improvement reflects sustained activity in the mining, manufacturing, construction, transport, and financial services sectors. The mining industry, particularly in uranium, gold, and diamonds, remains a cornerstone of the economy and continues to contribute significantly to electricity demand.

While the medium-term outlook remains positive, the bank notes that risks persist, including climate variability, fluctuating commodity prices, and higher import and financing costs. Nonetheless, the domestic economy stands to benefit from increased investment in renewable energy, infrastructure development, and regional trade linkages, which are expected to support stable growth and energy-sector expansion.

For NamPower, the 2024/25 financial year reflects this economic momentum:

- A total of **4,856 GWh** was supplied into the system, with **maximum demand peaking at 670 MW,** broadly consistent with the previous year.
- Revenue rose to **N$9.1 billion,** supported by an average tariff of **207 cents/kWh**.
- Capital expenditure increased to **N$2.9 billion**, underscoring the scale of investment required to sustain and expand Namibia's electricity infrastructure.
- NamPower serves **3,053 customers**, a relatively small but concentrated customer base. Large power users, including mines, regional electricity distributors, municipalities and local authorities, make up a substantial share of NamPower's consumption and revenue.
- Input costs increased due to the nature of commodity prices, supply-chain pressures, and forex volatility.



4,856 GWh

was supplied into the system, with **maximum demand peaking at 670 MW**, broadly consistent with the previous year.

N$9.1 billion

supported by an average tariff of **207 cents/kWh.**

Capital expenditure

▲ N$2.9 billion

3,053

customers served

These figures underline the close link between national economic performance and NamPower's operational results. Industrial expansion, especially in uranium mining and future green hydrogen projects, creates positive pressure on electricity demand, while household and commercial growth increases the need for robust distribution networks. Fiscal constraints, including lower receipts from the Southern African Customs Union (SACU), may limit public co-funding of electrification initiatives, placing greater responsibility on NamPower to balance investment, affordability, and universal access goals.

In view of the substantial investments expected in the next phase of the five-year planning, NamPower is proactively broadening its horizons to expand its revenue base.

ELECTRICITY SUPPLY INDUSTRY

Electricity supply outlook

Fitch Ratings highlights Namibia's current reliance on imports, while NamPower is steadfastly working towards transitioning towards sufficient generation capacity to support the regional energy demands. At the same time, NamPower's sovereign backing and investment programme strengthen resilience.

In 2025, NamPower advanced strategic initiatives to improve local security of supply:

- **Renewable energy diversification:** The implementation of solar, wind, and biomass projects are progressing well. The renewable diversification is designed to achieve the national strategy on maximising on the share of renewable energy sources for the sustainable development of the country in its industrialisation drive.
- **Transmission backbone reinforcement:** Capital projects are strengthening grid reliability and enabling integration of intermittent renewable generation.
- **Electrification drive:** The drive for electrification supports Namibia's policy objective of universal electricity access by 2040.

OTHER STRATEGIC MATTERS

- **Climate resilience:** Rainfall patterns continue to affect output from the Ruacana Hydropower Station, Namibia's largest domestic generator, underscoring the urgency of diversification.
- **Tariff and regulatory environment:** Balancing cost-reflective tariffs with consumer affordability remains a delicate issue, particularly given the upward trend in the cost of energy/supply.
- **Regional integration:** Active participation in the SAPP ensures short-term supply security and positions Namibia to potentially export surplus power in the future.
- **Green hydrogen and industrialisation:** Namibia's goal to develop large-scale green hydrogen projects will drive unprecedented electricity developments, requiring NamPower to anticipate and plan for major expansions related to the profiles of these projects.

MATERIAL MATTERS IN CONTEXT

While NamPower has not yet formalised a materiality determination process, the operating environment highlights several material matters that directly influence the Company's ability to create value. These matters align closely with NamPower's four strategic pillars.

Ensuring security of supply
- Nearly half of the national demand relies on imports.
- Rainfall patterns affect the Ruacana Hydropower output.
- Diversify generation into solar, wind, biomass, gas-to-power projects, and additional hydropower.
- Strengthen Namibia's participation in the SAPP.

Unlocking the value of electricity sector collaboration
- Accommodate IPP participation in renewable generation.
- Build partnerships with regional utilities and financiers to mobilise investment.
- Continue to enhance stakeholder trust, regulatory alignment, and project delivery efficiency.

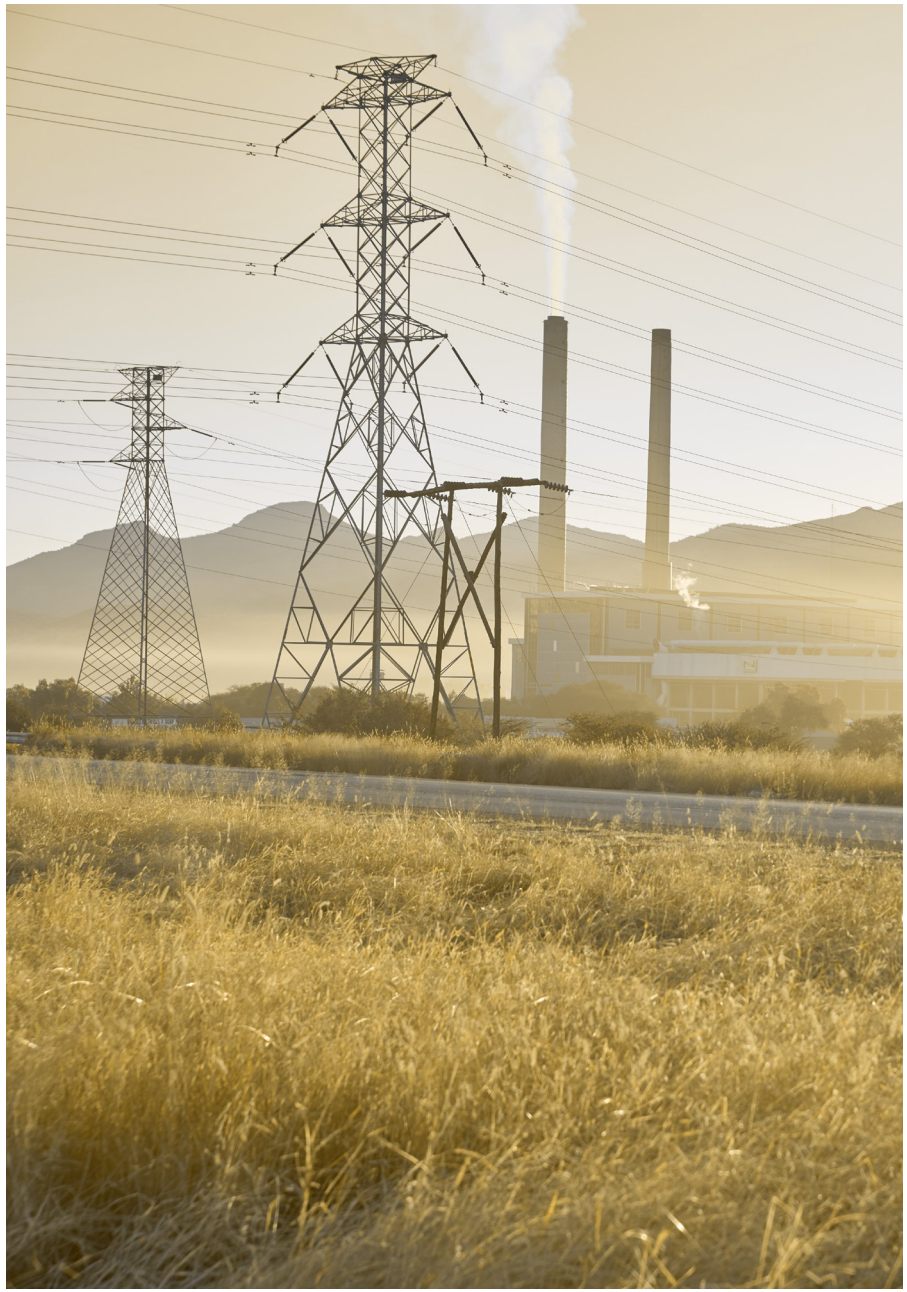
Optimising financial sustainability
- Balance cost-reflective tariffs with affordability pressures: average tariff of 207 c/kWh in 2025.
- Grow revenue (N$9.1 billion) alongside high investment requirements (N$2.9 billion in CAPEX).
- Manage volatility and upward trends of energy and fuel supply costs.
- Navigate reduced SACU receipts and fiscal constraints that may limit government co-funding of electrification and generation infrastructure.

Driving organisational and operational excellence

- Continue to leverage digitalisation and smart grid technology to improve efficiency and reduce losses.
- Develop workforce capacity and ensure succession in a technically specialised industry.
- Continue to practice good corporate governance, procurement integrity, and operational reliability.
- Reliably serve the concentrated customer base of just over 3,000 off-takers, heightening reliance on industrial sector performance.

CONTEXT IN PERSPECTIVE

NamPower's operating context is characterised by ESI stability, industry challenges, and opportunities. Global trends, new regional supply developments, and local affordability requirements shape the short- to medium-term environment. At the same time, rising local demand from distributors, mining, industrialisation, and green hydrogen goals drive long-term requirements. By aligning these material matters with our four strategic pillars, NamPower ensures that its strategy directly addresses the issues most critical to sustaining supply security, financial sustainability, operational excellence, and stakeholder value creation.



STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT

NamPower recognises that strong, trust-based relationships with its stakeholders are essential to delivering sustainable value and achieving its strategic objectives. Stakeholders play a key role in shaping the Company's decisions, priorities, and performance outcomes, influencing how NamPower creates long-term value across the electricity supply industry.

OUR APPROACH

NamPower's engagement activities are designed to foster collaboration, transparency, and mutual understanding across all stakeholder groups. These interactions contribute to the creation and preservation of social and relationship capital, human capital, intellectual capital, manufactured capital, and natural capital – the foundations of NamPower's value-creation model.

Stakeholder engagement is guided by the Corporate Communication Strategy and Action Plan for the year under review, and considers stakeholder expectations, information needs, and perceptions of NamPower's performance.

Informed by these insights, NamPower's engagement approach aims to:

- foster trust and transparency through consistent and credible communication;
- strengthen awareness of the Company's business model;
- enhance engagement with key partners, including Government, regulators, financiers, industry players, and communities; and
- leverage digital platforms to improve accessibility and responsiveness.

NamPower remains committed to proactive, two-way communication that builds understanding and supports collaborative solutions across the electricity supply industry.

OUR STAKEHOLDERS

NamPower's stakeholders represent diverse interests across Namibia's social and economic landscape. Engagement with these groups helps the Company to understand their needs and expectations, inform decision-making, and strengthen accountability.

To ensure structured, transparent, and effective engagement, NamPower maintains ongoing communication through a range of channels tailored to each stakeholder group. The following table provides an overview of NamPower's key stakeholder groups, how the Company engages with them, and the main issues or expectations discussed through these interactions.

OUR STAKEHOLDERS	HOW NAMPOWER ENGAGES	THEIR NEEDS AND EXPECTATIONS
 **Employees and union (Mineworkers Union of Namibia)**	• Regular communication via intranet, circulars, and staff briefings • Employee wellness, health, and safety programmes • Recognition and reward initiatives • Consultation with pension fund trustees • Structured engagements with union representatives and full-time shop stewards	• Fair remuneration and safe working conditions • Opportunities for growth and development • Transparent communication on company performance and policy changes • A culture of recognition, inclusivity, and well-being
 **Regulator (Electricity Control Board)**	• Management meetings and technical working groups • Submissions on tariffs and compliance matters • Participation in the National Integrated Resource Plan (NIRP) • Quarterly progress reports and workshops	• Compliance with the Electricity Act and ECB methodologies • Transparency in tariff applications • Clear reporting on supply, quality, and affordability
 **Government (MIME, MF, other ministries and government agencies)**	• Monthly and quarterly briefings • Participation in local economic development forums • Joint reporting on national energy projects • Inclusion in the NIRP and policy dialogues	• Alignment with the national energy policy and NDP 6 goals • Efficient implementation of generation and transmission projects • Financial accountability and governance compliance • Contribution to national development

 **Customers (bulk, industrial, REDs, municipalities, cross-border)**	• Customer engagement forums and site visits • Power outage notifications and service updates • Customer service portal and electronic billing • Tariff education campaigns and public hearings	• Reliable and affordable electricity supply • Transparent tariff structure and billing • Efficient response to service disruptions • Opportunities for renewable energy participation
 **Media**	• Press releases and media briefings • Rapid-response system through the Communication department • Access to project updates, fact sheets, and executive interviews • Publication of the Integrated Annual Report	• Timely, accurate information • Access to data and spokespersons • Transparent communication on major projects and incidents
 **Suppliers and service providers**	• Transparent procurement processes via e-tendering • Pre-bid and clarification meetings • Regular supplier briefings and debriefs	• Fair, transparent procurement • Timely payment and contract clarity • Capacity-building and long-term partnerships
 **Regional and international partners (SAPP, utilities, IPPs)**	• Trade and power purchase agreements • Quarterly SAPP and MANCO meetings • Collaboration on energy trading and grid integration	• Regional cooperation and grid stability • Transparent trading and pricing • Joint development of cross-border projects
 **Financiers and development finance institutions (EIB, AfDB, local banks)**	• Regular investor briefings and project updates • Engagement on funding proposals and capital investment plans • Transparent financial reporting through the Integrated Annual Report and audited statements	• Confidence in NamPower's financial sustainability • Clear project timelines and performance indicators • Strong governance and creditworthiness
 **Communities and civil society**	• Corporate social investment programmes through the NamPower Foundation • Participation in community events and outreach • Environmental and social impact consultations	• Access to reliable electricity • Visible community investment in education, health, and local development • Environmental stewardship

Recognising that strong, trust-based relationships with stakeholders and business partners are essential for fostering innovation and enhancing both effectiveness and efficiency, NamPower is dedicated to continually reinforcing these partnerships.

LOOKING AHEAD

NamPower will continue to evolve its stakeholder engagement approach as part of its transition to the ISBP 2026-2030. The focus will be on deepening trust, transparency, and responsiveness, ensuring that every engagement contributes meaningfully to Namibia's sustainable energy future.

MATERIAL RISKS AND OPPORTUNITIES

NamPower operates in a complex and fast-changing environment shaped by economic conditions, policy developments, and regional energy dynamics. Factors such as exchange rate fluctuations, global fuel prices, and regulatory changes continue to influence the Company's operating context (see pages 52 to 55).

Effective risk management enables NamPower to maintain operational stability, support informed decision-making, and continue creating value for stakeholders in a sustainable manner.

OUR RISK MANAGEMENT APPROACH

Risk management is fully integrated into NamPower's strategic planning and day-to-day operations, ensuring that potential threats are identified early, assessed, and addressed appropriately. This approach enables the Company to maintain operational stability and safeguard its ability to deliver a secure, reliable, and affordable electricity supply to Namibia.

The Board, through the Audit and Risk Management Committee (ARMC), provides oversight of the risk management process, and management is responsible for implementation and continuous improvement. This governance structure ensures that risk awareness and accountability are embedded at every level of the organisation.

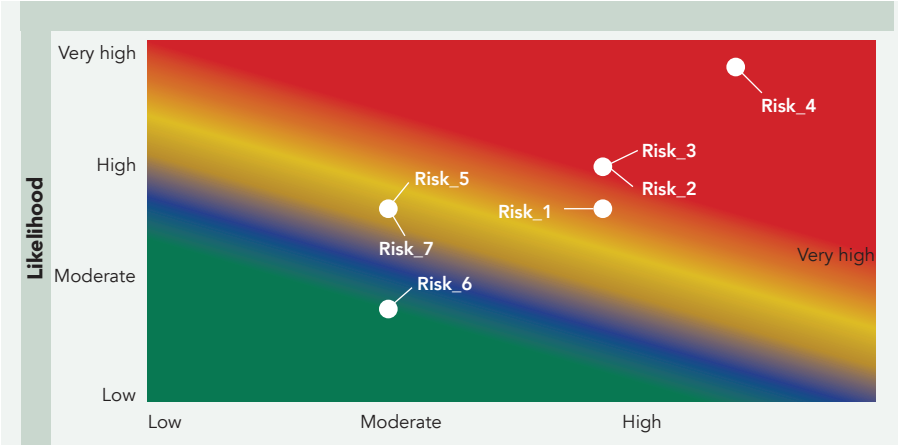
NamPower continues to strengthen its enterprise-risk management system to improve consistency, accountability, and foresight across the business.

Ongoing key developments during the year included:

- Risk universe: A comprehensive risk universe was completed, which will be incorporated into the new enterprise risk management system once it has been implemented.
- Regular reviews: Quarterly risk reviews and engagement sessions were conducted with departments to ensure the timely identification and treatment of emerging risks.
- Enhanced analytics: NamPower is advancing its use of data and technology to improve accuracy in monitoring, reporting, and risk analysis.

KEY CORPORATE AND STRATEGIC RISKS PROFILE

NamPower's residual risk profile reflects the key risks that could affect progress in implementing its strategic objectives. The following heat map shows the level of exposure that remains after mitigation (referred to as residual risk). Several of the higher exposures arise from external factors beyond Management's direct control.



Risk exposure movement (FY 2024/25 vs FY 2023/24)

Risk no.	Risk name	Residual level (FY 2025)	Movement
1	Unregulated market growth (licences issued)	Very high	→ Unchanged
2	Non-collectability of revenue	Very high	→ Unchanged
3	Insufficient own generation	Very high	→ Unchanged
4	High cost of energy mix	Very high	→ Unchanged
5	Supplier of last resort	High	→ Unchanged
6	Low Ruacana output	High	↓ Decreased
7	Rapid technology changes	Moderate	→ Unchanged

OUR MATERIAL RISKS

NamPower's material risks represent the most significant threats that could affect the achievement of its corporate strategy and strategic objectives. The following table summarises these key risks, their potential consequences, mitigation strategies, and the strategic pillars most affected during the 2025 financial year.

Risk no.	Risk name	Residual rating	Consequences if unmitigated	Key mitigation strategies	Strategic pillars affected
1	Non-collectability of revenue	Very high – outside appetite and tolerance	Increasing bad debt, negative cash flow, and threats to the security of supply	• Continuous follow-up and engagement • Debt collectors appointed • Prepaid metering implementation • Enforcement of the Credit Policy	• Ensure security of supply • Optimise financial sustainability
2	High cost of energy mix	Very high – within appetite	High cost of supply, reduced competitiveness, and negative investor confidence	• Hedging Policy • Optimisation of least-cost supply • Renewable expansion; engagement with the ECB	• Ensure security of supply • Optimise financial sustainability
3	Insufficient own generation (over-reliance on imports)	Very high – within tolerance but outside appetite	Vulnerability to regional load-shedding, import price volatility, and loss of market share	• Operation of existing plants and IPPs • Implementation of generation projects (Rosh Pinah PV, BESS, Anixas II); IRP/VRE completion • Omburu PV II and Lithops BESS development	• Ensure security of supply • Optimise financial sustainability
4	Unregulated market growth (licences issued)	Very high – within tolerance but outside appetite	Financial losses due to take-or-pay agreements and increased competition	• Implementation of the MSB Framework • Publication of SAPP export constraints	• Ensure security of supply • Optimise financial sustainability
5	Supplier of last resort	High – within appetite	Higher energy costs, non-compliance with SAPP rules, and reputational impact	• MSB Framework and sourcing strategy • Energy mix optimisation	• Ensure security of supply • Optimise financial sustainability
6	Low Ruacana output	High – within appetite	Reduced hydropower output, financial losses, and increased imports at a higher cost	• PPAs with regional utilities • Participation in the SAPP market • Hydrological studies • Generation diversification	• Ensure security of supply • Optimise financial sustainability
7	Rapid technology changes	Moderate – within appetite	Loss of competitiveness and inability to adapt to emerging technologies	• Partnerships with institutions of higher learning • R&D and innovation strategy • International collaboration	• Unlock sector collaboration • Drive organisational and operational excellence

Legend: Very high High Moderate (Residual ratings represent post-mitigation exposure levels.)

OPPORTUNITIES

NamPower's Risk Management Framework also identifies opportunities aligned with the Company's strategic objectives – opportunities that can strengthen resilience, enhance efficiency, and support long-term growth. These include:

Strategic objectives	Opportunities
Optimally expand generation capacity Ensure least-cost electricity supply mix	Rapidly developing technologies in hydro, solar, wind, storage, and transmission present opportunities for innovation and diversification
Optimally expand generation capacity Ensure least-cost electricity supply mix	Leverage global decarbonisation efforts to attract investment and expand renewable capacity
Optimally expand transmission capacity Leverage regional trading opportunities	Build on NamPower's strong transmission business to expand grid capacity and regional connectivity
Optimally expand transmission capacity Leverage regional trading opportunities	Extend electricity supply in peri-urban areas alongside rural electrification initiatives
Optimally expand generation capacity Leverage regional trading opportunities	The NIRP creates long-term opportunities for sector alignment and strategic investment

Risk management is not about avoiding uncertainty; it is about anticipating it, adapting to it, and turning it into opportunity.



OUR PERFORMANCE FOR 2025

Risk ownership across the organisation continues to improve during the year. While the risk team remains a key advisor, management and operational teams are increasingly involved, with greater awareness of the value of risk management across the business.

Key achievements during the year included:

- **Risk reviews:** Quarterly corporate and departmental risk reviews were conducted throughout the year, providing Management and the ARMC with timely visibility of emerging and evolving risks. Induction and awareness sessions were held to strengthen the understanding of enterprise risk management principles across business units.
- **Risk universe development:** A comprehensive risk universe was completed, forming the foundation for NamPower's future enterprise risk management system. This will support consistent classification, monitoring, and reporting of risks across the organisation once the selected system is implemented.
- **Execution of the Risk Plan:** 92% of the planned activities under the FY 2025 Risk Plan were achieved. Progress included standardising risk registers, refining escalation processes, and enhancing Board reporting. Remaining actions relate to finalising centralised oversight structures, implementing risk software, and conducting a Board-level risk workshop.
- **Resilience Plan:** Implementation of the Resilience Plan reached 71% completion. Key priorities achieved included developing an Incident Command System framework and rolling out scenario-based training to improve response and recovery capabilities across operations.

Together, these initiatives strengthened NamPower's overall risk resilience and positioned the organisation to transition toward a more data-driven, integrated, and forward-looking risk management model in the next reporting period.

LOOKING AHEAD

As NamPower finalises its new ISBP 2026-2030, the Company's Risk Management Framework will be recalibrated to ensure continued alignment between its risk appetite, strategic objectives, and operating environment. The focus for the coming period is to strengthen foresight, agility, and integration across all levels of the business, ensuring that risk management remains a strategic enabler rather than a compliance exercise.

Key focus areas:

- **Strategic alignment and risk reprofiling**
  Following approval of the new ISBP, a full review of the corporate risk register will be undertaken to ensure that risk priorities and appetite parameters accurately reflect NamPower's evolving strategic direction and external operating context.

- **Board and Management risk workshop**
  A joint Board-Management workshop will be held after ISBP approval to guide the risk refresh process, validate key risk exposures, and strengthen executive alignment on risk oversight responsibilities.

- **Review of risk appetite and tolerance levels**
  NamPower's risk appetite and tolerance statements (last reviewed in 2020) will be updated in consultation with Management and the Board to incorporate emerging sector risks, including climate transition, technology disruption, and market liberalisation.

- **Capability development: key risk indicators**
  Training sessions will be conducted for risk owners to enhance the identification, monitoring, and reporting of key risk indicators. This will reinforce accountability and ensure that risk signals are tracked consistently across the organisation.

- **Integration of sustainability risk**
  Sustainability and ESG-related risks will be fully integrated into the corporate risk framework, enabling a comprehensive view of the organisation's exposure and resilience across financial, operational, environmental, and social dimensions.

Together, these priorities will strengthen NamPower's ability to anticipate, adapt to, and respond effectively to the complex challenges of Namibia's evolving electricity landscape while safeguarding long-term value creation.



05

2020-2025 INTEGRATED STRATEGIC BUSINESS PLAN

DELIVERING ON OUR 2020-2025 INTEGRATED STRATEGIC BUSINESS PLAN

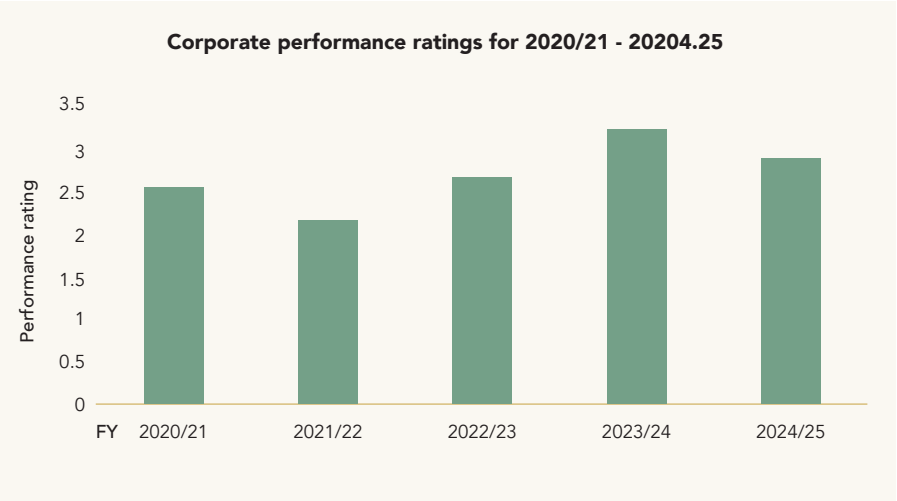
NamPower's five-year Integrated Strategic Business Plan (ISBP 2020-2025) guided the Company's actions and priorities across four strategic pillars. The plan focused on ensuring a reliable electricity supply, unlocking value through collaboration, maintaining financial sustainability, and driving organisational excellence.

A comprehensive and independent evaluation of the five-year plan was conducted at the end of the 2024/25 financial year to assess overall performance, identify lessons learned, and capture insights from implementation. The outcomes of this evaluation have directly informed the development of NamPower's new ISBP 2026-2030, ensuring that the next strategic cycle builds on the strengths, achievements, and opportunities identified over the past five years.

OVERVIEW OF PERFORMANCE OVER THE ISBP 2020-2025 PERIOD

Over the five-year period from 2020/21 to 2024/25, NamPower's overall corporate performance showed steady progress despite periodic fluctuations linked to economic and operational challenges. The Company began the strategic cycle with a performance rating of 2.56/4 in 2020/21, which declined to 2.16/4 in 2021/22 due to external economic pressures and regional electricity supply constraints. This was followed by a period of strong recovery, with the rating improving to 2.68/4 in 2022/23 and peaking at 3.24/4 in 2023/24, reflecting enhanced operational efficiency, improved financial stability, and progress in delivering on strategic objectives. The 2024/25 reporting year recorded a slightly lower rating of 2.91/4, indicating stable performance in the final year of the ISBP 2020-2025.

Overall, the five-year trend demonstrates NamPower's resilience and its continued ability to deliver value to stakeholders while maintaining operational effectiveness and preparing the foundation for the new ISBP 2026-2030.



Over the five-year period, NamPower balanced reliability, sustainability, and growth, maintaining operational excellence while contributing to Namibia's socio-economic development.

PERFORMANCE AGAINST STRATEGIC OBJECTIVES AND KEY PERFORMANCE INDICATORS (2020-2025)

Ensuring security of supply

NamPower continued to fulfil its mandate of providing a secure, reliable, and affordable electricity supply to Namibia. Throughout the five-year period, generation and transmission systems performed consistently well, supported by strategic maintenance and reinvestment in critical assets.

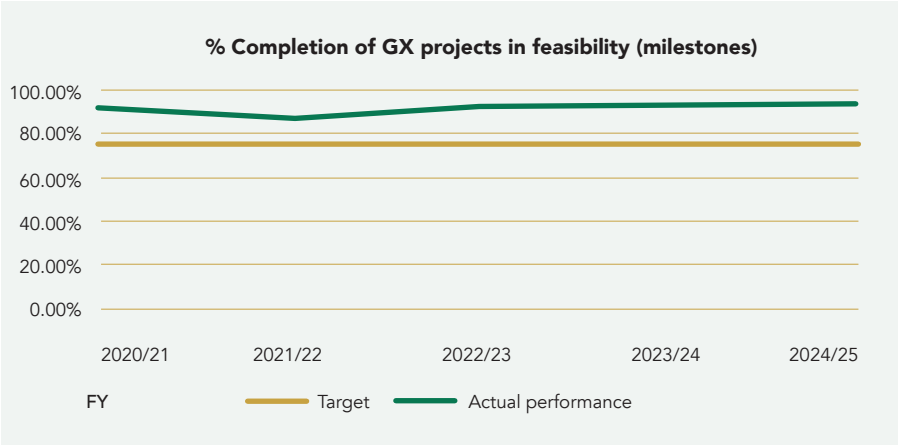
The commissioning of additional generation capacity and the integration of renewable energy sources improved system stability and decreased reliance on imports. Key transmission reinforcements and network upgrades also enhanced reliability and supported the increasing electricity demand.

Despite regional supply constraints and weather-related challenges, NamPower minimised supply disruptions. The ongoing implementation of the Generation and

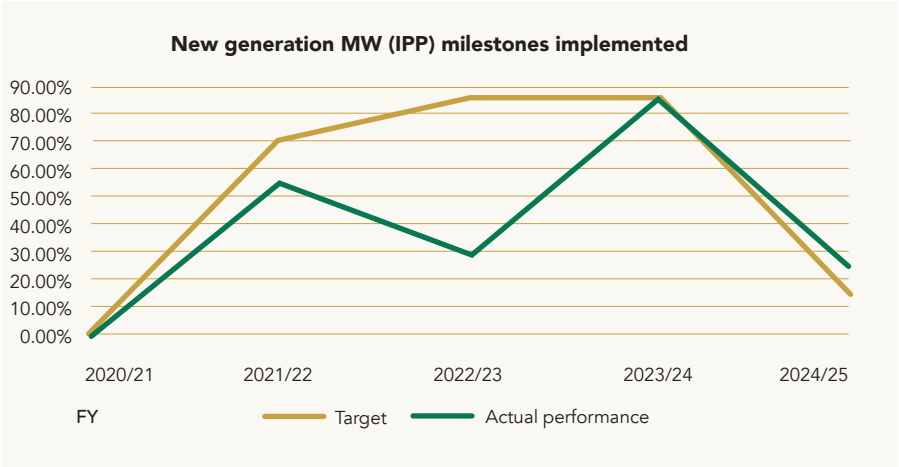
Transmission Master Plans provided a structured roadmap for ensuring long-term security of supply.

The following figures depict the performance of each strategic objective under this strategic pillar.

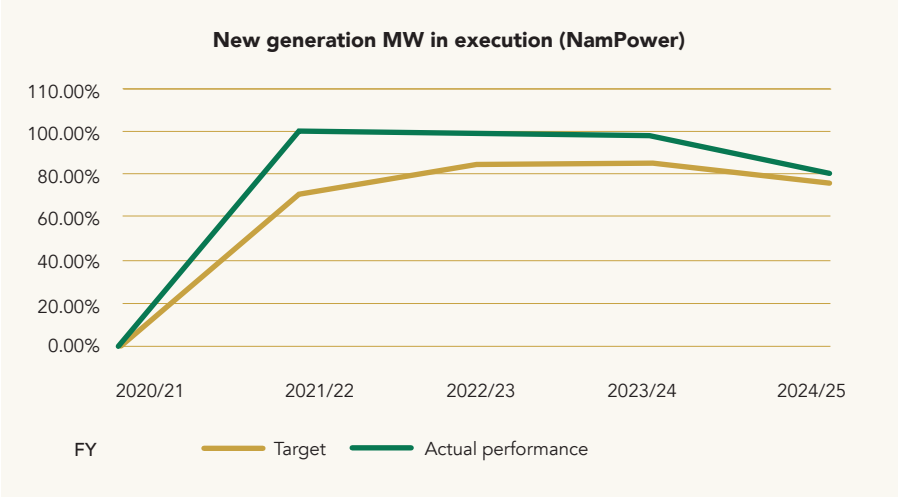
Optimally expand generation capacity – % completion of GX projects in feasibility (milestones)



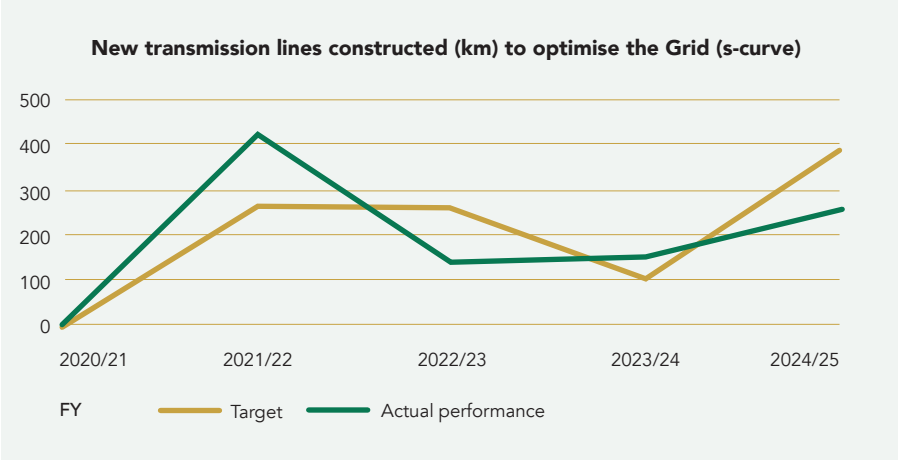
Optimally expand generation capacity – New generation MW (IPP) milestones implemented



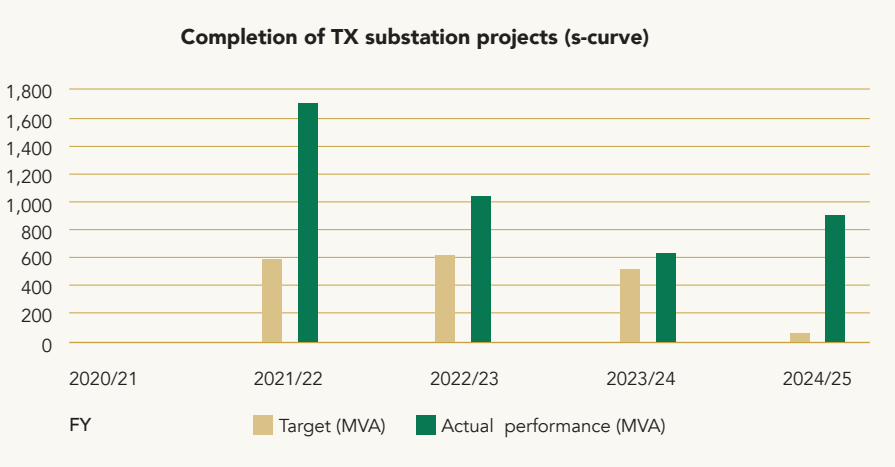
Optimally expand generation capacity – New generation MW in execution (NamPower)



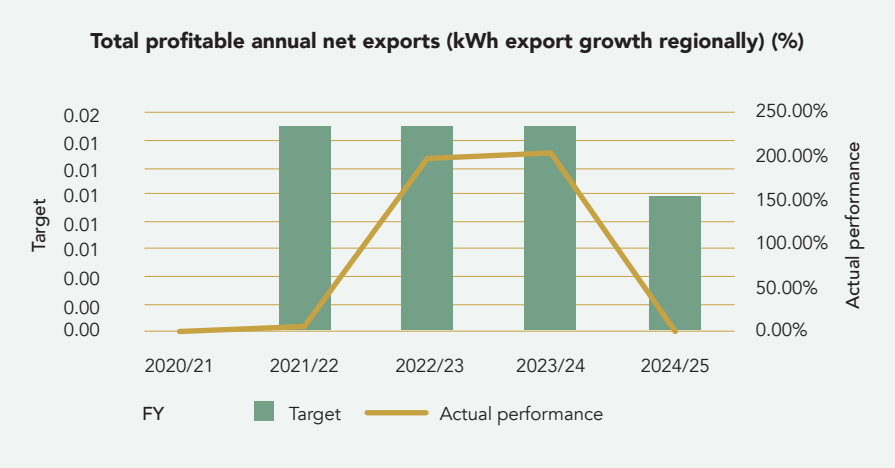
Optimally expand transmission capacity – New transmission lines constructed (km) to optimise the grid (s-curve)



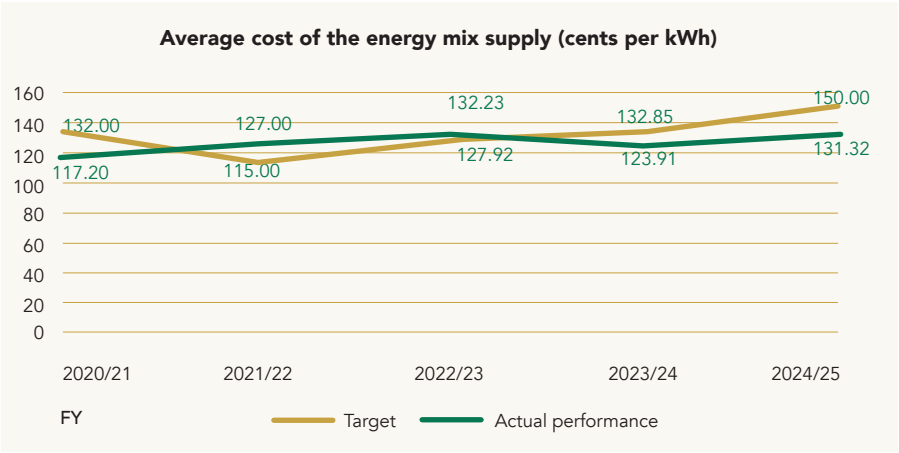
Optimally expand transmission capacity – Completion of TX substation projects (s-curve)



Leverage regional trading opportunities – Total profitable annual net exports (kWh export growth regionally) (%)



Ensure a least-cost electricity supply mix – Average cost of the energy mix supply (cents per kWh)



Unlocking the value of electricity sector collaboration

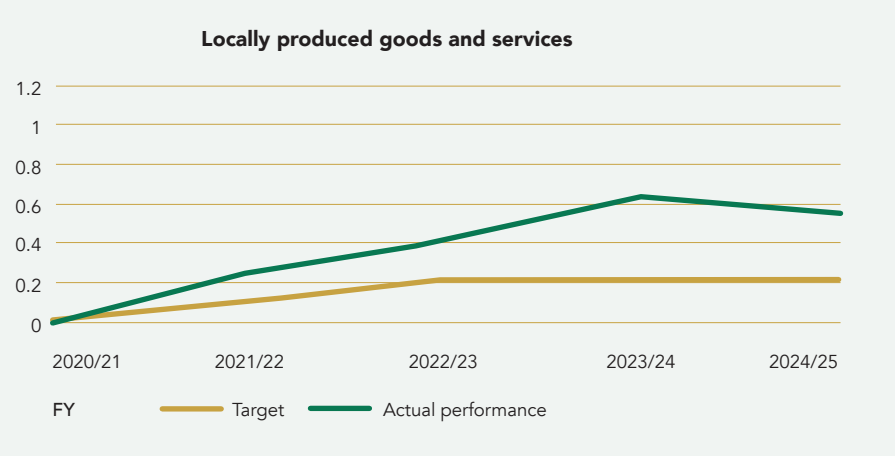
Over the strategic period, NamPower deepened collaboration and partnerships within the ESI and across the broader energy value chain. The Company's efforts in localisation, stakeholder engagement, and capacity development strengthened the collective resilience and competitiveness of Namibia's electricity sector.

NamPower supported industry development through increased local procurement, participation in ESI initiatives, and structured engagement with key stakeholders. The Company also introduced new products and services designed around customer needs, underpinned by ongoing digital transformation and process improvement.

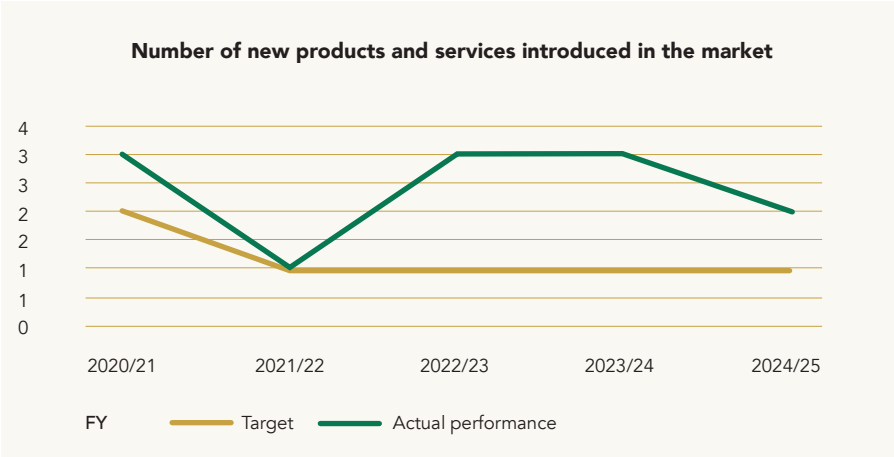
Electrification remained a central focus. Through sustained investment in rural and peri-urban electrification, NamPower expanded energy access and contributed significantly to national development objectives and the pursuit of universal electricity access.

The following figures depict the performance of each strategic objective under this strategic pillar.

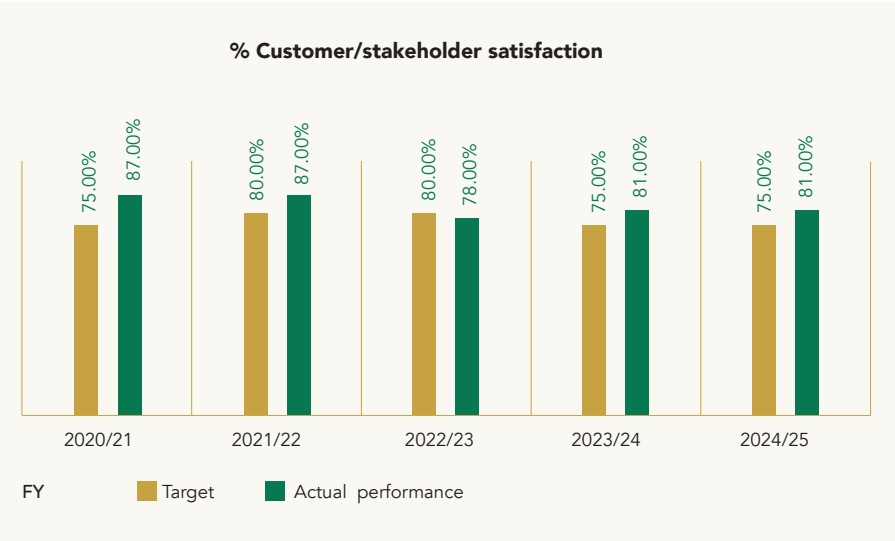
Support the development of the electricity industry and the economy – Locally procured goods and services (% of APP spending)



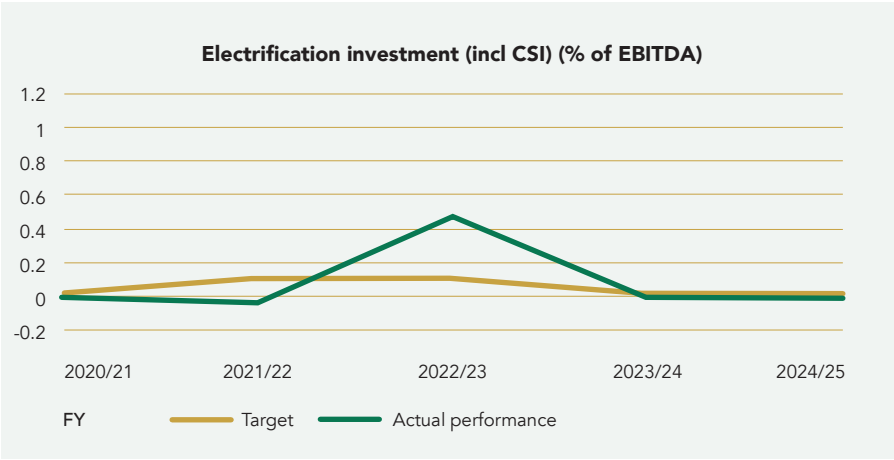
Develop new products and services (solutions) – Number of new products and services introduced to the market



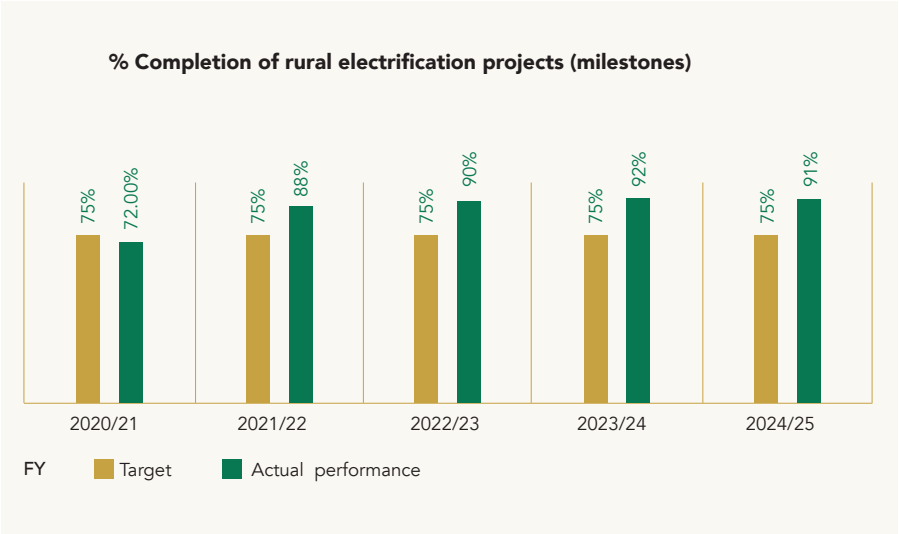
Develop new products and services (solutions) – % customer/stakeholder satisfaction



Support the acceleration of electrification – Electrification investment (incl. CSI) (% of EBITDA)



Support the acceleration of electrification – % completion of rural electrification projects (milestones)



Optimising financial sustainability

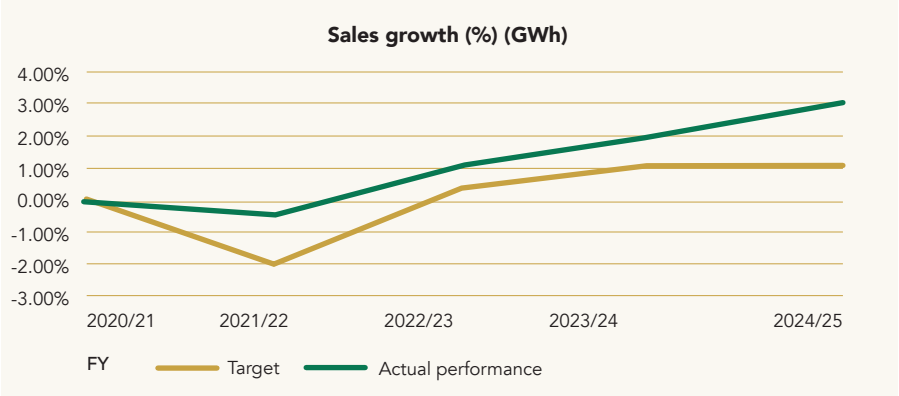
NamPower maintained a robust financial position throughout the five-year period. Its approach combined prudent financial management, cost optimisation, and revenue diversification to support operational stability and capital investment.

Efforts to strengthen liquidity and maintain profitability enabled NamPower to sustain major infrastructure investments while meeting its financial obligations. Strategic capital prioritisation, disciplined expenditure, and efficiency programmes safeguarded shareholder value and supported the affordability of electricity for consumers.

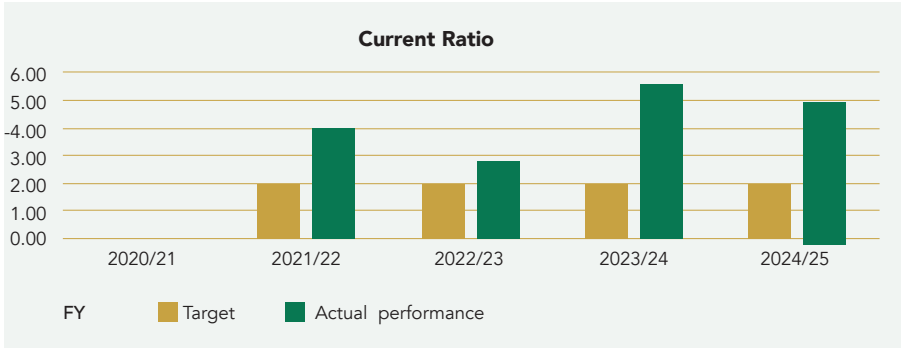
Despite a challenging macroeconomic environment, the Company remained financially resilient, ensuring continued investment in generation, transmission, and electrification initiatives.

The following figures depict the performance of each strategic objective under this strategic pillar.

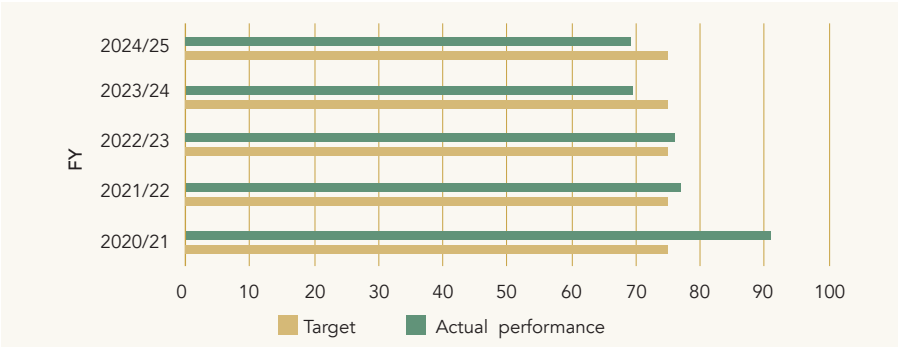
Increase unit sales



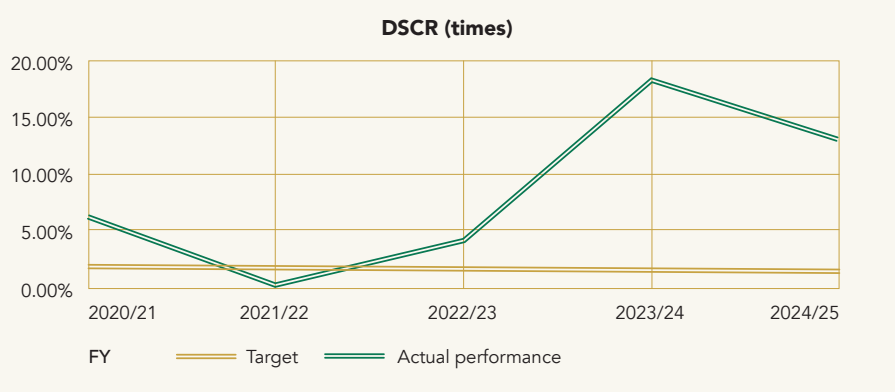
Ensure sound liquidity – Current ratio



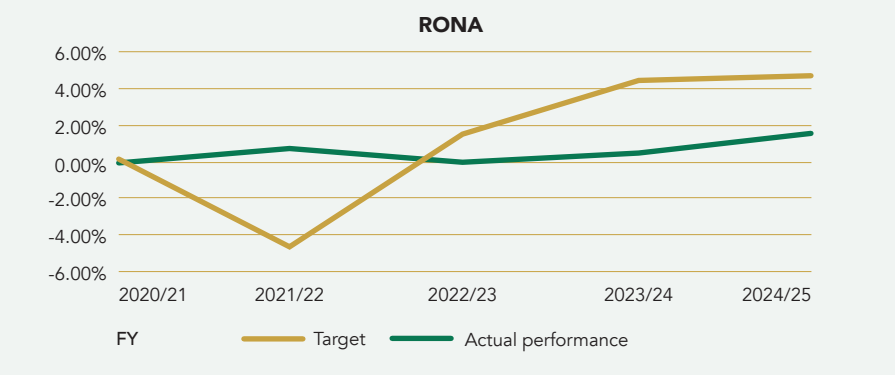
Debtor's days



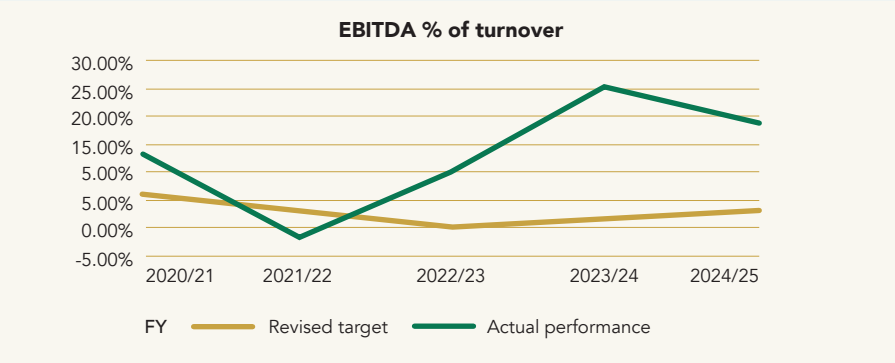
Debt-service coverage ratio times



Grow shareholder value – Return on net assets (RONA) (%) (EBITDA/net assets)



Maintain profitability – EBITDA (% of turnover)



Driving organisational and operational excellence

NamPower made significant progress in embedding a culture of continuous improvement, innovation, and accountability. The Company's operational excellence drive focused on improving internal systems, governance structures, and process efficiency.

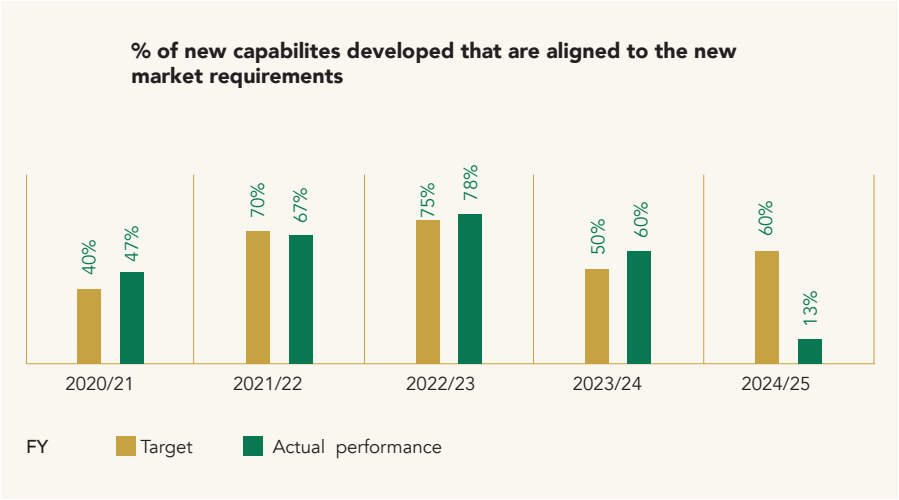
Automation and digitalisation initiatives enhanced performance management, data integrity, and service delivery, while capacity-building and leadership development programmes strengthened workforce capability.

Internal controls and assurance mechanisms were continuously refined to ensure transparency, compliance, and alignment with best practice governance standards.

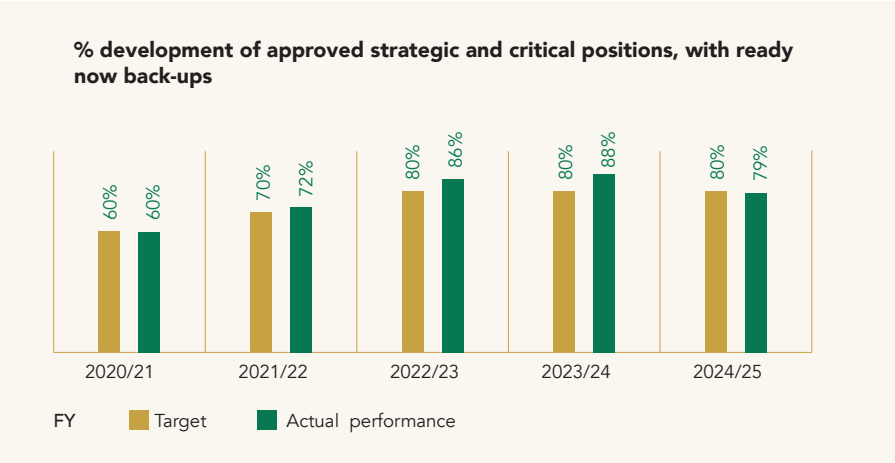
These efforts collectively improved organisational agility, enabling NamPower to respond effectively to operational challenges and evolving stakeholder expectations.

The following figures depict the performance of each strategic objective under this strategic pillar.

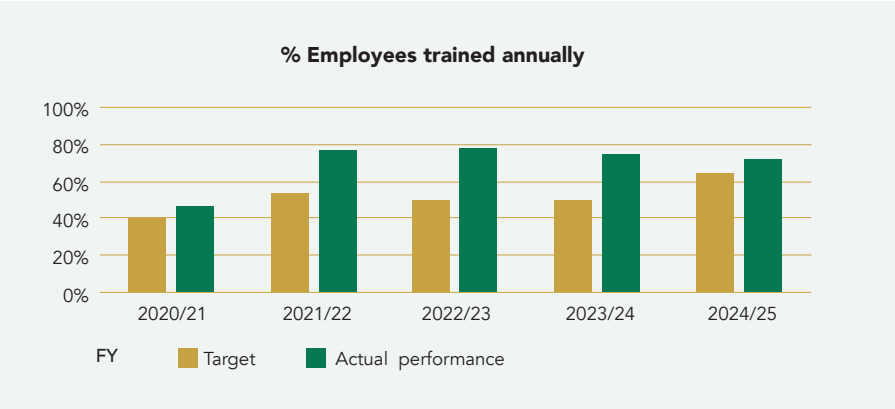
Develop additional capabilities to meet competitive market requirements – % of new developed capabilities aligned to market requirements



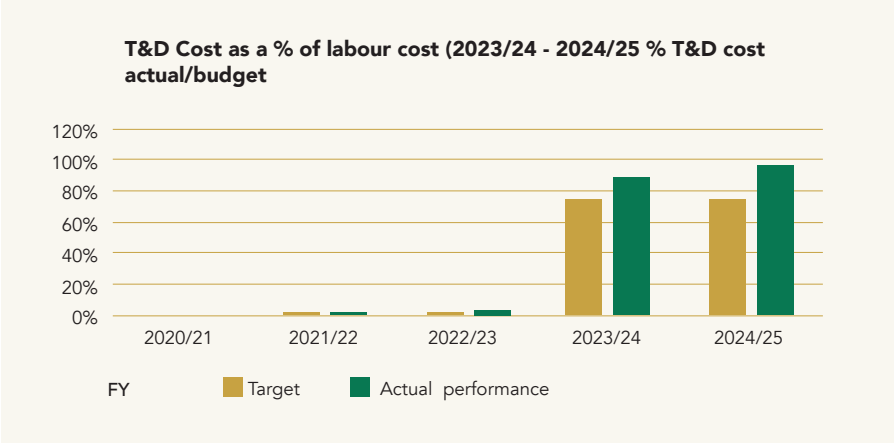
Develop additional capabilities to meet competitive market requirements – % development of approved strategic and critical positions with ready-now back-ups



Achieve and retain top employer status (ratings)



Build an ethical, engaging and high-performing culture – Training and development cost as a % of labour cost



Overall five-year summary

NamPower's performance during the ISBP 2020-2025 cycle reflects balanced progress across all four strategic pillars. The Company maintained system reliability, achieved financial resilience, advanced electrification and sector collaboration, and strengthened its internal capacity.

This strong foundation positions NamPower to enter the next strategic period with renewed focus, ensuring sustainable value creation for Namibia's people, economy, and future energy security.

Performance for the 2024/25 reporting year

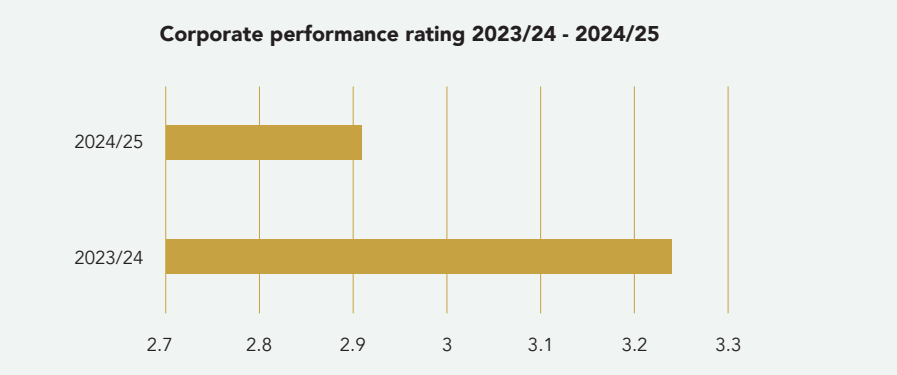
The 2024/25 financial year marked the final year of implementation of NamPower's ISBP 2020-2025. It provided an opportunity to consolidate the gains of the past five years while preparing the ground for the next strategic planning cycle.

Guided by a bottom-up approach, the review began at the individual level, progressed through business units, and concluded at the corporate level. These assessments evaluated performance against set targets and objectives, while identifying corrective actions to strengthen organisational performance and improve service delivery going forward.

The corporate performance rating for the 2024/25 reporting year reflected a marginal decline to 2.91 from a rating of 3.24 in the previous year, as illustrated below, largely

due to increased operational costs and supply-side pressures in the regional energy market. Despite this, overall performance remained strong and consistent through the final years of the plan, demonstrating NamPower's ability to sustain value creation and operational stability while positioning itself for the transition to the new strategic cycle (ISBP 2026-2030).

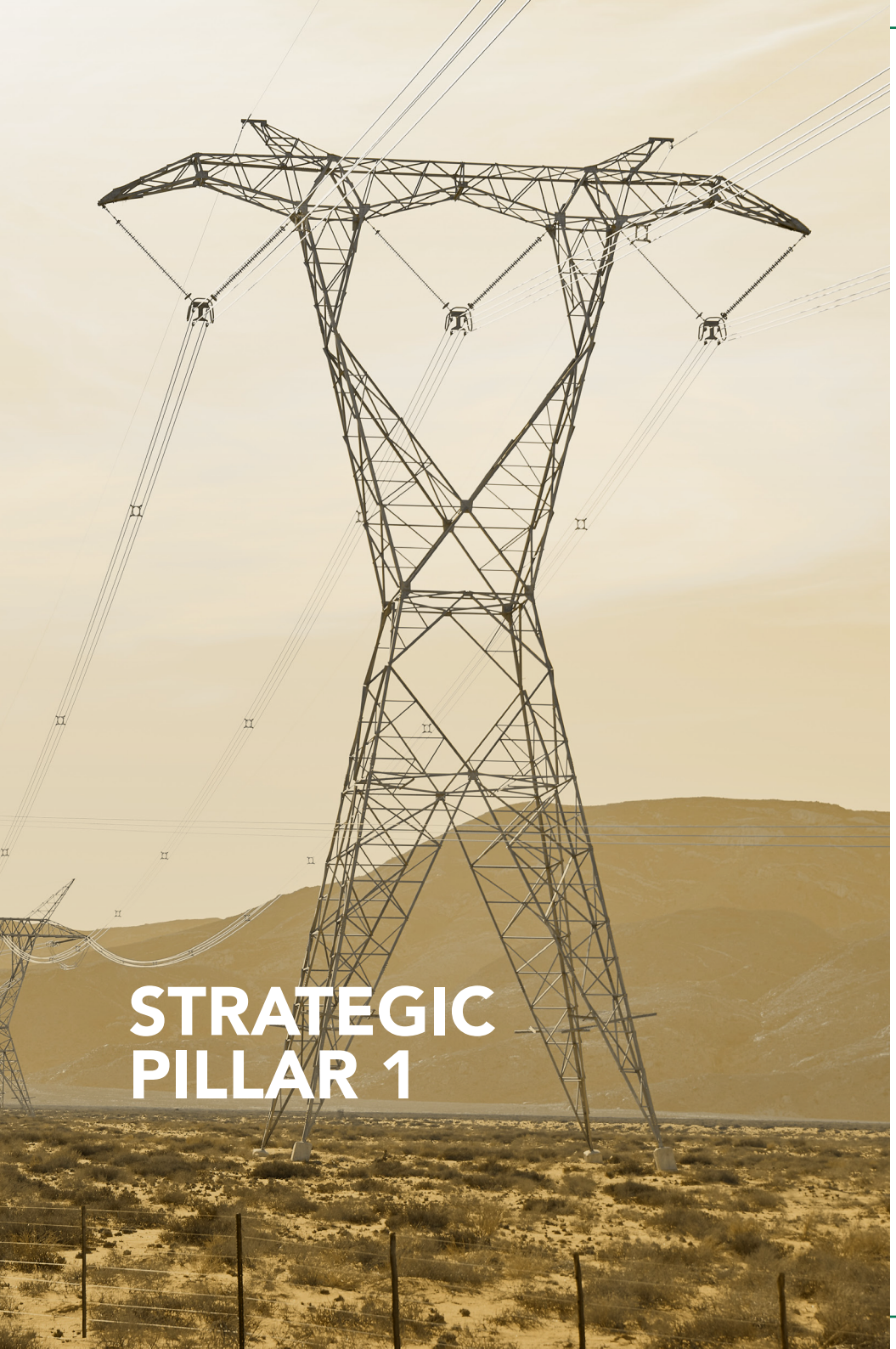
Corporate performance rating, 2023/24-2024/25



The following section provides a detailed overview of performance under each of NamPower's four strategic pillars. Together, these results reflect the organisation's continued commitment to balancing financial sustainability, operational excellence, stakeholder value creation, and supply security.

As NamPower transitions into its new strategic cycle (ISBP 2026-2030), the lessons and momentum gained over the past five years will inform the next phase of growth and transformation. In doing so, NamPower reaffirms its alignment with national imperative, including NDP 6, the forthcoming NIRP, and other key policy frameworks, ensuring that its strategy continues to advance Namibia's broader developmental and energy security objectives.





STRATEGIC PILLAR 1

ENSURING SECURITY OF SUPPLY

NamPower maintained a secure and stable electricity supply throughout the year, with minimal unplanned outages and effective maintenance of generation and transmission assets. Network reinforcement projects advanced, and the integration of renewable energy projects strengthened supply diversification and system resilience.

ENHANCING SECURITY OF SUPPLY THROUGH STRATEGIC GENERATION AND TRANSMISSION EXPANSION

Efforts to integrate renewable generation continued, with new capacity additions and grid upgrades improving system resilience and diversification. The Company's focus on proactive maintenance, operational excellence, and efficient outage management ensured that reliability targets were consistently met, laying the groundwork for further grid modernisation in the next strategic cycle.

NamPower's security-of-supply approach under the ISBP 2020-2025 aligns with Vision 2030, NIRP 2022, the National Energy Policy, the Renewable Energy Policy, and related national development priorities. The Transmission Master Plan complements new generation by strengthening, extending, and digitising the grid to integrate renewables and improve overall reliability and power quality.

Ministerial determinations and priority projects

To strengthen Namibia's long-term electricity reliability and support the energy transition, the Minister of Mines and Energy at the time issued a Ministerial Determination in October 2018 for 220 MW of new generation – 150 MW to be developed by NamPower and 70 MW to be competitively procured from IPPs. This set the direction for a balanced pipeline of firm and renewable capacity and prepared the grid for higher shares of variable generation.

Under the 2018 Ministerial Determination, NamPower is advancing the following projects:

- 20 MW Omburu PV Power Project: completed and operational since March 2022.
- 100 MW Sores IGaib (Rosh Pinah) Solar PV Project: under construction, taking over of power plant planned for June 2026.
- 40 MW Otjikoto Biomass Power Project: under construction, taking over of power plant planned for June 2027.
- 54 MW Anixas II Firm Power Project: completed and operational since November 2024.

In December 2024, aligned with NIRP 2022, a further ministerial directive accelerates progress toward 80% energy self-sufficiency by 2028, focusing on least-cost capacity, local value, and grid readiness.

The mandated projects include:

- 120 MW accelerated IPP procurement: fast-tracked procurement of new generation capacity from IPPs.
- 30 MW Sores IGaib (Rosh Pinah) Solar PV expansion: an addition to the existing 70 MW plant, bringing its total capacity to 100 MW.
- 80 MW Omburu PV II Power Project: a new solar facility using existing land, the ECC and its strategic connection to the robust Omburu Substation, and leveraging development activities already completed as part of the 20 MW Omburu PV Power Project.
- 100 MW Skorpion Solar Project: a NamPower engineering, procurement, and construction (EPC) project to build a dedicated PV plant for the Skorpion Mine.

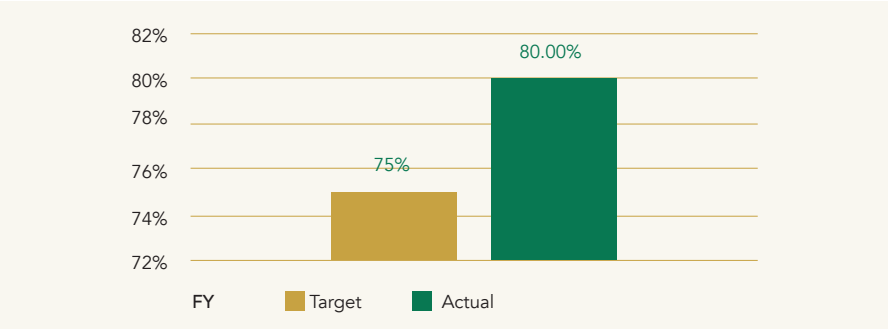
To integrate a larger share of variable renewables and improve system flexibility, NamPower is also investing in a utility-scale battery energy storage facility with funding from KfW and the World Bank:

- 51 MW/51 MWh Omburu Battery Energy Storage System (BESS)
- 45 MW/90 MWh Lithops BESS

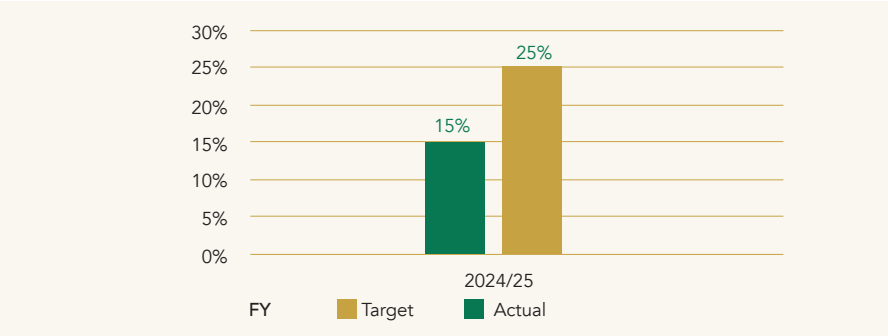
OUR PERFORMANCE FOR 2025
Optimally expanding our generation capacity

This section summarises NamPower-led projects currently in execution and the megawatts they are adding to expand generation capacity, improve reliability, and reduce imports. The following figures show delivery on plan against the strategic objective to optimally expand our generation capacity, as well as the actual performance against the key performance indicator (KPI) targets set for the year.

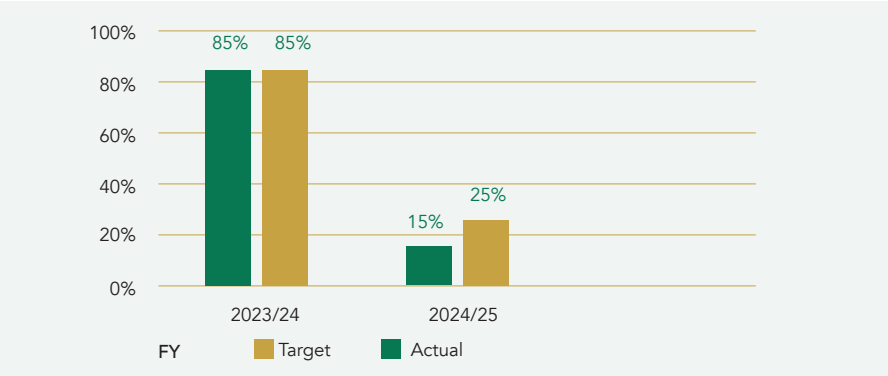
New generation MW in execution (NamPower)



% completion of generation projects in feasibility (milestones)



New generation MW (IPP) milestones implemented



Omburu 51MW/51MWh Battery Energy Storage System (BESS) Project
Estimated project cost: N$500 million

Overview

A grid-scale battery system at Omburu that provides peak shifting, arbitrage, and stability services, reducing reliance on emergency imports and supporting integration of variable renewables.

PROGRESS

- The EPC contract was signed on 13 December 2023, and the project commenced on 24 April 2024
- Engineering design is approximately 90% complete, including the electrical, civil, and protection studies
- Power conversion system (PCS) manufacturing and testing are complete
- Battery system manufacturing and testing are underway, with remaining lots scheduled through Q3 2025.
- MV switchgear manufacturing is well advanced, and testing is being arranged
- Site platform works and drainage are complete; trenches, foundations, and temporary construction services are in place

LOOKING AHEAD

- Complete civil works and install MV switchgear and the control building by December 2025
- Delivery of BESS equipment to the project site
- Begin testing and commissioning and grid-compliance testing in January 2026
- Achieve commercial operation by Q2 2026

ESG at a glance

Environmental:
supports higher renewable integration; reduces peak-time imports; EMP-compliant handling of oils and wastes.

Social:
local jobs and skills transfer in battery, protection, and SCADA disciplines; reliability benefits during peaks; local supplier participation.

Governance:
competitive EPC; ECC/EMP and grid-code compliance; original equipment manufacturer (OEM) warranties and cyber controls; internal scorecard and Board oversight.

Sores |Gaib 100 MW Solar PV Power Project
Estimated project cost: N$1.621 billion

Overview

A NamPower-owned EPC solar plant that is expected to deliver low-cost, zero-emission energy with high availability over a long operating life.

PROGRESS

- The EPC contract was signed on 9 September 2024 with a commencement date of 16 December 2024 and a target COD of 17 June 2026.
- The contractor has mobilised and established temporary facilities, and the baseline surveys are complete.
- Engineering designs for the plant, grid connection, and transmission line are at an advanced stage.
- Purchase orders for modules, inverters, trackers, and transformers have been placed.
- Factory Acceptance Testing for key equipment is complete.
- Fencing, access roads, early civils, and environmental controls are in progress.

LOOKING AHEAD

- Finalise remaining designs and complete Factory Acceptance Testing for key equipment (PV module, inverters, trackers, MV transformers).
- Continue plant construction as equipment is delivered to the site.
- Achieve taking-over and commercial operation in June 2026.

ESG at a glance

Environmental:
zero-emission generation; biodiversity-sensitive layout; water-efficient operations; panel end-of-life plan in specifications.

Social:
local employment during construction and O&M; community engagement and grievance process; road-safety measures during haulage.

Governance:
procurement under internal frameworks; Environmental and Social Management Plan (ESMP) monitoring and reporting.

Anixas II 54 MW (Firm) Power Station – completed
Project cost: N$1.325 billion

Overview

A fast-start, dispatchable plant that stabilises the grid against renewable intermittency and reduces emergency imports.

PROGRESS

- Taking over was achieved on 20 November 2024.
- Commissioning included engine tests, synchronisation, load acceptance, frequency support, and black-start simulations.
- Reliability run and performance testing against contract curves were completed, and operator training and spares handover were finalised.
- Warranty administration and defects-liability processes have commenced, and the long-term service arrangements are active.

LOOKING AHEAD

- Operate under established dispatch procedures and reserve products.
- Continue condition-based monitoring and scheduled maintenance with the OEM.

ESG at a glance

Environmental:
allows greater renewable penetration; emissions and heat-rate monitored; spill and waste-oil controls implemented.

Social:
reduces interruption frequency and duration for customers; skilled O&M roles; local supplier spend on maintenance and spares.

Governance:
delivered under approved contracts and budget; permits and incident reporting in place; internal audit of fuel and dispatch controls; ARMC reporting.

Otjikoto 40 MW Biomass Power Project
Estimated project cost: N$2.641 billion

Overview

A baseload plant using encroacher bush, linking security of supply with land restoration outcomes and regional economic activity.

PROGRESS

- Construction began on 23 September 2024, and site clearance, geotechnical work, surveying, and temporary facilities are complete.
- Basic design was completed in April 2025, and detailed design began in May 2025 and is ongoing.
- Pre-procurement for harvesting and chipping is underway, and the chain-of-custody documentation has been drafted.
- Grid interconnection and protection studies are progressing.
- Construction of temporary facilities (offices and accommodation) has commenced.

LOOKING AHEAD

- Commence with excavation and civil works for the boiler house and the enclosed fuel building.
- Complete the superstructures and progress mechanical, electrical and instrumentation installation during 2026.
- Finish the open fuel yard by June 2026 and begin stockpiling in October/ November 2026.
- Conduct the first firing up of the boilers in April 2027, and target taking over and commercial operation date in June 2027.

ESG at a glance

Environmental:
sustainable bush-thinning; lower lifecycle emissions profile than fossil alternatives; biodiversity safeguards in harvesting plans.

Social:
rural jobs and small, medium and micro enterprise opportunities across harvesting, logistics, and O&M; contractor welfare and road-safety requirements; more stable regional supply.

Governance:
harvest permits and chain-of-custody controls; transparent contracting with sustainability criteria; regular sustainability KPI reporting..

Generation projects under development

Lithops 45MW/90MWh Battery Energy Storage System Project

Estimated project cost: N$1.621 billion

Overview

A stand-alone BESS at the Lithops Substation (Erongo Region) to provide grid services and enable additional renewable integration.

PROGRESS	LOOKING AHEAD
• Feasibility approval, ECC, and financial modelling have been completed. • The generation (storage) licence application process has been initiated. • Shortlisting for the Owner's Engineer is complete, and the Request for Proposal has been issued. • Functional specifications for operating modes, SCADA/EMS interfaces, and protection philosophies have been drafted. • Preliminary site layout and readiness planning are in place.	• Submit the licence application to the ECB and appoint the Owner's Engineer. • Issue and award the EPC tender under World Bank procedures. • Maintain the trajectory to the commercial operation date in Q4 2028.

ESG at a glance

Environmental:
increases renewable uptake; minimal water needs; hazardous-waste and battery end-of-life plans.

Social:
upskilling of Namibian engineers and technicians; reliability benefits for Erongo load centres; local subcontracting opportunities.

Governance:
World Bank/GCF safeguards and transparent procurement; cyber and physical security for BESS/EMS; independent engineer oversight.

80MW Omburu PV II Power Project

Estimated project cost: N$1.3 billion

Overview

A strategic expansion at Omburu that leverages existing land, approvals, and substation capacity to add least-cost solar aligned with NIRP 2022.

PROGRESS	LOOKING AHEAD
• Concept approval, the implementation plan, baseline schedule, energy-yield assessment, and financial model and business case are complete. • ECC amendment scoping has been prepared, and steady state, short-circuit, and dynamic grid studies are in progress. • Preliminary designs cover array blocks, DC/AC collection, substation bay additions, O&M building, and access routes. • Draft tenders for engineering consultancy and major equipment (modules, inverters, trackers, MV transformers) are under internal review. • Delivery sequencing is planned to leverage existing servitudes and substation capacity.	• Submit the generation licence application to the ECB. • Complete the feasibility report for development finance institution funding applications. • Launch consultant and EPC/equipment procurements, and maintain the path to taking over and the commercial operation date by June 2028.

ESG at a glance

Environmental:
adds zero-emission solar with a reduced incremental footprint; dust/erosion/storm-water controls; panel end-of-life pathway.

Social:
local construction jobs and structured skills transfer; community engagement and traffic management during construction; affordability benefits over time.

Governance:
decision-gate governance from concept to EPC; competitive procurement with health, safety and environment (HSE), labour, and lifecycle criteria; grid-code compliance testing and performance guarantees.

OPTIMALLY EXPAND OUR TRANSMISSION CAPACITY

To ensure the continued excellence of the national grid, NamPower remains committed to ongoing investments to strengthen and maintain its infrastructure. These investments are crucial for preserving the transmission network's superior condition, enabling continued, reliable, and efficient operation with minimal disruptions.

Transmission system

NamPower takes pride in its ownership of a world-class transmission system, comprising a robust network of high- and medium-voltage overhead lines ranging from 66 kV to 400 kV, spanning 12,060 kilometres across Namibia.

This national grid is testimony to Namibian expertise, as it has been designed, built, and maintained primarily by local professionals.

Distribution system

NamPower's low-voltage distribution lines, ranging from 121 kV to 33 kV, span 23.059 kilometres across Namibia.

Network capacity

- **12,060 km** of high- and medium-voltage transmission lines
- **23,059 km** of low-voltage distribution lines

NamPower's Transmission Master Plan
NamPower's Transmission Master Plan, updated annually, sets out grid expansion for 2021-2025 to meet rising demand, integrate new generation, relieve internal constraints, and enable regional transfers via the SAPP. The plan coordinates timing with utility- and IPP-build projects so that lines and substations are ready when new capacity connects, improving reliability, power quality, and future load hosting.

To reduce cost and time, NamPower now designs most transmission lines in-house using the PLS-CADD (Power Line Systems – Computer Aided Design and Drafting) software, producing 3D designs, code checks, and bills of quantities for bidding. Internal resources are prioritised for both new builds and alterations, improving standardisation and retaining skills.

Lines designed internally and current status:

- 400 kV Auas-Kokerboom II: in the bidding process.
- 2?132 kV Kuiseb-Sekelduin: one circuit completed to Sekelduin, and the second is under construction.
- 66 kV Sekelduin-Swakopmund and 66 kV Sekelduin-Tamarisk under construction.
- 132 kV Namib-Diaz: line and metering station completed and planned for energising in March 2026.
- 220 kV Otjikoto-Masivi: in the design phase.
- 400 kV Obib-Oranjemond: 98% of the construction is completed, with only the Orange River crossing phase outstanding and now being executed.
- Khomas Substation under construction.

What this delivers (2021-2025)

- Reinforced corridors and substations sized for upcoming generation and load growth.
- Better network resilience (N-1 readiness) and reduced congestion.
- Faster delivery and lower design costs through in-house engineering.
- Consistent design quality and documentation for construction bidding and execution.

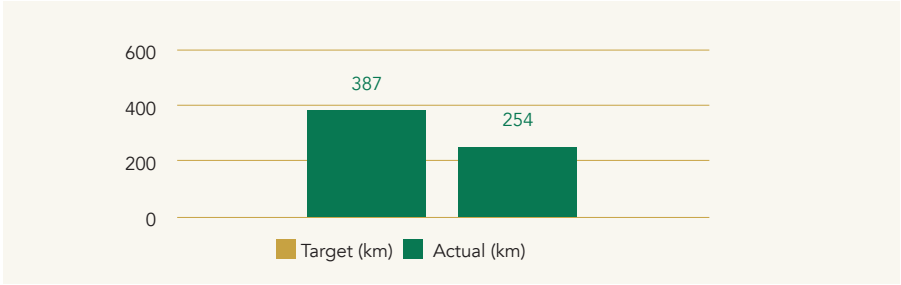
NamPower is committed to prioritising the planning, development, and maintenance of its generation and transmission infrastructure, which are vital to its operations. Additionally, providing distribution and rural electrification infrastructure is crucial to fulfilling the Company's mandate.

PERFORMANCE FOR 2025

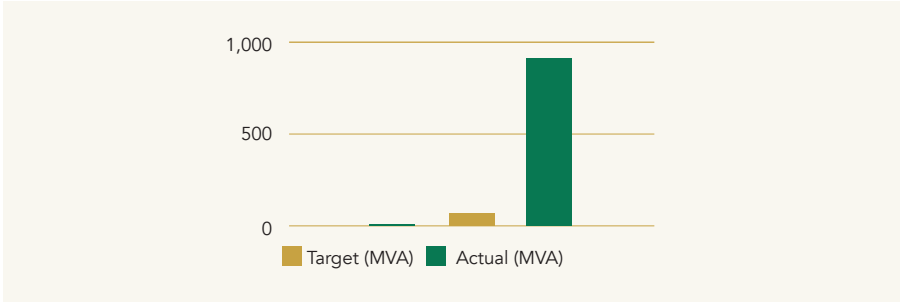
Information on the status of projects within the Transmission Master Plan and customer-funded projects is detailed in the following sections. These projects are currently under construction, in the bidding process, or in the planning and design phases.

The following figures show delivery on plan against the strategic objective to optimally expand our transmission capacity, as well as the actual performance against the KPI targets set for the year.

New transmission lines constructed (km) to optimise the grid (s-curve)



Completion of transmission substation projects (s-curve)



400 kV Auas-Kokerboom Transmission Line Project
Estimated project cost: N$2 billion

Overview

This project aims to support and strengthen the system reliability between Auas and Kokerboom. Additional benefits include improved network stability and redundancy, and improved dynamic stability. The project will enable increased electricity transfer and wheeling from south to north and north to south.

PROGRESS	LOOKING AHEAD
• The ECC for the line construction has been issued. • A land-tenure/compensation issue on government-owned land is delaying the final design. • The final line route cannot be confirmed until compensation terms are agreed; therefore, the detailed design remains open. • Procurement of long-lead items (optical ground wire, earth wire, conductors) has commenced. • Bidding documents for the EPC contractor, substation extension, and required reactors are under development.	• Conclude land-tenure and compensation arrangements with the relevant authorities. • Confirm the final line route and close the design. • Finalise and release the bidding documents for the EPC, substation extension, and reactors. • Advertise the bids during the second half of 2025 (as planned). • Continue long-lead procurement and plan logistics for delivery and storage.

Expected commissioning in second half of 2028

ESG considerations

The ECC and ESMP requirements will guide route finalisation and construction; stakeholder engagement on land tenure/compensation will continue; procurement will follow standard, auditable processes.

400 kV Obib-Oranjemond Transmission Line Project
Estimated project cost: N$1.2 billion

Overview

The Obib-Oranjemond line is the second interconnector to ESKOM and is anticipated to provide the stability necessary for the NamPower grid. NamPower is responsible for designing and constructing the line from Rosh Pinah to the Orange River, where ESKOM will terminate it as part of its scope.

PROGRESS

- The NamPower line design team completed the 90-kilometre line design, and line construction was completed in May 2025.
- Substation extension works are underway and are expected to be completed by February 2026.
- ESKOM's scope is in progress but has been delayed due to procurement challenges, and high-voltage equipment for free-issue has been procured and delivered.

LOOKING AHEAD

- Complete the substation extension by February 2026 and close all punch-list items.
- Resolve ESKOM procurement delays, align interface schedules, and confirm outage windows for tie-in.
- Execute testing, commissioning, and energisation of the line and associated substation works.
- Finalise documentation and handover, including the as-built drawings and O&M packages.
- Maintain contingency plans for the remaining supply-chain risks and logistics.

Expected commissioning in March 2026

ESG at a glance

Environmental:
work to remain within ECC/ESMP conditions during finishing and commissioning.

Social:
ongoing stakeholder communication for outages, access, and safety near works.

132/66/33 kV Sekelduin Substation development
Estimated project cost: N$320 million

Overview

NamPower's first digital substation is being commissioned to improve protection speed, remote operability, and real-time monitoring. The scheme uses modern substation automation, such as IEC 61850 communications and time-synchronisation. It will connect two incoming circuits – one from Kuiseb and another via Walmund – to strengthen supply in the area

PROGRESS

- The first digital substation in the NamPower transmission network is in commissioning.
- All transformers, protection systems, and switchgear have been delivered and installed.
- One circuit from Kuiseb has been connected to the new substation.
- The second circuit is paused at Walmund Substation pending demolition of the old line, which will proceed after the first circuit is energised and proven stable.

LOOKING AHEAD

- Complete energisation of the first circuit and conduct stability/soak testing to grid-code requirements.
- Demolish the old line at Walmund once first-circuit stability is confirmed.
- Connect and energise the second circuit, including protection coordination and end-to-end telecoms/GOOSE testing.
- Finalise SCADA/EMS integration, cybersecurity hardening, and time-synchronisation (PTP) validation.

Expected commissioning in September 2025

ESG at a glance

Environmental:
manage demolition waste; control dust/noise; apply erosion/run-off measures; handle any SF_6-containing switchgear per standards.

Social:
notify stakeholders of planned outages and access constraints; enforce public and worker safety around live assets; apply traffic management near works.

Governance:
maintain ECC/ESMP compliance and grid-code/cybersecurity requirements; keep auditable commissioning records and formal sign-offs.

220/66 kV Khomas Substation development
Estimated project cost: N$340 million

Overview
The 220/66 kV Khomas Substation will increase and strengthen supply to the City of Windhoek, which has co-funded the project. The construction contract was awarded to Sinohydro, and works started in February 2025.

PROGRESS	LOOKING AHEAD
• Construction commenced in February 2025 under Sinohydro. • The project is advancing toward the December 2026 completion target. • Power transformers and high-voltage primary equipment have been procured and delivered to the Brakwater depot for safe storage. • Co-funding arrangements with the City of Windhoek are in place and active.	• Complete major civil works (foundations, drainage, building shells) and start primary electrical installation. • Install and test power transformers and high-voltage equipment on site, and progress control/protection panels and cabling. • Execute protection coordination, SCADA/EMS integration, and grid-code compliance testing. • Prepare for commissioning and energisation ahead of the December 2026 completion target. • Finalise as-builts, O&M documentation, and operational handover.

Expected commissioning in December 2026

ESG at a glance

Environmental:
work within ECC/ESMP; manage dust/noise and construction waste.

Social:
ongoing stakeholder engagement with the City of Windhoek and nearby communities; apply traffic and site-safety measures during works.

Governance:
transparent procurement and co-funding governance; quality, HSE and schedule monitoring with auditable records; grid-code compliance before energisation.

220/66 kV Erongo Substation Development
Estimated project cost: N$170 million

Overview
This co-funded project between NamPower and Erongo RED aims to increase and stabilise electricity supply to the rapidly growing Erongo Region.

PROGRESS	LOOKING AHEAD
• Construction is currently underway following the award of the contract to Megatron Engineering. • Long-lead items, including power transformers, have been procured and delivered to the Gerus Substation for temporary storage. • Protection systems and high-voltage equipment have been ordered.	• Construction and installation works will continue through 2025.

Expected commissioning in December 2026

ESG considerations

The project supports regional reliability and economic growth while maintaining sound environmental and safety practices.

New 220/132 kV Masivi Substation Project
Estimated project cost: N$330 million

Overview
Construction of the new Masivi Substation has been completed, marking a significant milestone in strengthening power supply to the north-eastern regions of Namibia. Commissioning activities have been taken over by NamPower and are scheduled for completion in October 2025. The associated Static Synchronous Compensator (STATCOM) installation is currently being implemented and is expected to be finalised by December 2025.

ESG considerations

The project enhances regional power reliability while maintaining sound environmental practices and supporting local employment during implementation.

220 kV Otjikoto-Masivi Transmission Line Project
Estimated project cost: N$330 million

Overview
This project has been deferred as part of financial prioritisation. The environmental impact assessment (EIA) process has been completed, and line design is currently underway by the internal design team.

New 132/66/33 kV Shiyambi Substation Project
Estimated project cost: N$81 million

Overview
Construction of the Shiyambi Substation has been completed, with only yard stone delivery pending before energising. Full commissioning is expected early 2026.

ESG considerations
The project enhances network reliability in northern Namibia while adhering to environmental and safety requirements.

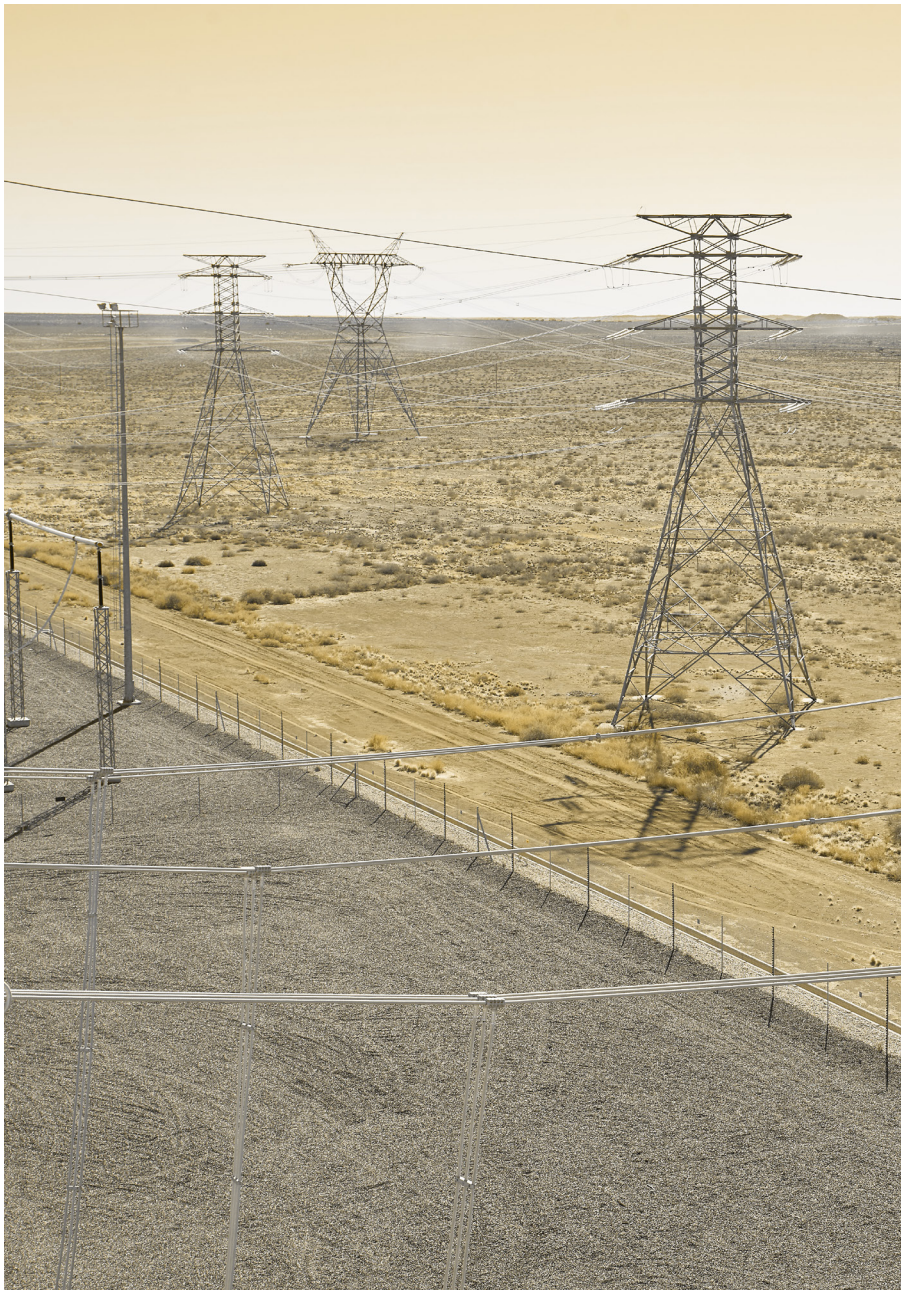
132 kV Namib-Diaz Transmission Line and Metering Station Project
Estimated project cost: N$240 million

Overview
This project will connect the Diaz Wind Plant to the national transmission grid, enhancing renewable energy integration and network stability in the southern region.

PROGRESS
- Construction of the transmission line by Clydon Namibia is currently underway.
- NamPower has completed the substation works at Namib and Kokerboom.
- Power transformers have been delivered to Kokerboom, and installation is in progress.

LOOKING AHEAD
- Completion of the line construction and transformer installation is expected during 2025.
- Testing, commissioning, and energising are planned to follow thereafter.

ESG considerations
The project will facilitate renewable energy integration into the national grid, and it will implement sound environmental and safety practices during construction.



Case study

Modernising the grid's protection, automation and control (PAC) system

NamPower has launched a ten-year strategic campaign titled 'Bring the Substations Closer'. This initiative aims to transform the transmission grid into a modern, interconnected, and digitally enabled network. By bridging geographical distances through advanced remote operations and automation, the programme seeks to modernise all backbone substations, enable full remote monitoring and control, and prepare the grid for future digitalisation, including the integration of artificial intelligence and machine learning. Through these efforts, NamPower aims to build a smarter, more resilient, and cost-efficient transmission system by 2034.

Between July 2024 and June 2025, the following PAC systems and substation automation systems (SAS) were upgraded or modernised as part of the campaign:

- Kokerboom Substation: SAS
- Kokerboom Substation: 400kV buszone
- Auas Substation: 400kV Kokerboom 1 feeder
- Auas Substation: 400kV transfer bus coupler
- Obib Substation: SAS
- Obib Substation: 400kV buszone
- Omburu Substation: coupling transformer 1
- Omburu Substation: 330kV buszone
- Otjikoto Substation: 220kV buszone
- Otjikoto Substation: 66kV buszone
- Namib Substation: 132kV Kokerboom 1 and 2 feeders
- Walvis Bay Substation: 132kV feeder 1 and 2 automatic synchronisation (for Anixas II integration)

TRANSMISSION SYSTEM PERFORMANCE

Accurately measuring network performance is essential for utilities to maintain high reliability.

The reliability reporting indices in the following table are based on the duration and frequency of supply interruptions experienced by the average consumer on the NamPower network during the reporting period.

Transmission system performance data

Measure	Outcome	Rating
USML (minutes)	31.50	Above target
SSML (minutes)	50.75	On target
SAIDI (minutes)	0.72	Above target
SAIFI (interruption/ customer) (units) (minutes)	0.31	Above target
CAIDI (minutes)	2.36	Exceptional
Availability (%)	99.810	Exceptional

Operational highlights
The operational highlights for the review period include:

- the successful commissioning of the new Anixas II Power Station at Walvis Bay; and
- the successful commissioning of third-party IPP, namely the ISPS 10 MW station at the Eldorado Substation and a 20 MW PV plant at the Khan Substation.

Ensure transmission system availability
Transformer repairs and design improvements

Estimated project cost: N$27 million

During the year, NamPower undertook the repair and enhancement of the design of two 40 MVA transformers previously in service at the Lithops Substation. The work followed an in-service failure investigation and presented an opportunity to improve performance and extend the assets' operational lifespan.

The upgraded transformers will provide increased reliability and capacity within the transmission network and will serve as strategic spares for the 220 kV system once reinstated. These improvements contribute to NamPower's ongoing efforts to strengthen grid resilience and ensure an uninterrupted power supply across Namibia.

Transmission system disturbances

Four major transmission system disturbances were recorded during the reporting period. The first occurred on 19 November 2024, when several structures on the Otjikoto-Otjiwarongo 66 kV line collapsed due to heavy storms. The damaged structures were inaccessible from the ground, delaying repair work. A new 66kV line with a 70 mm² Hare conductor was constructed using two H-pole structures to connect the Kombat and Grootfontein lines. Power supply to Grootfontein was restored after 1 day, 9 hours, and 27 minutes.

The second major system disturbance occurred on 21 December 2024, when the Kokerboom-Nabas 66 kV breaker tripped. Line inspection identified two broken structures, which were replaced. The power supply was restored after 1 day, 4 hours, and 22 minutes.

The third incident occurred on 7 February 2025, when the Copper-NCS 1,132 kV breaker tripped at 18:18. Inspection revealed a burnt white-phase fuse holder on Oshikango Town 1/33kV LL. The power supply was restored after 1 day, 23 hours, and 58 minutes.

The fourth major incident was recorded on 17 March 2025, when the Ruacana-Opuwo 66 kV breaker tripped at 13:30. A detailed line inspection revealed a broken cross-arm and two broken long-rod insulators, which were subsequently repaired. The power supply was restored after 1 day, 20 hours, and 36 minutes.

Despite these challenges, NamPower successfully restored power within reasonable timeframes, demonstrating its resilience and commitment to grid stability.

System incidences

In addition to major disturbances, several operational incidents were reported during the year:

- On 3 July 2024, a deceased person was discovered hanging from a tower on the Van –Eck-Kuiseb 1,220 kV line. Emergency switching was performed at 08:46 to remove the body.
- On 13 September 2024, at Oshakati Transformer 1, a person was electrocuted after attempting to access a restricted area. Emergency services and the Namibian Police responded, and supply to Oshakati was subsequently restored.
- On 5 November 2024, at the Hochfeld Substation, a utility worker sustained a knee injury when a truck struck a pole lying on the ground. The injured worker was taken to the hospital for medical assistance.
- On 7 April 2025, at the Rehoboth Substation, a truck driver sustained an ankle injury after being struck by a pole during loading operations.
- On 8 April 2025, at the Croxley-Duineveld 33kV T-Off, a Kalkrand Village Council employee assisting NamPower employees was injured when a truck became stuck in the mud.

Operational challenges

The period under review was marked by multiple trips of Ruacana Generators 1, 2, and 3 due to power oscillations on the system. The power system stabiliser (PSS) gain settings at Ruacana were subsequently upgraded, improving system performance. A joint technical team from NamPower and Eskom continues to investigate the phenomenon.

LOOKING AHEAD

NamPower remains committed to continually improving its operations to ensure the nation's security of supply. Key priorities for the year ahead include:

- fully digitalising the National Control Logbook;
- training and authorising additional System Controllers;
- upgrading the Emergency Control Centre; and
- developing a new National Control Centre to accommodate Namibia's expanding power system.

LEVERAGING REGIONAL TRADING OPPORTUNITIES

The Southern African Power Pool (SAPP) was established to provide a reliable and economical electricity supply to consumers across member countries. Through its participation in the SAPP, NamPower continues to benefit from regional power trading arrangements and cross-border collaborations.

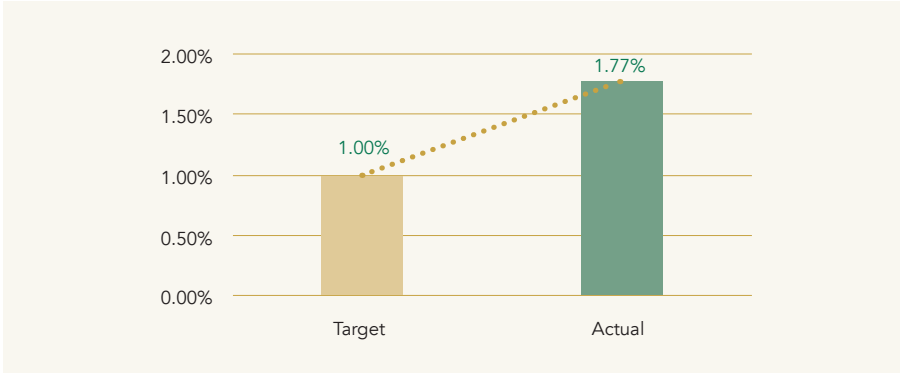
Although the SAPP region continues to experience evening peak shortages, conditions improved significantly for Namibia during the year under review. The improvement was mainly due to higher local generation, supported by strong Kunene River flows into the Ruacana Hydroelectric Power Station. In 2025, NamPower purchased 97 GWh and exported a surplus of 511 GWh through the SAPP.

NamPower is also engaging Rede Nacional de Transporte de Electricidade (RNT) of Angola on the proposed Angola-Namibia Interconnector Project, which aims to unlock future electricity trading opportunities between the two countries.

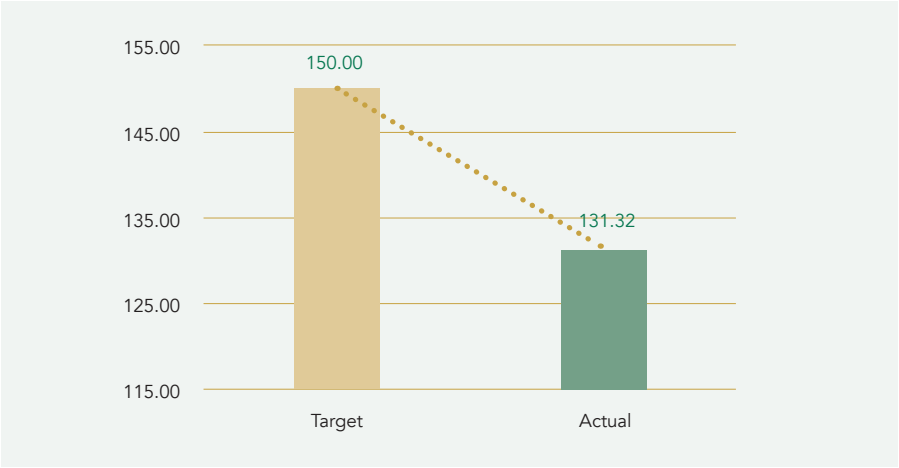
PERFORMANCE FOR 2025

The following figures show delivery on plan against the strategic objectives to leverage regional trading opportunities and to ensure a least-cost electricity supply mix, as well as the actual performance against the KPI targets set for the year.

Total profitable annual net exports (kWh export growth regionally) (%)

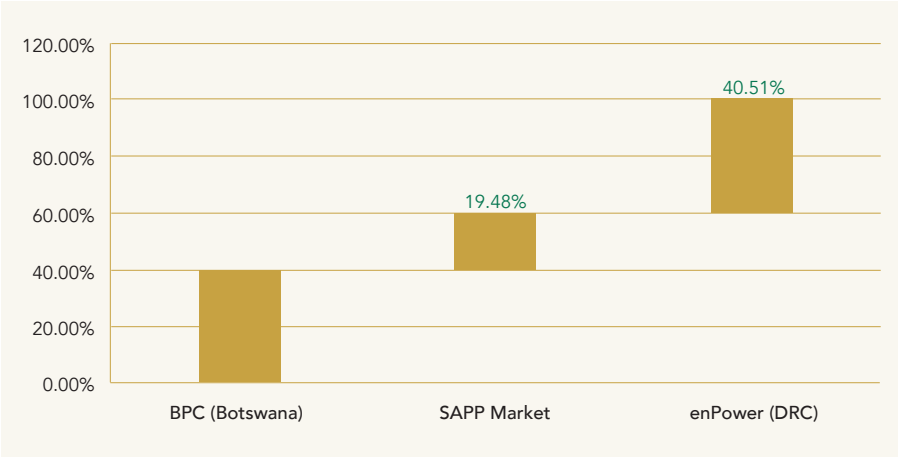


Average cost of the energy mix supply (cents per kWh)



The following figure illustrates NamPower's regional electricity export distribution for the year, showing that the majority of sales were to enPower in the DRC, and the Botswana Power Corporation (BPC), with the remainder traded through the SAPP market.

Sales in the region (exports)



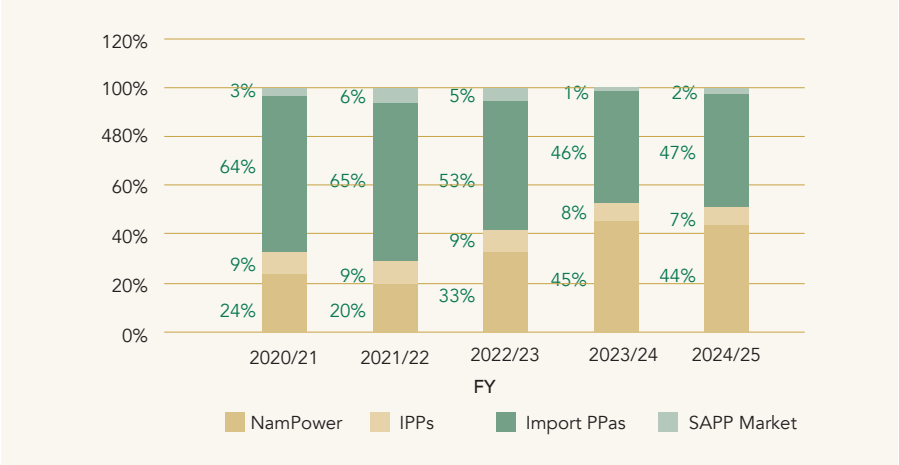
ENSURING LEAST-COST ENERGY SUPPLY MIX

NamPower continues to optimise its operations through systematic approaches that integrate operational excellence, including renewable energy integration, to ensure security of supply at the lowest sustainable cost. Economical dispatch of own generation combined with strategic sourcing of energy from the SAPP and local IPPs, remains central to achieving a least-cost energy supply mix.

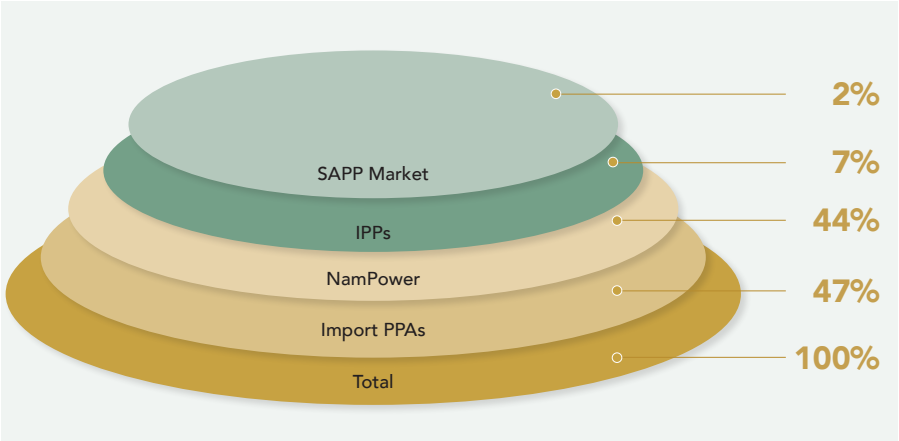
For the year under review, the above-average rainfall received in several countries in the SADC region, particularly Angola, boosted generation from NamPower's largest power station (Ruacana Hydro Power Station), which increased the contribution of local generation to the annual electricity demand of above 50% for the past two years, compared with the historical average contribution of about 40%. Through these optimisations, a production cost of N$131.23 c/kWh was achieved in 2025.

The following figures show NamPower's 2025 supply composition, highlighting the relative contributions from local generation, IPPs, and imports through regional trading partners.

Supply portfolio



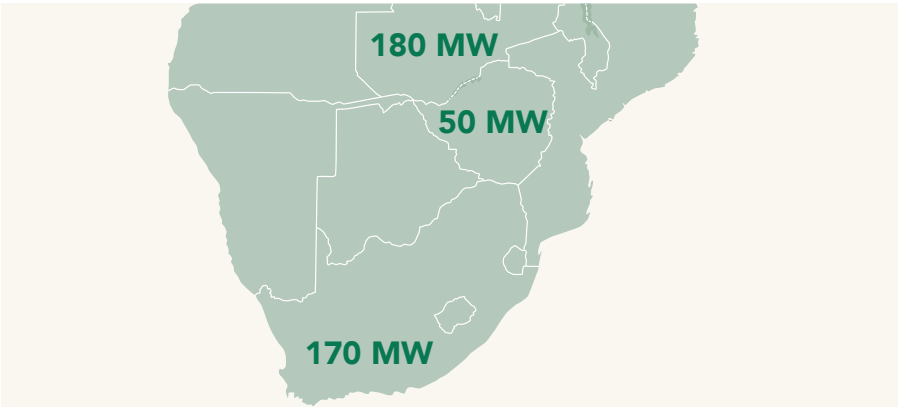
Suppliers' contribution for FY 2025



Energy imports

NamPower's energy imports are guided by the NIRP and NDPs, which set targets for local generation expansion and long-term energy self-sufficiency. While expanding local generation capacity, it supplements its supply options by purchasing power from the SAPP market through both bilateral PPAs and short-term trading.
Current PPAs include:

- 170MW with ESKOM (South Africa)
- 180MW with ZESCO (Zambia)
- 50MW with ZPC (Zimbabwe)

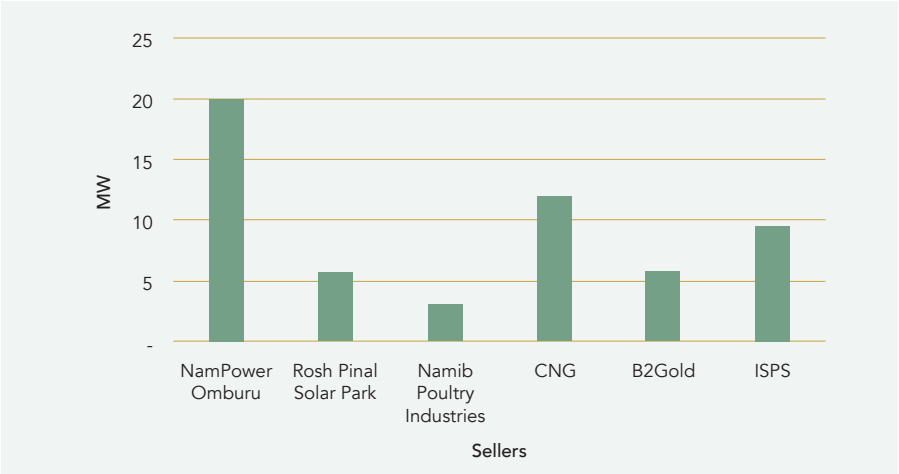


SUPPORTING THE DEVELOPMENT OF THE ELECTRICITY INDUSTRY AND THE ECONOMY

Since the modified single buyer (MSB) market was introduced in 2019, NamPower has established the necessary market agreements, guidelines, and operational frameworks for local transactions. The total operational capacity under the MSB market grew from 28.7 MW in 2024 to 56.2 MW in 2025, supporting the gradual liberalisation of Namibia's electricity market and the participation of new entrants.

Sellers' contribution

The following figure shows the contribution of IPPs and embedded generators to Namibia's electricity supply in FY 2025, with NamPower's Omburu Solar Power Plant and CNG among the leading suppliers.



LOOKING AHEAD

NamPower has successfully implemented several projects outlined in the ISBP 2020-2025, with additional projects at various stages of development.

Looking ahead, the Company will be guided by the Government's strategic directives, as outlined in the NIRP, NDP 6, the forthcoming ISBP 2026-2030, and the NamPower Integrated System Plan (ISP).

The ISBP seeks to align investments identified through the Transmission Master Plan, generation projects, and energy trading opportunities to ensure a cost-effective, secure, sustainable, and reliable supply portfolio that accounts for financial constraints, the development of the MSB market, and Namibia's evolving energy demand.





STRATEGIC PILLAR 2

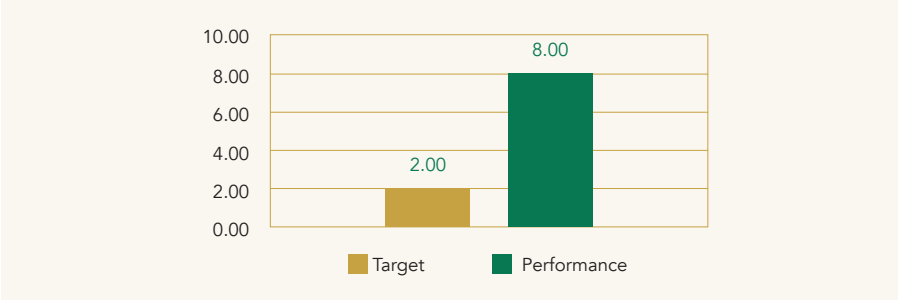
UNLOCKING THE VALUE OF ELECTRICITY SECTOR COLLABORATION

Collaboration within the electricity supply industry continued to expand, supported by productive partnerships with independent power producers, distribution partners, and industrial customers. Electrification projects advanced in priority regions, improving access to electricity and supporting Namibia's socio-economic development objectives.

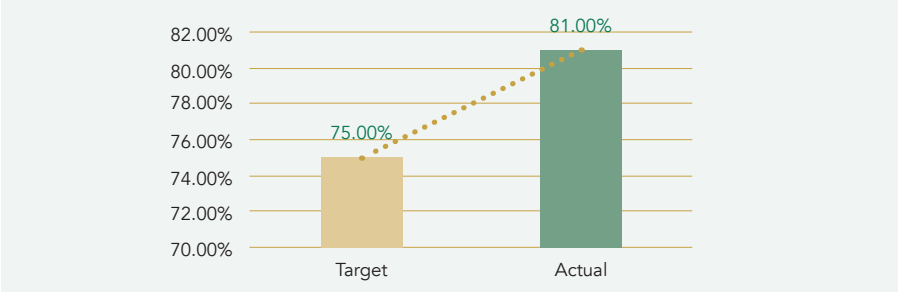
PERFORMANCE FOR 2025

The following figures depict the performance of each strategic objective under this strategic pillar.

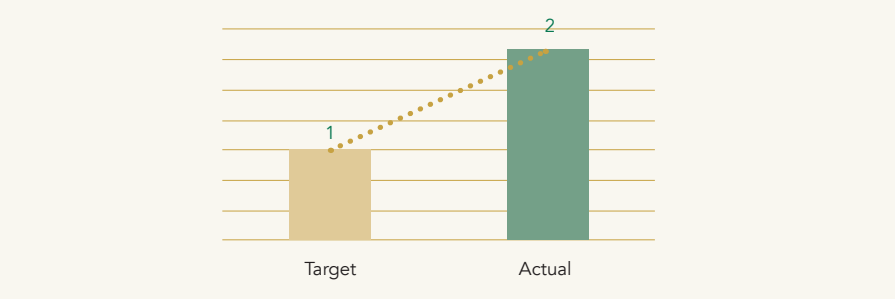
Support the development of the electricity industry and the economy – Number of ESI initiatives



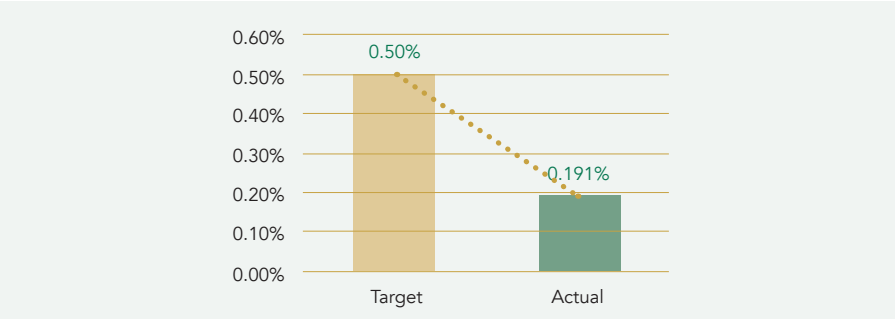
Develop new products and services (solutions) – % customer/stakeholder satisfaction



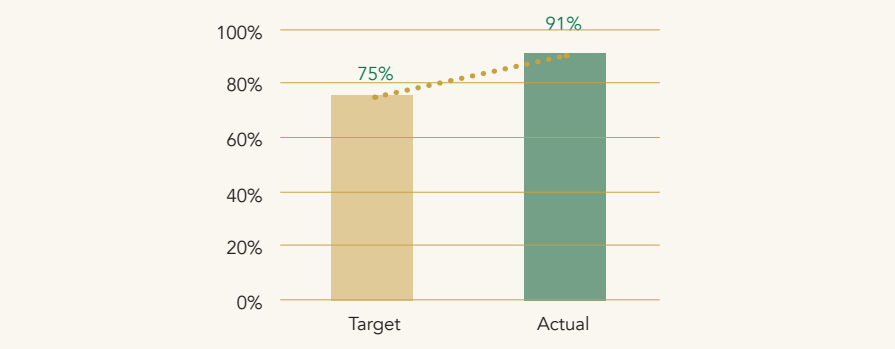
Develop new products and services (solutions) – number of new products and services introduced to the market



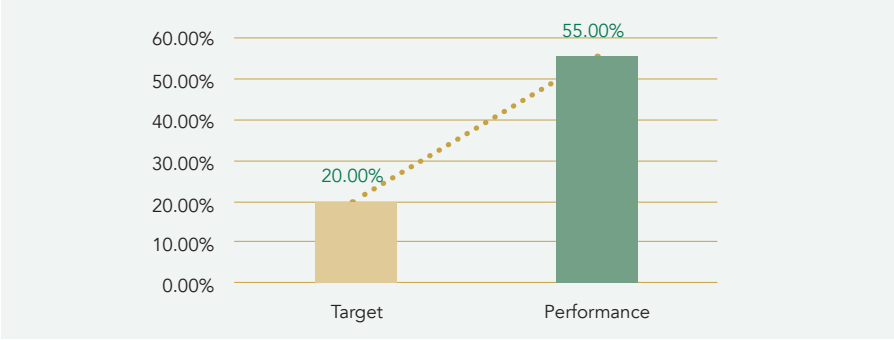
Support the acceleration of electrification – electrification investment (incl. CSI) (% of EBITDA)



Support the acceleration of electrification – % completion of rural electrification projects (milestones



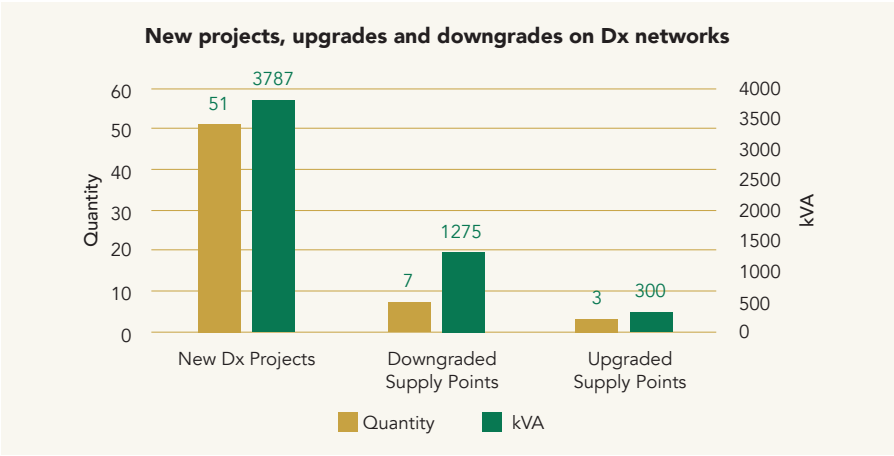
Support the development of the electricity industry and the economy – locally procured goods and services (% of APP spending)



SUPPORTING THE DEVELOPMENT OF THE ELECTRICITY INDUSTRY AND THE ECONOMY

NamPower's distribution network continues to expand in line with increasing national demand. As illustrated below, 51 new distribution projects were completed during the year under review, adding approximately 3,787 kVA of new capacity and enhancing electricity access for a wide range of stakeholders, particularly within the agricultural sector. While seven projects involved the downgrading of supply points (reducing capacity by 1,275 kVA), these were offset by three upgraded supply points, which together added 300 kVA through the installation of higher-capacity transformers.

Number of new distribution projects, downgraded and upgraded supply points, total kVA



DEVELOPING NEW PRODUCTS AND SERVICES (SOLUTIONS) FOR OUR CUSTOMERS

NamPower's commitment to customer-centric innovation is driven by continuous engagement with existing and potential clients to understand their evolving needs and guide the development of relevant, value-adding products and services.

NamPower continues to ensure network reliability and operational efficiency through systematic first-line maintenance across its transmission infrastructure. During the year under review, the network operations team continued to conduct regular line and substation inspections and coordination of the required maintenance activities to sustain optimal network performance.

Several key projects, including comprehensive bush clearing, the planned replacement of wooden crossarms with more durable steel alternatives, and the refurbishment of multiple substations, were undertaken. In addition to these planned works, several emergency incidents were promptly addressed to maintain an uninterrupted electricity supply to customers.

A major emergency restoration exercise was successfully undertaken in the southern region near Keetmanshoop, where the Kokerboom-Namib 2 (132 kV) transmission line tripped on 16 February 2025 after severe thunderstorms and strong winds damaged 11 monopoles. NamPower's rapid response team was immediately deployed, and power was successfully restored on 28 February 2025.

Another significant restoration took place in the northern region on the Okatope-Okapya 66 kV line, where 22 wooden structures collapsed on 8 June 2025. Through dedicated efforts, the supply was restored to all affected customers within seven days.
Bush-clearing initiatives were carried out using internal resources, including three bulldozers and trained operators working across various regions to ensure accessibility for maintenance and emergencies. A good example of this is the Rehoboth-Klein Aub 66 kV line, which was fully cleared to facilitate future line work.

NamPower also continued to engage stakeholders through technical forums, conferences, and direct customer platforms such as farmer union meetings and social media, ensuring ongoing collaboration and communication.

The High Voltage Regulations and Training function continued to train, assess, and certify appointed operators, ensuring safe network operations in accordance with the Operating Rules for High-voltage Systems (ORHVS) and the Namibian Electricity Safety Code (NESC).

These initiatives reflect NamPower's ongoing commitment to operational excellence, network resilience, and the reliable delivery of electricity to customers across Namibia.

Migration to the ArcGIS Utility Network
NamPower has embarked on a project to migrate from its legacy GIS system (GE Smallworld Electric Office) to ESRI's ArcGIS Utility Network platform. All spatial and operational data are being transferred, with functionalities replicated or improved within the new environment.

Due to the complexity of the migration process, NamPower developed a proprietary data-extraction model to transfer internal operating drawings. This achievement earned the Company a Special Achievement in GIS Award at the 2025 ESRI User Conference.

The project is now in its final phase, with the ArcGIS system scheduled to go live on 18 August 2025. The new platform introduces mobile accessibility, offline functionality, and customer-facing applications for reporting incidents such as outages. These apps feed into real-time dashboards, enabling faster response times and data-driven decision-making.

NamPower drone operations
NamPower's drone programme continues to play a key role in asset inspection and maintenance. Equipped with high-resolution cameras, drones provide aerial imagery that complements ground and helicopter inspections, allowing operational teams to identify and address faults efficiently.

Drones are also used to produce ortho-images and 3D models of substations, which are integrated into the ArcGIS system. The Company plans to expand its drone operations by training additional certified pilots across technical divisions.

Enhanced reactor protection
To mitigate the risk of equipment damage caused by faults on ageing switchgear, NamPower developed and implemented a busbar reactor protection solution at the Hardap, Kokerboom, and Auas Substations. This innovation enhances system safety and reliability and demonstrates NamPower's in-house engineering capability to address evolving operational challenges.

Response to system faults
In response to recurrent faults on busbar reactors operating with single-pole circuit breakers due to ageing switchgear, NamPower developed and implemented a protection solution to prevent damage to the reactors should such faults occur. The solution was necessitated by the loss of two busbar reactors at the Kokerboom and Hardap Substations. The new protection system has since been successfully implemented on the following reactors:

- Hardap Substation Reactors 1-3
- Kokerboom Substation Reactor 2
- Auas Substation Reactor 11

This innovative in-house solution enhances equipment protection and system reliability, demonstrating NamPower's technical capability and proactive approach to maintaining network integrity.

Enhancing data and customer systems

Transmission Prepayment Project
NamPower made significant progress in implementing the Transmission and Distribution Prepayment System, migrating all transmission customers' data to the Meter Data Management System (MDMS) and integrating it with the SAP platform. This initiative automates data flow from smart meters, improving billing accuracy and operational efficiency.

At the distribution level, NamPower is upgrading its prepayment infrastructure to enable bidirectional communication between systems, allowing real-time data exchange and improving customer service. The migration of previously manual meter readings to an online platform has further enhanced data accessibility and reduced billing turnaround times.

LOOKING AHEAD

NamPower will continue to leverage digital technologies, strategic partnerships, and innovation to unlock efficiencies, strengthen Namibia's electricity network, and address ongoing operational challenges such as copper theft and infrastructure vandalism. Continued collaboration with regional electricity distributors, industry associations, and customers will remain key to sustaining service quality, modernising infrastructure, and creating long-term value across the electricity supply chain.

INNOVATIVE INFORMATION COMMUNICATION TECHNOLOGY SOLUTIONS

Information and communication technology (ICT) continues to strengthen NamPower's business performance by improving reliability, data security, and efficiency across all operations. As a core enabler of the Company's strategy, ICT supports real-time management of generation, transmission, and commercial systems while ensuring that data, systems, and users remain securely connected.

Performance for 2025

As illustrated below, NamPower achieved strong performance across all ICT indicators during the period under review, maintaining a network uptime of 99.35%, service availability of 99.83%, and a user satisfaction rating of 92%. The Company's cybersecurity posture improved from 68% in 2024 to 78% in 2025, exceeding international benchmarks for utilities of a comparable scale. These achievements reflect the effectiveness of NamPower's digital systems in maintaining reliability and continuity of service.

KPI	2025	2024	2023
Network uptime	99.35%	99.32%	99.35%
Service uptime	99.83%	99.97%	99.35%
Security posture	78%	68%	45%
User satisfaction	92%	91.8%	95.1%

Ongoing investment in modernisation remained a priority. The Company automated financial-reporting processes for the Annual Financial Statements, upgraded enterprise networks, and expanded access to the Electronic Document and Records Management System (EDRMS). More than half of all computer operating systems were upgraded to the latest stable versions, with full deployment expected by December 2025. These initiatives have improved system stability, data accuracy, and disaster-recovery readiness across the organisation.

Two short network interruptions occurred during the year due to vandalism of fibre connections between the head office and the disaster-recovery site. Repairs were completed promptly, reinforcing the network's resilience and the effectiveness of its incident-response protocols.

ICT governance and cyber resilience
NamPower maintains a clear governance framework that guides the management of ICT systems, cybersecurity, and data integrity. In 2025, key policies and procedures were reviewed and updated in line with ISO 27001, the Centre for Internet Security, and other recognised standards. An independent audit of NamPower's Disaster Recovery Plan confirmed that the Company's systems can be restored quickly in the event of disruption, with only minor recommendations noted.

During the year, the Company approved new procedures for IT Asset Management and Vulnerability Management and revised both the Password Policy and System Recovery Procedures. These updates enhanced accountability and improved compliance with internal and external governance requirements.

Cyber risk mitigation
Cybersecurity remains one of NamPower's key operational priorities. The Company employs a layered approach that combines governance, technology, and employee awareness to mitigate risk exposure and enhance resilience.

- Risk management and governance: All ICT activities are risk-assessed and regularly audited, with vulnerability scans and penetration tests carried out on a scheduled basis.
- Threat detection and response: Continuous monitoring systems and advanced detection tools identify anomalies in real time. Response procedures are tested frequently to minimise disruption.
- Security awareness and training: Staff awareness campaigns, phishing simulations, and refresher courses reached more than 95% of employees, reducing user-related incidents.
- Access control and data protection: Multi-factor authentication, strict access protocols, and encryption protect information assets.
- Continuous improvement: Lessons from audits, industry collaboration, and threat intelligence are applied to maintain a responsive security posture.

An independent assessment in 2025 confirmed an 8% improvement in NamPower's cybersecurity score, positioning it more than 30% above the global benchmark for utilities of a similar size. This outcome highlights a proactive and adaptable security culture that protects critical systems and data.

Operational enhancements and digital transformation
NamPower's ICT function continued to advance digital modernisation projects that improve reliability, efficiency, and service delivery across the business. These initiatives are building a smarter, more integrated technology environment aligned with the Company's strategic goals.

Network and infrastructure modernisation
Upgrades to core network switches and installation of high-performance Wi-Fi access points enhanced reliability, speed, and connectivity across offices, supporting hybrid working environments.

Digital records and information management
The expansion of the EDRMS has enabled more departments to digitise legacy records and improve document control.

Business process automation
Automation of the financial-reporting system has improved accuracy, transparency, and audit readiness, while aligning reporting with IFRS standards.

Engineering and metering systems
The Extended Enterprise Content Management System for Engineering went live in December 2024, improving collaboration on capital projects. The new MDMS now automates the storage, validation, and reporting of meter data.

Corporate analytics and dashboards
Real-time dashboards provide executives with access to key performance data, enabling informed decisions and enhanced oversight.

LOOKING AHEAD

NamPower's ICT Roadmap focuses on innovation, digital transformation, and sustainable technology governance. Key initiatives for 2026 and beyond include:

- ERP upgrade: migration to a new ERP platform with enhanced analytics and integrated controls.
- Digital document warehouse: centralised repository to streamline access, compliance, and lifecycle management of Company records.
- Fixed-asset verification system: automated asset tracking integrated with the ERP register.
- Advanced metering infrastructure (AMI): integration with the MDMS to improve billing accuracy and customer engagement.
- E-recruitment platform: a digital solution that streamlines recruitment and onboarding.
- AI-driven compliance and zero-trust architecture: strengthening governance and data protection across platforms.
- Green IT initiatives: Implementing energy-efficient data centres and ESG-aligned technology practices.

Through these projects, NamPower aims to integrate digital capabilities into its operations, ensuring that systems are resilient, secure, and responsive to the evolving energy environment. As IT and operational technology become more integrated, data-driven insight will support predictive maintenance, grid analytics, and improved customer experiences.

ICT will remain a cornerstone of NamPower's ability to deliver value, supporting efficient operations, informed decision-making, and long-term sustainability in Namibia's evolving power sector.

THE GRIDONLINE: ADVANCING NAMIBIA'S INFORMATION COMMUNICATION TECHNOLOGY SECTOR

Adaptation of pricing model and product portfolio
Established in 2019, GridOnline is a NamPower division that provides open-access bulk connectivity services using NamPower's national fibre-optic infrastructure. The platform enables telecommunications operators, internet service providers, and large enterprises to lease capacity on NamPower's extensive transmission network, promoting competition, connectivity, and digital inclusion across Namibia.

During the reporting period, GridOnline completed a strategic restructuring of its pricing model and service portfolio. This initiative was informed by evolving market dynamics, regulatory guidance, and the organisation's commitment to ensuring equitable access to digital infrastructure across Namibia.

At its inception, GridOnline applied a cost-reflective, distance-based pricing structure. While this model was initially effective, it inadvertently led to higher costs for customers located farther from major network points, creating regional pricing disparities.

In alignment with the Communications Regulatory Authority of Namibia's (CRAN) mandate to promote fairness and inclusivity, GridOnline collaborated with strategic consultant DETECON to review and refine its approach. Leveraging recent network investments and technological advancements, the Company has transitioned to a single national pricing zone.

This new model treats the network as a unified national asset, with costs distributed equitably across all regions. Customers now benefit from uniform pricing regardless of geographic location – a significant step toward GridOnline's goal of national inclusivity, affordability, and digital equity.

In parallel with the pricing reforms, GridOnline expanded its product portfolio to better serve the needs of its growing and diverse client base. Key introductions include:

- IP transit: delivering high-speed, bulk direct internet connectivity via GridOnline's robust backbone infrastructure.
- Flexible add-on ports: providing scalable and adaptable network access solutions for clients with dynamic or mobile requirements.

These developments strengthen GridOnline's contribution to Namibia's digital transformation and socio-economic development, enhancing social and relationship capital through inclusive access, intellectual capital through innovation, and financial capital through a more efficient and sustainable business model.

ACCELERATING ELECTRIFICATION TO RURAL AREAS OF NAMIBIA

Rural areas in Namibia continue to face service-delivery gaps relative to urban centres, particularly in access to electricity. This disparity constrains socio-economic development and quality of life, underscoring the need to accelerate electrification in underserved regions.

Expanding Namibia's electrification rate remains one of NamPower's key priorities, and the Company continues to budget for and implement medium- and low-voltage distribution line projects each financial year.

In pursuit of its strategic objective to expand access to affordable and reliable electricity, NamPower advanced several rural and peri-urban electrification projects during the year. These initiatives were undertaken in collaboration with the Ministry of Industries, Mines and Energy (MIME), which continues to lead the national electrification agenda. Collectively, these efforts are improving living standards and supporting inclusive socio-economic growth across Namibia.

In addition to grid extensions in rural communities, NamPower also implemented peri-urban electrification projects to bridge access gaps in informal settlements around major towns. These initiatives formalise connections, reduce illegal electricity usage, and enhance safety in high-density areas.

NamPower funded projects

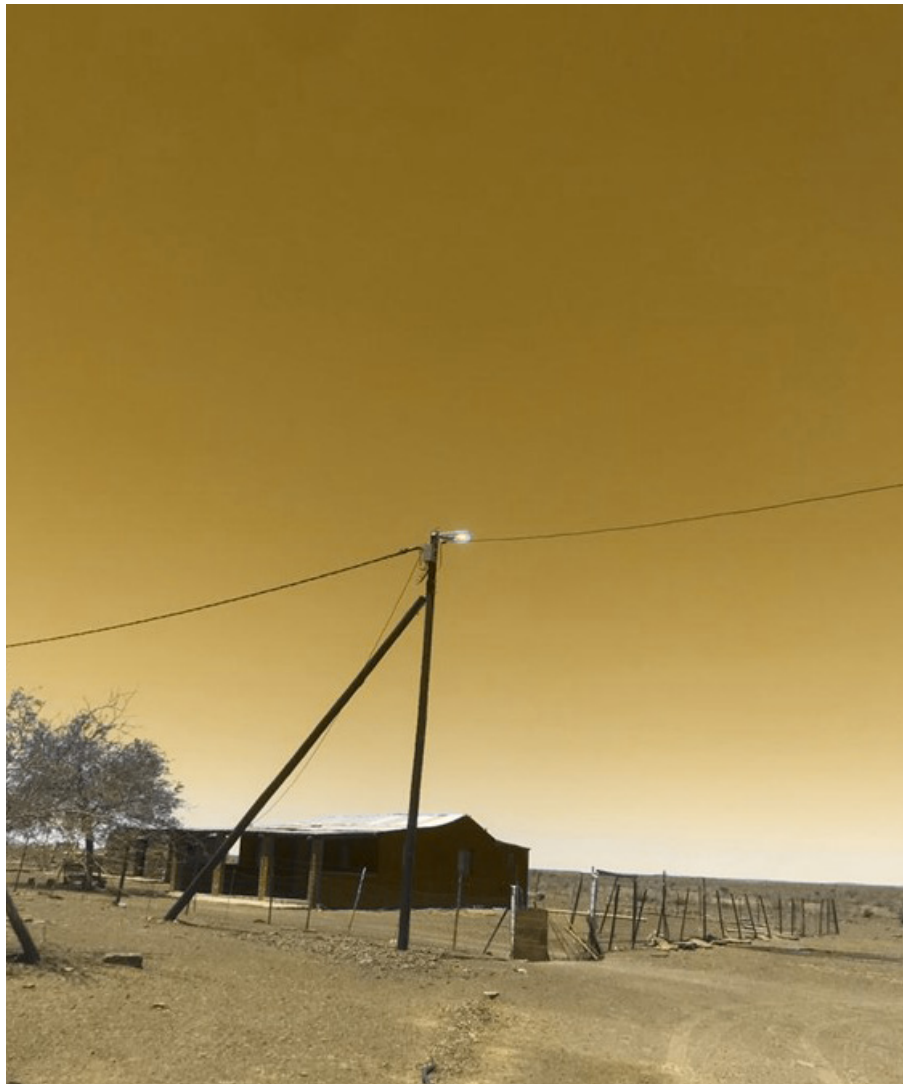
Projects completed

As illustrated in the table below, NamPower successfully completed 11 projects during the year, totalling N$ 45,5 million in investment. These projects benefited a diverse range of communities, including households, schools, kindergartens, and community boreholes.

Some of the major electrification projects during the year included:

- Ozorongondo Project (Omaheke Region): provided electricity to three kindergartens and associated facilities.
- Kalumba Locality (Zambezi Region): connected 157 households.
- Maltahöhe Peri-urban Project (Hardap Region): delivered electricity to 115 households. The project was officially inaugurated by the Deputy Minister of Mines and Energy on 11 March 2025.

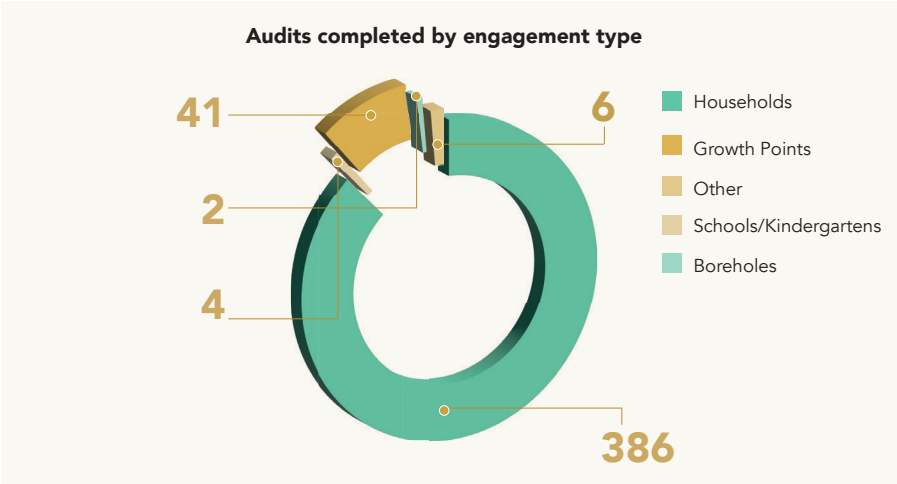
Through rural and peri-urban electrification projects aligned with NDP 6 and the Rural Electrification Programme, NamPower is expanding equitable access to safe, reliable electricity, empowering communities and supporting Namibia's long-term socio-economic transformation.



NamPower projects completed (2024/25)

#	Region	Locality	Project status	Date energised	Project cost (N$)	Beneficiaries
1	Hardap	Maltahöhe Informal Settlement Ext 1	Construction completed	8 July 2024	3,289,268	115 households connected
2	Kavango West	Tondoro	Construction completed	12 July 2024	5,280,774	Benefited surrounding communities through improved electricity access
3	//Karas	Jakkalsvlei village	Construction completed	21 July 2024	3,098,159	21 households connected
4	Hardap	August Dam and Kruiss villages	Construction completed	15 August 2024	3,172,222	21 households connected
5	Omaheke	Ezorongondo	Construction completed	4 September 2024	8,705,744	3 kindergartens 1 Late Chief's residence
6	//Karas	Kutenhoas	Construction completed	25 September 2024	2,614,144	42 households connected
7	Oshikoto	Hedimbi	Construction completed	18 October 2024	6,494,448	41 growth points 1 teacher's house 1 school 1 clinic
8	Omaheke	Okatumba Gate	Construction completed	19 November 2024	3,110,115	Okatumba Police Station Okatumba Clinic Okatumba Forestry Office Okatumba Community Centre Traditional Authority Office
9	//Karas	Jakkalsdraai and Nuwe Kalk	Construction completed	13 December 2024	3,677,314	**Nuwe Kalk** 14 households 1 borehole **Jakkalsdraai** 13 households 1 borehole
10	Zambezi	Mashi Traditional Chief house	Construction completed	13 December 2024	424,625	1 Chief's house Transformer upgrade from a 16KVA single phase to a 50 KVA / 3 phase
11	Zambezi	Kalumba	Construction completed	6 March 2024	5, 661, 999	157 households
				Total project cost	**45,528,812**	

Beneficiaries of completed projects



NamPower-funded projects in progress (2024/25)

A total of 13 projects were under implementation during the reporting period, some of which reached full construction completion but were not yet energised as at 31 March 2025.

Together, the 11 completed projects and the 13 awaiting energisation, as listed below, demonstrate NamPower's ongoing commitment to expanding equitable access to electricity and supporting Namibia's long-term social and economic transformation.

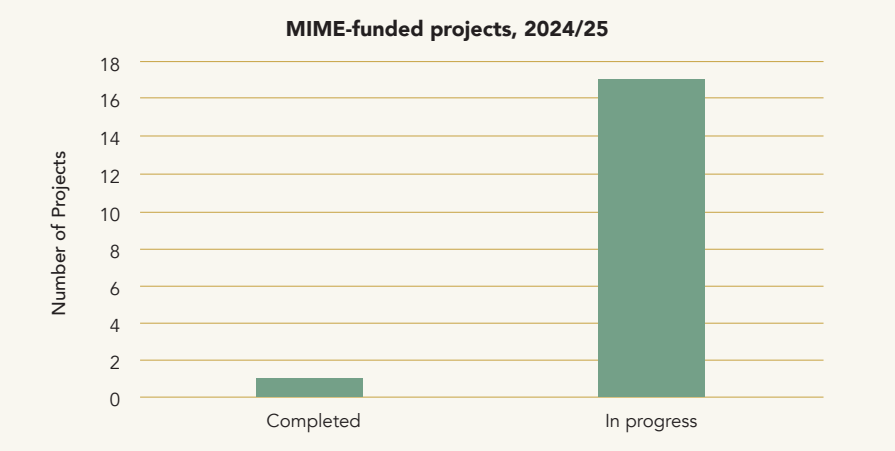






#	Region	Locality	Project status	Project cost (N$)	Beneficiaries
1	Hardap	Klein Aub	Construction 100% completed; tie-in scheduled in August 2025	3,220,925	100 households
2	Zambezi	Ndoro Memorial School	100% surveying done; materials being transported to the site	3,454,033	1 school 1 kindergarten 1 police station Ministry of Agriculture, Water and Forestry offices 1 borehole
3	Kavango East	Thipanana-Rughongo	15%– de-bushing and excavation of MV poles underway	1,720,899	50 houses 1 church
4	Kunene	Kainatseb	Site establishment has not yet commenced	2,473,838	1 kindergarten
5	Ohangwena	Nakapandi	3% complete	2,260,358	School, kindergarten, church, growth points, mobile clinic
6	Omaheke	Otjimati and Otjiyere	35% complete	10,544,674	One kindergarten, one community centre, provision for boreholes and houses
7	//Karas	Nuwe Puts and Kameel River	2% – project recently commenced; progressing on schedule	9,433,087	Houses, growth points, gardens, and boreholes
8	Hardap	/Khoraxorasebs 2 and Falkenhorst	5% – spanning sheets approved; construction to begin	7,878,687	15 houses 1 borehole
9	Oshikoto	Werner PS	Site handover and survey completed; initial material supply delivered	3,009,828	1 school 1 church Business centres
10	Kavango West	Rupara (peri-urban)	97% complete	10,898,142	Provision for future house connections
11	Ohangwena	Oshikango Extension 7	Project has not yet commenced	4,858,044	Houses, servicing of Extension 7
12	//Karas	Aussenkehr Extension 1	Project has not yet commenced	8,715,283	Growth point, schools, clinic, servicing of Aussenkehr
13	Omusati	Uukwanangaa Village	95% complete; awaiting NORED inspection and tie-in date	812,000	Growth point and nearby households
			Total project cost	**69,279,798**	

Ministry of Industries, Mines and Energy-funded projects (2024/25)
In addition to projects financed through internal resources, NamPower also manages electrification projects on behalf of the MIME. Most project site handovers took place towards the end of 2024, with several others occurring in 2025. Consequently, the majority of projects remained in the construction phase during the reporting period, with the Kavango East project being the exception.



MIME-funded projects in progress and completed

Completed projects
The only MIME-funded project completed during the year was the electrification of six schools in the Kavango East Region, which also benefited churches, shops, boreholes, and teachers' houses.

MIME project completed (2024/25)

	Region	Locality	Project status	Project cost (N$)	Beneficiaries
1	Kavango East	Shadimbungu JP, Kavitji JP, Dumushi JP, Ncorosa JP, Alloys Hashipara JP and Tam-Tam JP	Project completed and energised on 11 December 2024	5,924,300	1 teacher's house 2 shops 6 schools 6 service connections 2 churches 5 boreholes

Ministry of Industries, Mines and Energy projects in progress (2024/25)

A total of 17 electrification projects funded by the MIME were in progress during the year. These projects involve the construction of medium- and low-voltage distribution lines across various regions of Namibia to improve electricity access for schools, clinics, boreholes, and surrounding communities.



MIME-funded projects in progress (2024/25)

#	Region	Constituency	Locality	Project status	Project cost (N$)	Beneficiaries
1	Kavango West	Mpungu	Kwaki PS, Etare JP, Nkulivere JP and Nkata JP	75% construction completed	16,593,650	4 schools Provision for future connections for 7 boreholes and 7 clusters of business centres (cuca shops)
2	Kavango West	Tondoro	Rupeho JP, Tjara JP, Desi JP, Petrus Katamba JP and Ncungu JP	Site establishment and setting out not yet done	7,288,409	6 schools Provision for future connections for 6 boreholes and 6 clusters of business centres (cuca shops)
3	Kavango West	Mpungu	Mahahe JP, Mulemba JP, Etenderera JP, Gcugcuma 2 JP, Cove JP, Kamuti JP and Mushupuko ECD Centre	Site establishment and setting out not yet done	7,877,152	7 schools Provision for future connections for 5 boreholes and 6 clusters of business centres (cuca shops)
4	Kavango West	Mankupi	Mpotomukukutu JP, Zone JP and Tare JP	Setting out completed and bush clearing is about 64% done	6,552,457	3 schools Provisions for future connections for 3 boreholes and 3 clusters of business centres (cuca shops)
5	Kavango West	Mpungu	Nyege JP, Simwege, Tjohwa JP, Mukambo JP and Kanguni West JP	Site establishment and setting out not yet done	6,500,706	5 schools Provision for future connections for 4 boreholes and 5 clusters of business centres (cuca shops)
6	Zambezi	Kabbe South, Kabbe North and Katima Mulilo rural	Masokotwani PS, Kahunikwa PS, Nsundwa Primary School, Ikaba CS and Malala-Nkanga PS	**Old Masokotwani, Kahunikwa and Malala-Nkanga:** 100% de-bushing done, 100% materials procured	12,789,204	**Old Masokotwani:** 1 school **Kahunikwa:** 1 school 1 church **Nsundwa:** 2 churches 1 borehole **Ikaba:** 1 clinic Ministry of Agriculture, Water and Forestry 2 churches 1 borehole
7	Zambezi	Kongola	Kanduda and Kaseta	100% surveying done, 40% de-bushing done, 50% materials procured and delivered	12,356,079	School Clinic Police Station Ministry of Home Affairs, Immigration, Safety and Security 3 boreholes

#	Region	Constituency	Locality	Project status	Project cost (N$)	Beneficiaries
8	Ohangwena	Okongo	Mateus Nakatumbe PS, Okongo Project PS, Ndahambelela PS and Nghifikwa	75% complete; project completion expected two months ahead of schedule	9,510,068	Schools Teachers' houses Boreholes Kindergarten Churches Growth points
9	Ohangwena	Okongo, Oshikunde and Omundaungilo	Ohamalila PS, Okalimba Nombwa PS, Efuta PS, Petrus Neshuku PS and Nghifilenga PS	50% – project is progressing well and remains on track to meet the scheduled milestones	9,893,982	Schools Teachers' houses Boreholes Kindergarten Churches Growth points
10	Ohangwena	Epembe and Omundaungilo	Eshakeno PS, Oipyaoiwa PS, Veiko Nekundi PS and Shakela Shambwa PS	92% complete; handover scheduled early August 2025 (3 months ahead of schedule)	8,766,888	Schools Teachers' houses Boreholes Kindergarten Churches Growth points Mobile clinic
11	Ohangwena	Eenhana	Festus Ikanda PS, Ohainengena PS and Haindongo PS	20% complete; initial delays due to late material delivery, now resolved	6,242,482	Schools Teachers' houses Boreholes Kindergarten Churches Growth points
12	Ohangwena	Enhana, Oshikango and Ohnagwena	Shifidi PS, Ohamaala PS and Nafidi Project PS	10% complete; early-stage challenges with bush clearing and logistics; recovery measures in place	6,209,459	Schools Teachers' houses Boreholes Kindergarten Churches Growth points
13	Kavango East	Rundu rural	Tuhingireni PS,Sikandu Project School and Joy Mungungu PS	De-bushing and excavations of MV poles (15%)	2,793,957	2 schools, each with a borehole
14	Kavango East	Ndiyona	Ndiyona New School	De-bushing and excavations of MV poles (15%)	819,272	1 school with a borehole
15	Kavango East	Mukwe	Divava JPS and Mutjiku JPS	Scheduled site handover meeting	1,910,928	2 schools and other beneficiaries

#	Region	Constituency	Locality	Project status	Project cost (N$)	Beneficiaries
16	Oshikoto	Okankolo and Eengodi	Oshilimeya PS, Vilho Kamanja CS, Omahiya PS, Ashihaya PS, Onamatende JPS, Omena PS and Onekongo PS	Site establishment complete; materials delivered; installation 40% complete	18,627,826	8 schools, including teachers' houses 8 sets of business centres
17	Oshikoto	Nehale lya Mpingana and Omuthiya	Dimo Hamaambo CS, Nakandangwa PS, Tana Tsau JPS, Kaatry Imalwa JPS and Twapandula JPS	Site handover done, surveys completed and submitted	12,272,221	5 schools, including teachers' houses 3 sets of business centres
				Total project cost	**147,004,740**	

LOOKING AHEAD

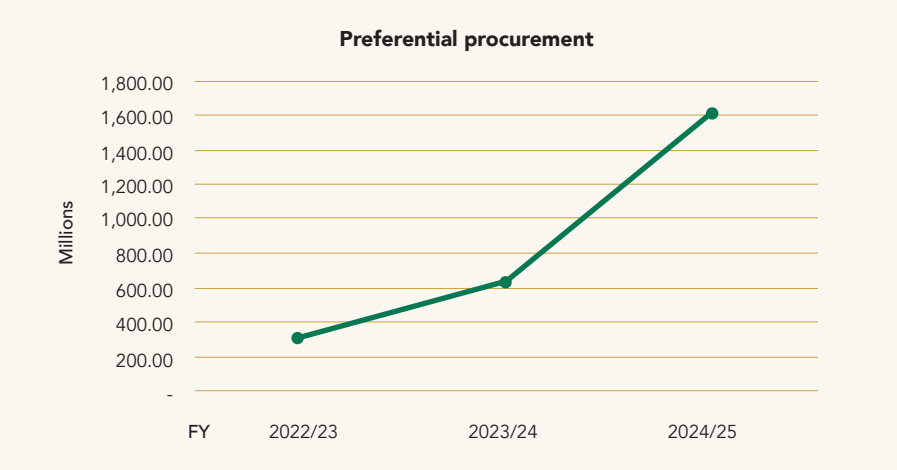
NamPower will continue to drive rural and peri-urban electrification across Namibia in close collaboration with the MIME and other key partners. The focus in the coming year will be on completing projects under construction, energising those nearing completion, and initiating new projects in priority regions that still lack reliable electricity access.

SUPPORTING INCLUSIVE PROCUREMENT AND BUILDING LOCAL SUPPLY CHAINS

NamPower remains committed to promoting equitable economic participation and building resilient local supply chains in line with the NamPower Equitable Economic Empowerment Policy (NEEEP). Through its NEEEP Office, the Company ensures that procurement activities support locally registered entities, foster capacity building, and adhere to the Codes of Good Practice. This approach strengthens national economic inclusion while supporting NamPower's long-term sustainability objectives.

Preferential procurement trends

Localised preferential procurement has increased significantly over the past three financial years. Expenditure rose from N$305 million in 2022/23 to N$629.8 million in 2023/24, reaching N$1.6 billion in 2024/25. This sharp growth was driven by the implementation of set-aside provisions for Namibian-registered suppliers, reflecting NamPower's strategic focus on developing local industries and advancing sustainable procurement practices.



NEEEP empowerment pillars

NamPower's inclusive procurement framework is guided by five NEEEP empowerment pillars:

1. Ownership/shareholding: promoting economic empowerment and shared value creation to enhance the livelihoods of previously disadvantaged Namibians (PDNs).
2. Management control and employment equity: encouraging representation of PDNs at Board and Senior Management levels within the structure of bidding entities.
3. Human resources and skills development: allocating a percentage of gross wages, including the VET levy, to training and upskilling initiatives.
4. Entrepreneur development: enabling skills transfer and participation in large, complex projects to strengthen local PDN contractor capabilities.
5. Community investment: supporting social upliftment and development among communities living in areas where projects will be developed.

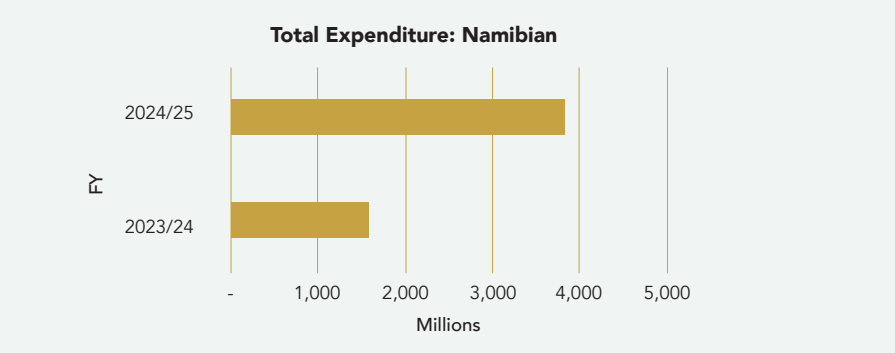
NamPower adopts a holistic approach to governance, sustainability, and collaboration to reinforce these pillars. The Company promotes transparent sourcing, supports new suppliers, and focuses on long-term empowerment over short-term compliance. Partnerships with major suppliers, local communities, and government stakeholders continue to advance inclusive procurement and shared national growth.

PERFORMANCE FOR 2025

During the year under review, NamPower strengthened the integration of NEEEP principles across its procurement processes. Defined scoring criteria were applied during bid evaluations, and where full compliance was challenging, joint ventures and sub-contracting to Namibian-owned entities were encouraged.

Namibian participation increased substantially, driven by capital projects such as the Rosh Pinah PV and Otjikoto Biomass developments. The Anixas II Firm Power Project was a notable example of local inclusion – the successful bidder committed 15% of the contract value (N$187.9 million) to local procurement. Verification of local contractors was conducted jointly by the NEEEP Office, the project team, and Internal Audit. Actual local content spending exceeded the target at 15.32%, underscoring NamPower's tangible impact on local enterprise development. All semi-skilled and unskilled labour requirements were fulfilled exclusively by Namibian workers.

Total income and profit/(loss) after tax (N$ million)



The following table summarises the EPC contractor's reporting during contract execution.

	Amount (N$) excl. VAT	% of EPC contract price
EPC contract	1 252 543 334.05	100
Local content and PDN guarantee	187,881,500.11	15%
Actual local content and local spend to date	191,888,921.99	15.32%

In addition, bidders are encouraged to allocate a portion of their contract value to training and community investment initiatives. A summary of pledges under the Kunene-Omatando Transmission Project is shown below:

NEEEP pledges under the Kunene-Omatando Transmission Project

Pledge type	Pledge (N$)	Honoured (N$)	Balance (N$)
2% NEEEP pledge for training	6,370,051	1,762,737	4,607,313
3% NEEEP pledge for community investments	9,555,076	8,310,914	1,244,162

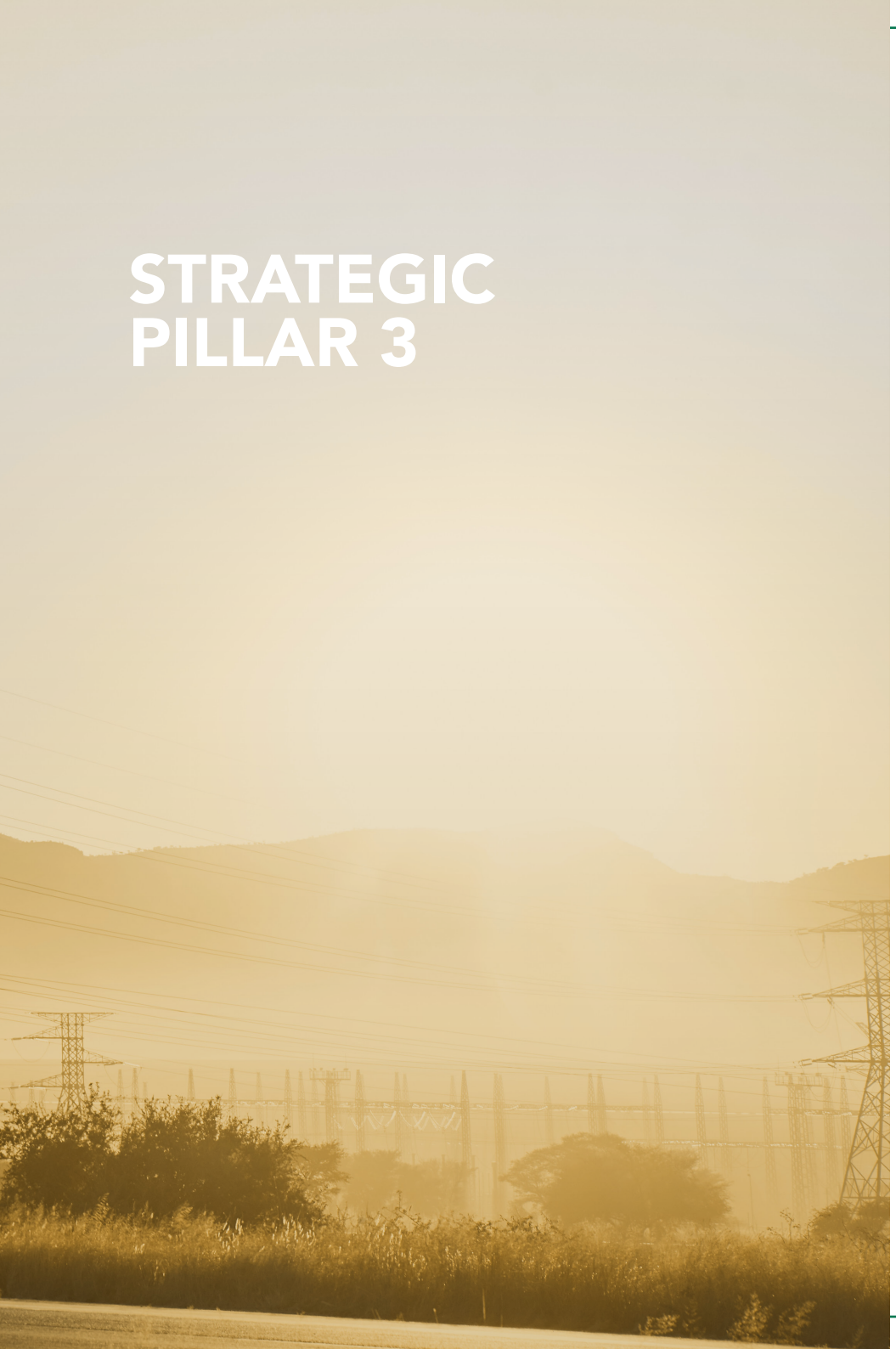
LOOKING AHEAD

As NamPower continues to expand Namibia's transmission and generation network, new opportunities will be created for local capacity building and socio-economic advancement. The Company will continue to reserve all semi- and unskilled labour for Namibian citizens, ensuring that major infrastructure projects directly contribute to inclusive growth and the empowerment of Namibians.





STRATEGIC PILLAR 3



OPTIMISING FINANCIAL SUSTAINABILITY

FINANCIAL PERFORMANCE OVERVIEW

NamPower's commitment to financial sustainability remains central to our role as a key enabler of Namibia's social and economic development. As the energy landscape continues to evolve, our financial position plays an important role in supporting system reliability, operational resilience and long-term investment in national infrastructure.

Sound financial performance enables us to meet our obligations, invest in critical assets, maintain network stability and contribute to national priorities such as industrialisation, electrification and economic competitiveness.

Our approach is closely aligned with the Government and the Regulator to ensure that tariff structures and regulatory reforms contribute to a secure, affordable and sustainable electricity sector. This alignment strengthens the industry's financial foundations while supporting the broader national development agenda. Through this partnership, NamPower aims to balance affordability for consumers with the long-term cost of supply and the investment needs of the power system.

To remain competitive in a dynamic energy market, we continue to prioritise customer-focused solutions, prudent financial management and disciplined resource allocation. These efforts help sustain revenue, safeguard liquidity and strengthen shareholder value, while ensuring that our services remain reliable and responsive to national needs. The year under review required careful navigation of supply constraints, cost pressures and volatile market conditions, underscoring the importance of a resilient business model.

Despite a challenging operating environment characterised by weak economic conditions, drought-related reductions in regional hydro availability, rising commodity prices and currency volatility, NamPower continued to deliver on its mandate. The Group maintained an uninterrupted electricity supply nationwide and continued investing in strategic infrastructure essential to Namibia's growth.

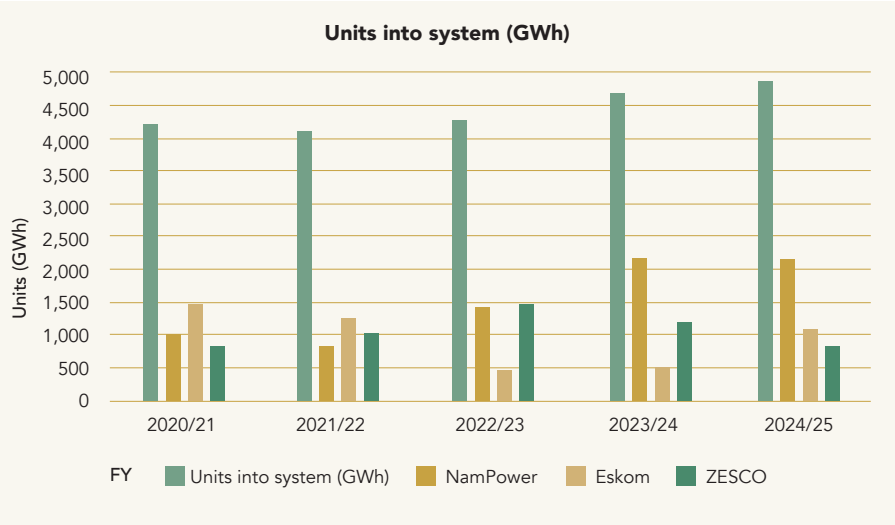
Operational performance and supply conditions

Generation performance played a central role in shaping the Group's financial outcomes. Output from the Ruacana Power Station totalled 2,050 GWh, a marginal 0.8% decrease from the 2,067 GWh produced in 2024. Although Ruacana experienced intermittent operational challenges, improved water flow in the Kunene River – averaging 315 cumecs, up from 238 cumecs in 2024- supported steady generation for most of the year.

Ruacana remained the single most significant contributor to domestic supply, accounting for 44.6% of total energy fed into the Namibian system (2024: 46.5%). Its importance to our supply mix underscores the need for continued investment in diversification, as variability in water flows increasingly affects generation and import requirements.

Total units supplied into the system amounted to 4,856 GWh, of which 48% were imported from regional utilities and the SAPP market, slightly higher than the 45.8% recorded in the previous year.

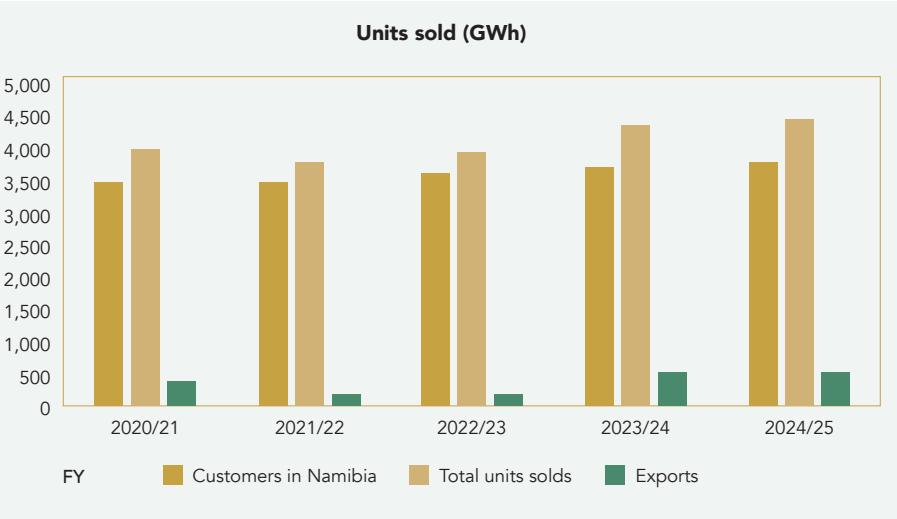
Renewable Independent Power Producers (IPPs) under the REFIT programme contributed 183.2 GWh, or 7.4% of total units (2024: 7.7%). All 14 REFIT facilities, comprising solar and wind projects, remained fully operational. These facilities continue to support Namibia's renewable-energy transition, stabilise long-term cost structures, and enhance security of supply by adding geographically diversified capacity.



REVENUE GROWTH

Group revenue increased by 6.4%, rising from N$8.6 billion to N$9.1 billion. The growth reflects higher sales volumes and improved trading performance in the Southern African Power Pool (SAPP) market. Total energy sales increased by 2.0%, from 4,288 GWh to 4,375 GWh, supported by sustained demand from bulk industrial consumers and strengthened export opportunities.

Export sales grew significantly, reaching N$958 million (539 GWh), up from N$695 million (540 GWh) in the previous financial year. This improvement was driven by favourable export tariffs and strengthened trading margins amid regional volatility.



Maximum demand decreased marginally to 670 MW (2024: 672 MW), consistent with subdued economic conditions and continued adoption of energy-efficiency measures by commercial and industrial users.

Cost of electricity and supply mix

The cost of electricity was the most significant component of NamPower's expenditure, increasing by 23.0% to N$6.0 billion. Several factors contributed to this increase:

- drought impacts on the regional hydro system;
- reduced output from Kariba and northern hydropower stations;
- constrained availability of contracted power; and
- higher reliance on over-the-counter transactions at elevated market prices.

These challenges required active optimisation of the import portfolio and frequent participation in the SAPP market to secure supply at competitive prices. While Ruacana's output remained steady overall, the variability of hydrological conditions reinforces the need for long-term diversification through solar, wind, battery storage and flexible dispatchable solutions.

Government support and other income

Other income increased to N$341.5 million (2024: N$304.0 million), reflecting the combined effects of Government support measures and steady contributions from other operational revenue streams.

Despite the significant increases in supply costs discussed earlier, no tariff adjustment was granted for the year under review with the Government providing a N$256.0 million tariff subsidy, which helped offset the impact of rising electricity costs and supported consumer affordability. Additional sources of other income included:

- N$8.9 million (2024: N$8.9 million) recognised from the Anixas Power Station grant;
- N$8.4 million (2024: N$14.0 million) recognised from the LRMC-funded 20 MW solar plant; and
- N$20.2 million (2024: $14.3 million) from fibre-optic rentals;

The LRMC fund remains ring-fenced, with a closing balance of N$126.7 million, up from N$116.0 million as a result of capitalised interest earned and may only be utilised in line with Regulator-approved directives.

Managing costs and improving collections

NamPower continued to implement cost-containment strategies, value-for-money procurement practices and strict controls across controllable expenditure categories. Employee-related expenses remained stable at N$1.2 billion, despite a cost-of-living adjustment and modest growth in headcount to 1,097 employees. This reflects disciplined workforce planning and effective implementation of efficiency initiatives.

Other operating expenses decreased by 36.2%, from N$740.7 million to N$472.8 million. Prior year included expenditure included the Group's contribution towards the 2nd interconnector amounting to N$247.6 million. Further cost containment gains were driven by tighter cost controls, operational efficiencies and reduced discretionary spending. Repairs and maintenance on generation and transmission infrastructure remained a priority, with N$244.8 million invested to ensure asset reliability and system resilience.

NamPower continued its national socio-economic contribution, allocating N$46.0 million (2024: N$46.0 million) toward bursaries, education infrastructure, vocational training, health and welfare programmes, food security and sports development. These investments align with national priorities and complement the Government's efforts to uplift communities.

Debt-management initiatives also yielded positive results. Several overdue accounts were settled, and a major customer successfully transitioned to a bulk prepayment metering system. Consequently, expected credit losses decreased by N$48.5 million, compared to the significant increase of N$157.7 million reported in the previous year. Collections remain a focus area given the financial challenges facing local authorities and businesses.

Foreign exchange and financial instruments

Fluctuations in exchange rates have a material impact on the Group's financial results due to foreign-currency-denominated power-purchase agreements and import contracts. During the year, the Namibia Dollar strengthened against major currencies, particularly the US Dollar, the Euro, and the British Pound.

This contributed to a net fair-value and foreign-exchange gain of N$616.2 million (2024: N$1.1 billion), comprising:

- N$725.3 million unrealised gain on embedded derivatives within Power Purchase Agreements (PPAs) (2024: N$1.3 million);
- N$20.0 million fair-value loss on firm commitments (2024: N$2.0 million gain); and
- N$129.0 million net foreign-exchange loss on currency settlements (2024: N$229.7 million).

The net gains helped contribute to a positive operating performance before taxes.

Investment income

Investment income decreased by 6.8%, from N$864.5 million to N$805.4 million, mainly reflecting a 100-basis-point cut in the repo rate and the strategic reallocation of funds toward capital projects during the year. With escalating capital requirements and an anticipated further decline in interest rates, investment income is expected to soften further.

Profitability

Profit before tax decreased to N$788.0 million, from N$2.0 billion in 2024, reflecting higher electricity purchase costs, elevated depreciation charges and lower fair-value gains compared with the previous period.

After accounting for a deferred-tax, the tax charge to the statement of profit or loss was a credit of N$680.5 million (2024: N$566.3 million tax expense). As a result, the Group achieved a profit after tax of N$1.5 billion, slightly above the N$1.4 billion reported in 2024.

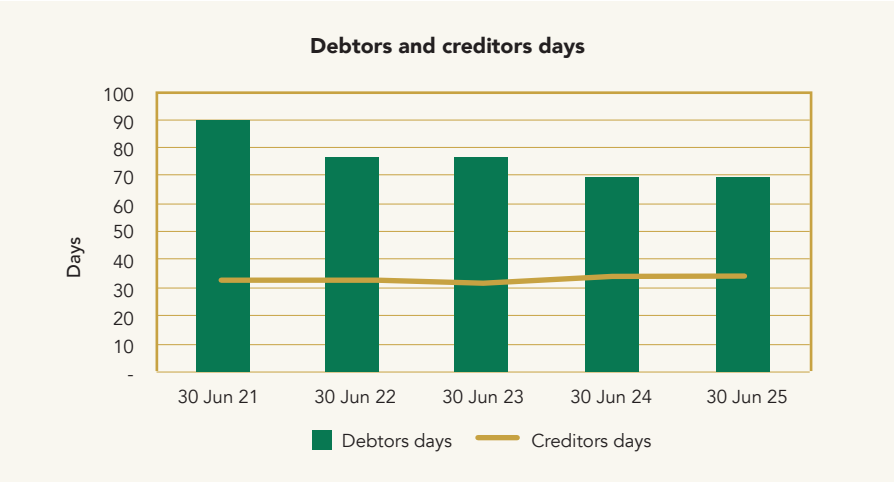
NamPower's tax remittances to the Government totalled N$1.15 billion, including VAT, PAYE, withholding taxes and income tax. These contributions, as depicted in the Table below, support national fiscal capacity and public-service delivery.

Description	2024/25 N$'000	2023/24 N$'000
Value-added tax	787,361	785,060
Income tax	115,881	283,813
Pay-as-you-earn	247,708	218,354
Withholding taxes on interest on foreign loans	2,944	2,128
Withholding taxes on foreign consultants	-	157
Total	**1,153,894**	**1,289,512**

Cash flow performance

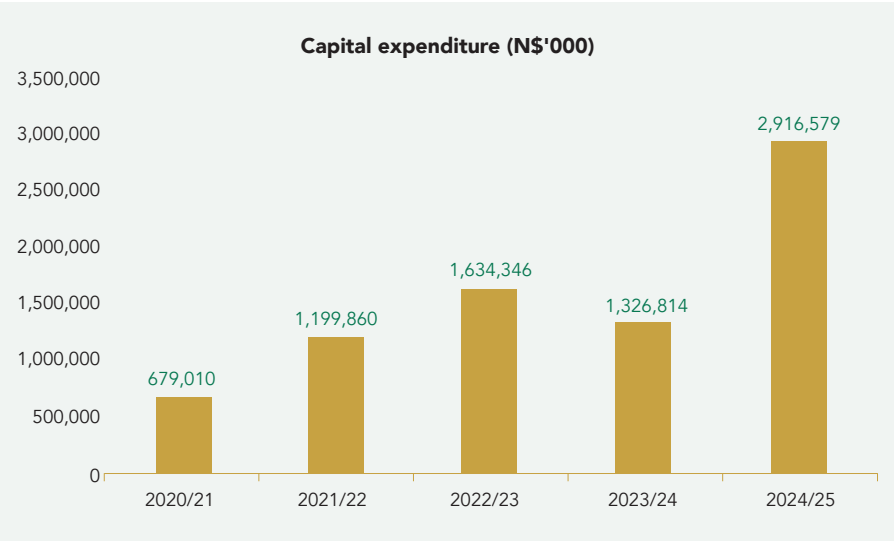
Cash flow from operating activities improved to N$1.8 billion, compared to N$1.7 billion in 2024. This reflects stronger profit margins in some operational areas and improved collections. Debtors' days decreased marginally from 69.49 to 69.25, indicating a gradual improvement in collection efficiency.

The Group remained fully compliant with all financing covenants, including the debt service coverage ratio, and continued to meet all debt service obligations. Cash-flow discipline remains integral to maintaining the Group's strong liquidity position, particularly as capital commitments increase.



Investment in core operations

Capital expenditure increased significantly to N$2.9 billion (2024: N$1.3 billion), representing the highest annual investment in infrastructure in recent years. This reflects progress on generation, transmission, system-strengthening and electrification initiatives under the Integrated Strategic Business Plan.



Total assets increased to N$59.0 billion (2024: N$54.9 billion), driven by capital additions and revaluations to key asset categories, including power stations, transmission infrastructure, strategic inventory, land and buildings, and the aircraft fleet.

Depreciation and amortisation increased to N$2.4 billion (2024: N$1.9 billion), in line with the growth in the asset base and the commissioning of new infrastructure.

Funding strategy

NamPower's funding strategy supports long-term asset development, strengthens liquidity and diversifies funding sources. Short- and long-term borrowings increased to N$1.0 billion, following N$745.8 million in new loan disbursements during the year. The Group has secured commitments of approximately N$5 billion from international development finance institutions, supported by the strength of its balance sheet and Government guarantees.

The NamPower Bond Programme and Sustainable Funding Framework are nearing completion, with a listing on the Namibian Stock Exchange expected in early 2026. This will enable the Group to access sustainable finance markets for renewable energy investments.

Planned medium-term capital allocations include:

- N$4.7 billion for generation expansion;
- N$8.9 billion for transmission reinforcement and expansion;
- N$101.8 million for electrification projects; and
- N$76.7 million for direct asset purchases.

Fitch affirmed NamPower's BB-/Stable Issuer Default Rating and AA+(zaf) national long-term rating, reflecting the Group's strong financial profile and strategic importance.

LOOKING AHEAD

Electricity demand is expected to grow modestly by 0.1%. A 3.8% tariff adjustment has been approved for 2026, together with a N$283 million Government subsidy to mitigate price shocks while allowing the Group to meet essential costs increases.

Electricity supply costs are projected to remain above inflation, driven by regional supply constraints and higher import prices. Investment income is expected to decline due to lower yields and increased capital expenditure.

Operating project costs for 2026 are budgeted at N$323.9 million, aligned with ongoing asset-management priorities.

Despite these pressures, NamPower remains financially sound, supported by strong liquidity, prudent cost management and disciplined execution of capital projects. Ongoing investments in strategic infrastructure and operational efficiencies position the Group to support national development priorities while maintaining long-term financial sustainability.





STRATEGIC PILLAR 4

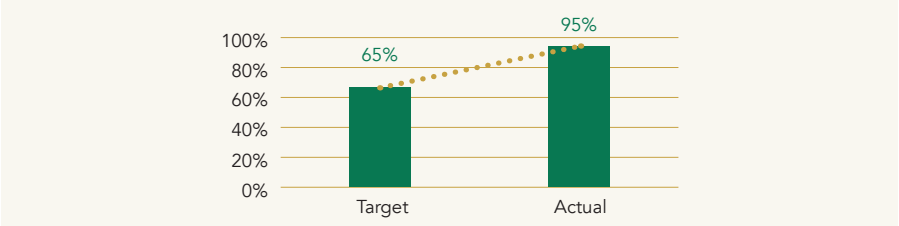
DRIVING ORGANISATIONAL AND OPERATIONAL EXCELLENCE

NamPower continued to strengthen governance, enhance efficiency, and build workforce capability. Ongoing digital transformation initiatives improved process automation, data management, and service delivery. A culture of accountability and performance was reinforced across all levels of the organisation.

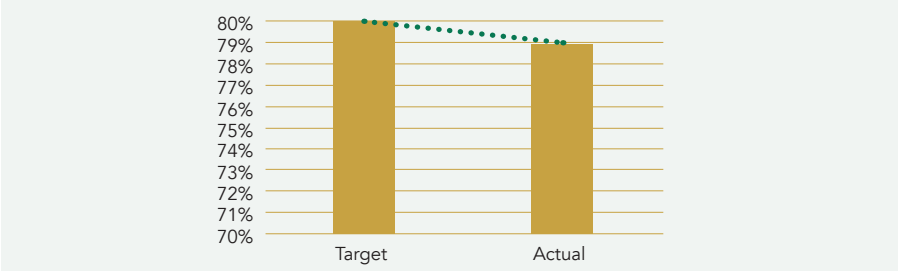
PERFORMANCE FOR 2025

This section summarises the performance of projects under this strategic pillar. The following figures show delivery on plan against the related strategic objectives to develop additional capabilities to meet competitive market requirements, to achieve and retain top employer status, and to build an ethical, engaging and high-performance culture, as well as actual performance against the KPI targets set for the year.

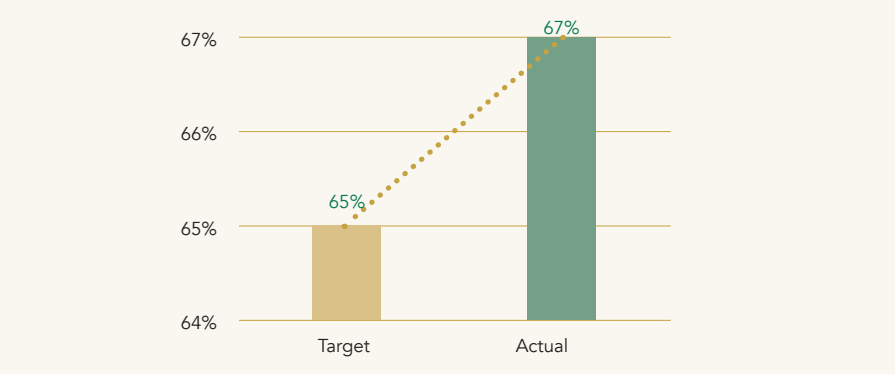
Develop additional capabilities to meet competitive market requirements – % of new developed capabilities aligned to new market requirements



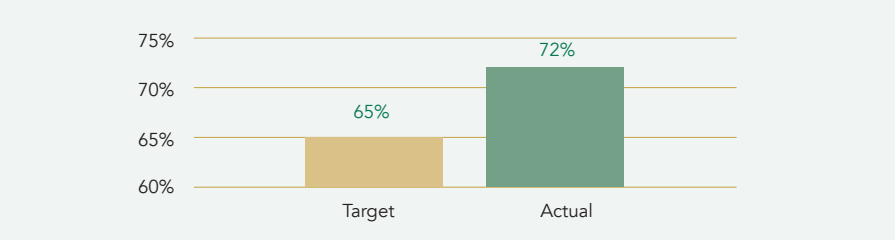
Develop additional capabilities to meet competitive market requirements – % development of approved strategic and critical positions with ready-now back-ups



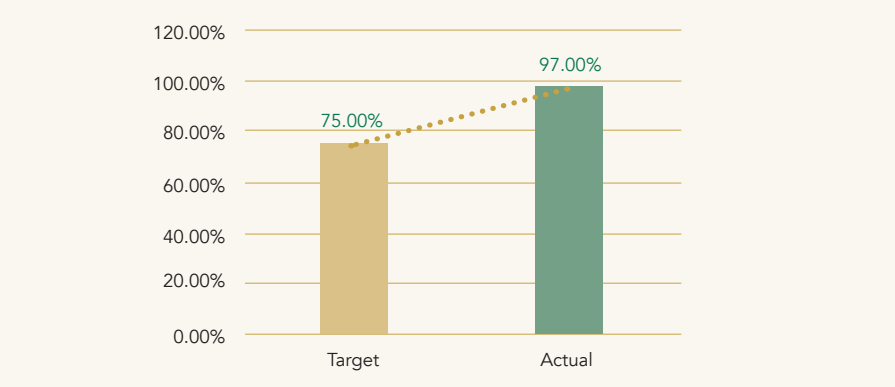
Achieve and retain top employer status (ratings)



Build an ethical, engaging and high-performing culture – % employees trained annually



Training and development cost as a % of labour cost – % training and development cost actual/budget, 2023/24



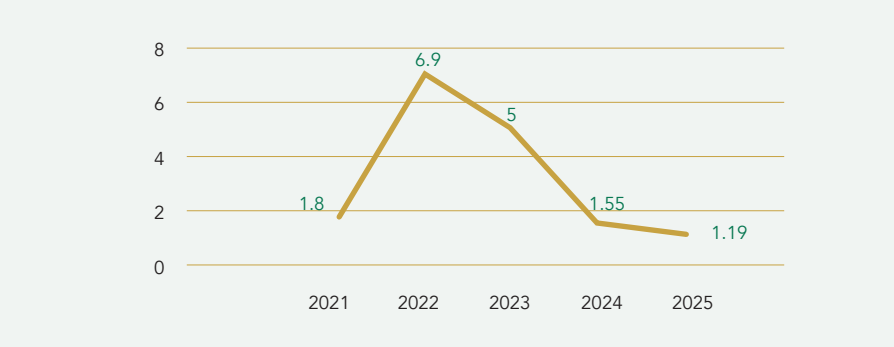
EMPLOYEE OVERVIEW (2021-2025)

The employee data from 2021 to 2025 shows a period of overall stability and gradual improvement in key human capital indicators. The total number of employees (permanent and contractual) decreased slightly from 1,165 in 2021 to 1,097 in 2025, reflecting ongoing optimisation of staffing levels in line with operational requirements. The average age of employees remained consistent at around 41 years, indicating a steady and balanced workforce profile. Employee turnover fluctuated during the period, with a sharp increase to 6.9% in 2022, largely attributable to the post-COVID-19 recovery period and heightened job-market mobility, before improving to 1.19% in 2025, signalling stronger retention and engagement in recent years. The proportion of female employees increased from 24% in 2021 to 27% in 2025, demonstrating gradual progress in gender diversity.

Indicator	2021	2022	2023	2024	2025
Employee distribution	1,165	1,108	1,077	1,094	1,097
Average age (years)	41	41	41	41	41.68
Employee turnover (%)	1.8%	6.9%	5.0%	1.55%	1.19%
Female employees (% of total)	24.0%	26.0%	27.5%	27.0%	27.0%

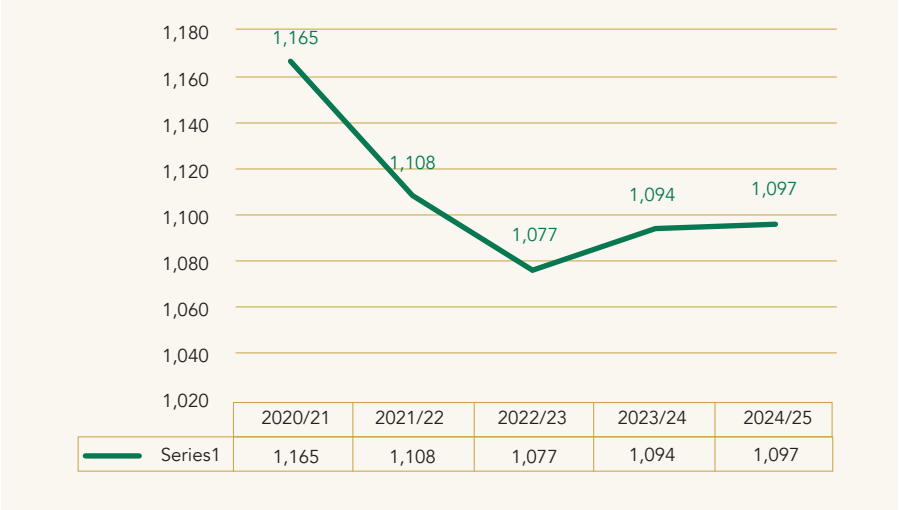
Overall, the five-year trend reflects a stable, capable, and increasingly inclusive employee base, supported by focused initiatives in talent retention, capability development, and diversity management. The following aspects provide a closer look at key human capital indicators, including employee turnover, distribution, gender, age, tenure, and retention, highlighting the trends and initiatives that continue to shape NamPower's workforce profile and capability base.

Employee turnover (%), 2021-2025



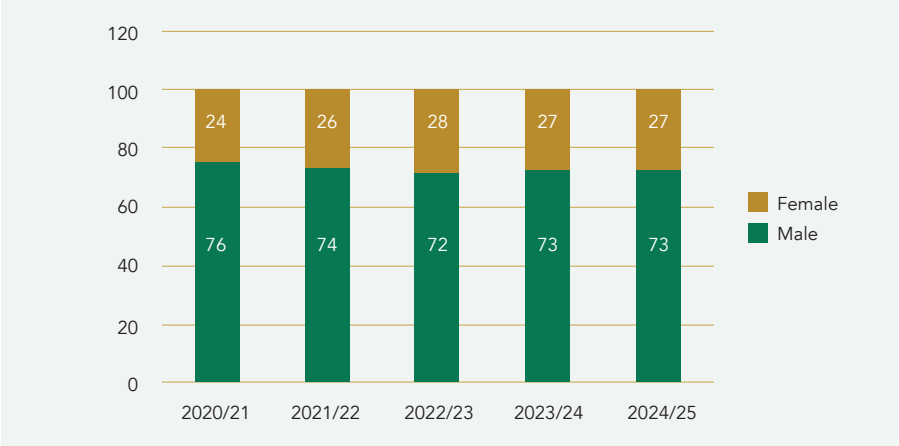
Employee turnover between 2021 and 2025 shows significant variation, reflecting both external and internal influences on workforce dynamics. Following the sharp increase to 6.9% in 2022, linked to post-COVID-19 labour market movement and greater job mobility, turnover declined steadily to 5.0% in 2023, 1.55% in 2024, and 1.19% in 2025. This improvement points to stronger employee engagement, effective retention initiatives, and a more stable employment environment across the Company.

Employee distribution (headcount), 2021-2025



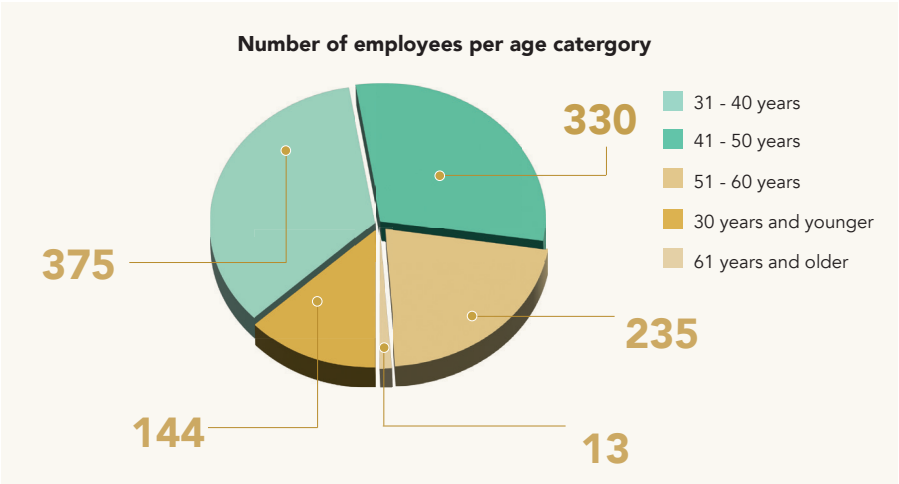
The staff complement declined from 1,165 employees in 2021 to 1,077 in 2023, primarily due to the voluntary early retirement incentive programme, employee cost-containment measures, and other external factors. A gradual recovery followed, with the headcount increasing to 1,094 in 2024 and 1,097 in 2025. Overall, the five-year trend reflects a period of workforce optimisation, marked by a short-term decline followed by steady stabilisation in employee numbers.

Gender distribution, 2021-2025



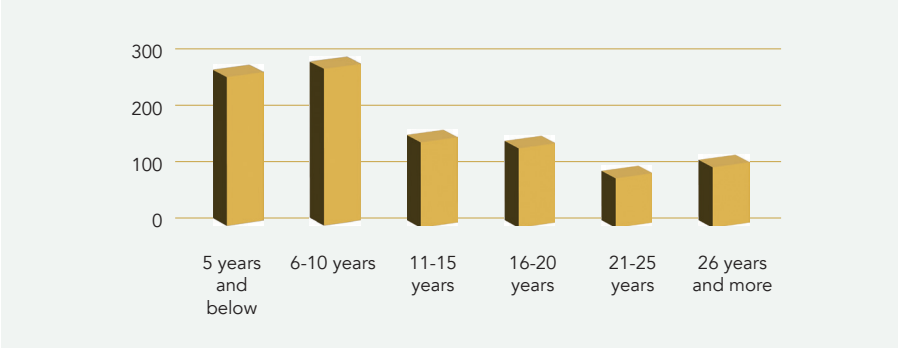
The gender profile over the five-year period reflects gradual progress towards NamPower's affirmative action target of 30% female representation. Female participation increased from 24% in 2021 to 27% in 2025, while the proportion of male employees declined slightly from 76% to 73%. Although progress has been steady, the 30% target has not yet been achieved, and continued efforts are required to strengthen the female talent pipeline and advance women into technical and leadership roles.

Age distribution



The age profile of NamPower's workforce remained steady during the year, with employees ranging in age from 21 to 65 years and an average age of around 41 years, increasing marginally to 41.68 years in 2025. The largest proportion of employees falls within the 31-40 and 41-50 age brackets, with 375 and 330 employees, respectively. Employee numbers decrease with age: 235 employees aged 51-60 and 13 aged 61-65, while the youngest group, aged 30 and below, includes 144 employees. This distribution indicates a workforce primarily in mid-career stages, balancing experience and institutional knowledge with a developing pipeline of younger employees to support long-term succession and sustainability.

Workforce tenure



The data shows that most employees have been with the Company for six to ten years (298 employees), followed closely by those with five years of service or less (278 employees). The number of employees decreases as years of service increase, with 160 employees in the 11-15-year range, 147 in the 16-20-year range, and fewer in the 21-25-year (96) and 26 years or more (113) categories.

This pattern reflects a balanced workforce with a strong core of mid-tenure employees complemented by long-serving and newer staff, supporting both continuity and renewal across the organisation.

BUILDING AN ETHICAL, ENGAGING AND HIGH-PERFORMANCE CULTURE

As NamPower concluded the penultimate cycle of the Integrated Strategic Business Plan (2020-2025), and in line with its commitment to organisational and operational excellence, the Company remained focused on investing in its people by building capability, strengthening engagement, and cultivating a high-performance culture that supports long-term sustainability.

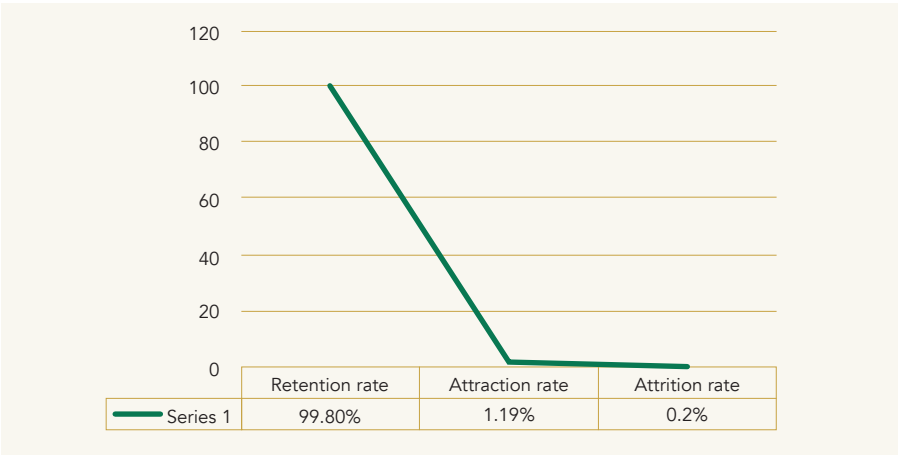
Our people bring this achievement to life through collaboration, confidence, innovation, and creativity. We have adopted a focused approach to recruiting, developing, engaging, rewarding, and recognising our employees throughout the organisation.

NamPower has made steady progress in implementing the strategic initiatives outlined in the ISBP and the Human Capital business scorecard. The following initiatives reflect the Company's continued focus on strengthening its people, culture, and organisational capability.

Attraction and retention

NamPower continues to prioritise the attraction and retention of skilled talent. During the review period, our success in this area was supported by well-established retention strategies, including market-related remuneration, long service awards, the strength of the NamPower brand, and a commitment to our core values. Our attraction rate stood at 1.19%, with a retention rate of 98.80% and an attrition rate of 0.2%. These ratios remain within acceptable limits, demonstrating NamPower's ability to attract and retain a talented and diverse Namibian staff complement.

Talent retention and attrition rates, 2024/25



Succession management

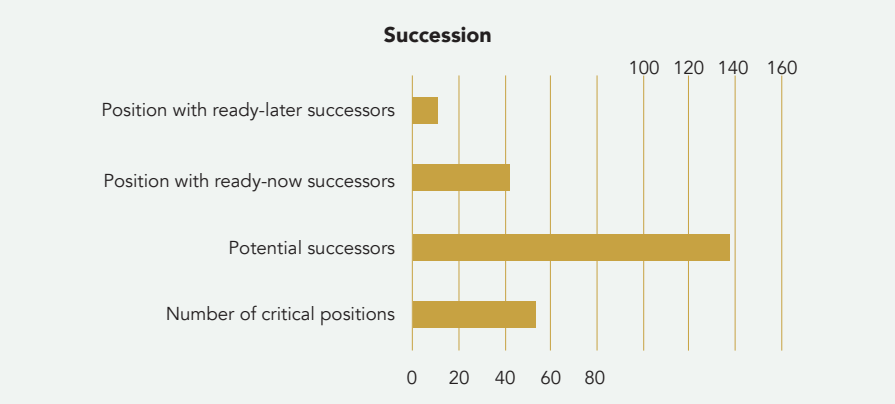
Succession planning remains a cornerstone of NamPower's talent management strategy, directly addressing the critical risk of skills retention across the Company. Significant progress has been made in identifying and developing a strong pipeline of future leaders and key contributors.

A total of 53 critical roles across all business units were identified as requiring dedicated succession plans, supported by a comprehensive staff complement of 137 potential successors. Assessment of this talent pool reveals that 64% are ready-now to assume higher responsibilities, while the remaining 36% are ready later and are undergoing targeted development.

Notably, 42 of the 53 critical positions (79%) already have one or more ready-now successors identified, ensuring continuity and stability in key operational areas. On average, 83% of critical positions across all business units are supported by at least one ready-now backup.

NamPower continues to focus on developing potential successors and addressing identified skills gaps through quarterly reviews and tailored development programmes, ensuring that future leaders are well-prepared to meet the evolving needs in the electricity supply industry and the Company itself.

Succession distribution

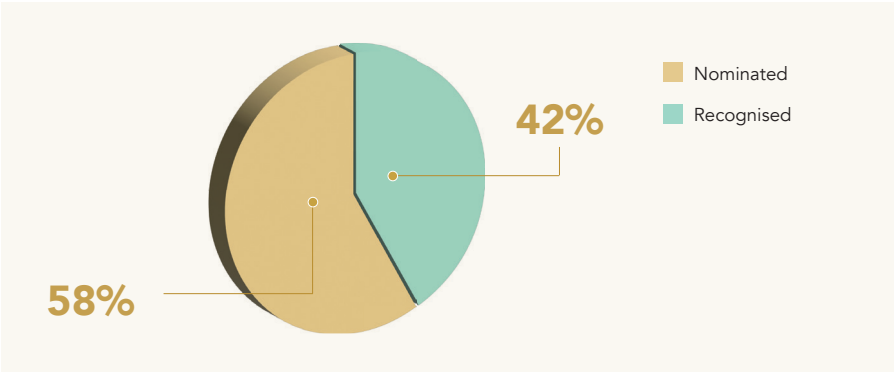


Employee Recognition Programme

Our Employee Recognition Programme continues to foster a culture of appreciation through robust peer nominations that acknowledge outstanding contributions. The initiative's effectiveness is reflected in an impressive 88% satisfaction rate recorded in the internal customer satisfaction survey, underscoring its positive impact and strong endorsement by employees.

As at 30 June 2025, 42% of the nominated employees received recognition in categories such as Employee of the Quarter, Employee of the Year, and the Managing Director's Award.

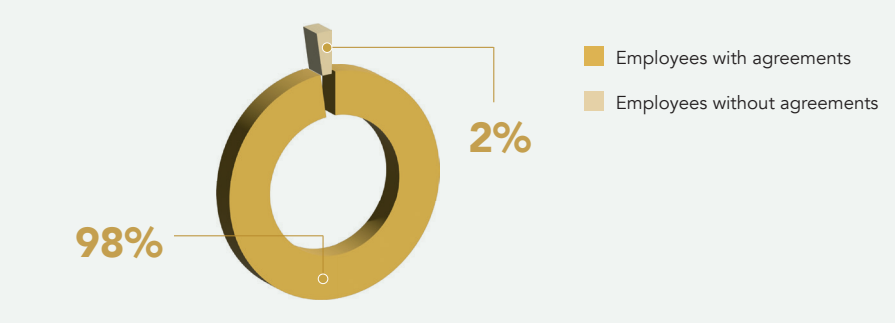
Employee nomination and recognition (%)



Managing our performance

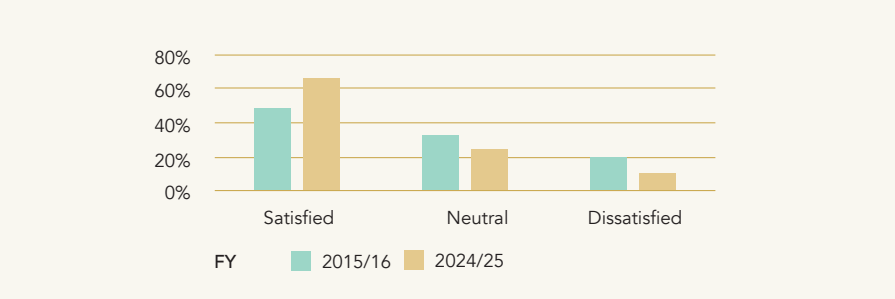
We are striving to enhance the way we measure employee performance. During the review period, a survey was conducted to assess employee' experiences and perceptions of the performance management process and its outcomes. Notably, 98% of employees had performance agreements captured on the system, indicating consistent and widespread use of the system for managing and tracking performance.

Performance management agreements captured on the system (%)



Regarding overall satisfaction with the Performance Management System, 67% of employees in 2025 expressed satisfaction; an improvement from 48% recorded in the previous survey conducted in 2016. Dissatisfaction levels decreased significantly over the same period, from 27% in 2016 to 10% in 2025.

Performance management satisfaction rate (%)



Feedback sessions were subsequently held with employees across all business units to discuss the outcomes of the Performance Management Survey. Key challenges identified in the performance management process were addressed, and action plans were developed for each business unit to drive continuous improvement.

The Company's overall performance for the period under review was rated at 2.93 out of 4 – a strong result that reflects the power of an ethical, engaged, and high-performance culture.

ACHIEVE AND RETAIN TOP EMPLOYER STATUS

NamPower recently conducted a comprehensive employee engagement survey to assess overall job satisfaction and workplace experience. The feedback indicated strong performance in key areas, particularly regarding employee safety and overall work experience. While the survey highlighted many positive aspects, it also identified specific areas for improvement. To address these, Company-wide roadshows were held to share the findings and actively engage employees in developing mitigation strategies.

The resulting feedback has been incorporated into business unit-specific action plans, reaffirming our commitment to continuous improvement and to fostering a highly engaged workforce.

LOOKING AHEAD

In the coming year, we will focus on the following key areas to strengthen employee engagement across the organisation:

- Enhance leadership visibility and engagement
- Expand opportunities for career growth and employee recognition
- Review and improve employee benefits
- Strengthen change management practices

Initiatives aligned with these focus areas have been developed and will be monitored on a quarterly basis to ensure effective implementation and measurable progress.

DEVELOPING ADDITIONAL CAPABILITIES TO MEET COMPETITIVE MARKET REQUIREMENTS

NamPower is actively transforming its talent base so that our people are not only equipped for today's tasks but also prepared for the electricity sector of tomorrow. Through the Education, Training and Development (ETD) Unit, we deliver in-house training programmes across the business, covering technical, safety, compliance, leadership, and digital skills development. Our vocational and academic bursary programmes continue to build future artisan and graduate talent. This integrated approach ensures that NamPower's employees remain safe, competent, and future-ready. It also aligns directly with NDP 6, which prioritises human capital development, skills diversification, industrialisation, and the transition to a sustainable energy economy.

Building on capability gaps identified in 2024, NamPower pursued a clear agenda in the 2024/25 financial year to strengthen both its operational core and future-facing talent pipeline. The following section outlines key outcomes and areas of focus during the year.

Internal staff training and capacity building
Building on capability gaps identified in 2024, NamPower focused on strengthening internal competencies during the year under review through targeted training, technical audits, and leadership development initiatives.

- Skills audits were conducted at the Ruacana and Van Eck Power Stations, particularly in maintenance sections, to align workforce competencies with legislative and operational standards.

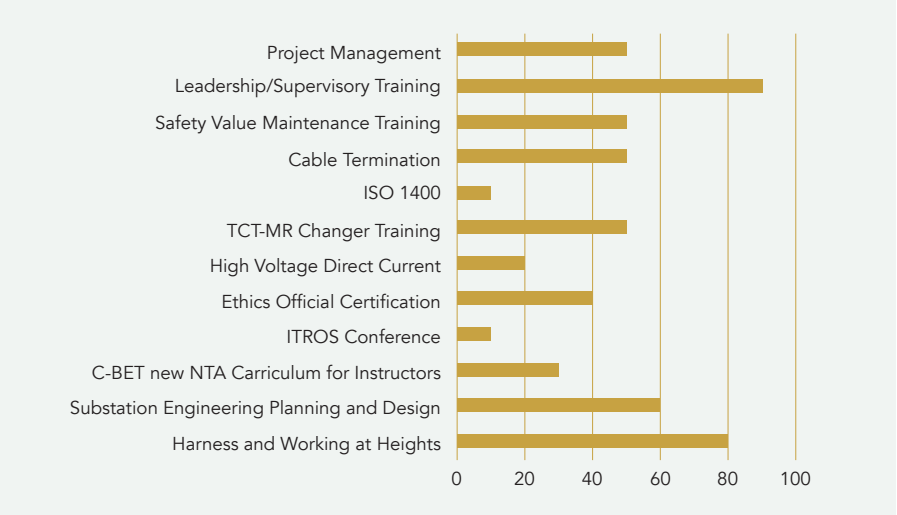
- At Van Eck, maintenance teams completed training aligned with the South African Qualifications Authority (SAQA) unit standards 13326 and 13223, focusing on boiler safety and pressure-relief valve maintenance to reinforce safe work practices.

- Internal training across business units covered a range of programmes, including compliance, health and safety, first aid, defensive driving, digital literacy, supervisory and leadership development, and refresher courses for technical staff.

Training spend on targeted internal programmes amounted to approximately N$3.5 million.
790 employees were trained internally.

The following figure illustrates the breadth and diversity of training provided as well as the priority areas during the reporting period, which reflect the Company's ongoing investment in both technical and leadership capability development.

Priority training programmes delivered



The emphasis on areas such as leadership and supervisory training, harness and working at heights, substation engineering, and project management reinforces NamPower's holistic approach to building operational strength, safety awareness, and leadership depth across the Company.

Vocational education and training
NamPower continued to contribute to national skills development through its vocational education and training initiatives. The Company's vocational bursary programme provides opportunities for young Namibians to gain practical, accredited technical qualifications aligned with NamPower's operational needs and Namibia's growing energy sector.

- Vocational bursaries were awarded in disciplines such as electrical (general) and mechanical (fitting and turning), providing trainees with essential skills for artisan and maintenance roles in power generation and network support.
- Training was conducted through the NamPower Training Centre in Windhoek, which also supported Namibia's participation in the WorldSkills International Competition held in France in September 2024.
- The vocational training programme continues to enhance employability, close technical skills gaps, and strengthen Namibia's artisan pipeline.
- The ETD Centre generated an operating income of N$148,925 during the year under review.

Through this targeted approach, NamPower is cultivating a generation of highly skilled artisans and technicians who will help maintain and expand Namibia's electricity infrastructure.

Bursary programme

NamPower's bursary programme remains a cornerstone of its long-standing commitment to education, inclusivity, and national development. It supports talented students in fields that are critical to Namibia's industrialisation and energy transition, ensuring a steady supply of qualified professionals for the future.

During the year under review, NamPower awarded 15 new bursaries to undergraduate, postgraduate, and persons-with-disabilities students across disciplines including electrical and mechanical engineering, data science, renewable energy finance, environmental management, and information technology. This brought the total number of active NamPower-sponsored bursaries in 2025 to 57, with total expenditure for the year amounting to N$7,113,501.

Why this matters

By investing in both internal training and external talent pipelines, NamPower reinforces three key outcomes:

- Operational reliability and safety: ensuring the workforce is competent, compliant, and equipped for current operational needs.
- Future market readiness: developing capabilities in digitalisation, automation, renewable energy, and maintenance excellence.
- Employer of choice: fostering a culture of continuous learning, engagement, and performance excellence aligned with the strategic pillar of driving organisational and operational excellence.

LOOKING AHEAD

Looking ahead, NamPower will continue to strengthen its human capital by deepening technical capabilities, expanding learning opportunities, and aligning its workforce development agenda with future operational and national priorities. For this purpose, NamPower will:

- expand the internal digital skills curriculum to include smart grid operations, analytics, and automation modules;
- increase vocational bursary awards and extend coverage to new trades such as wind turbine mechanics and battery energy storage maintenance;
- launch a Future Leaders Programme to fast-track high-potential employees into critical succession roles through mentoring, coaching, and accredited leadership development;
- strengthen the link between training outcomes and retention, targeting the absorption of a defined percentage of bursary graduates into NamPower roles within 12 months of qualification; and
- enhance learning governance through a digital training management dashboard to track training hours, competency improvement, and role-readiness metrics.



CREATING A SAFE, HEALTHY WORKPLACE AND PROTECTING OUR NATURAL ENVIRONMENT

As a responsible corporate citizen, NamPower prioritises the safety, health, and well-being of all employees, contractors, consultants, visitors, and the communities we serve, while ensuring the protection of the natural environment in which we operate.

The Board and Management affirm the following commitments to:

a) safeguard the right of all employees to work in an environment where safety, health, and environmental and wellness risks are effectively identified and mitigated;
b) promote shared responsibility for health and safety across all business units; and
c) advance community awareness on safe practices related to electricity use.

Strategic focus on implemented safety, health, environment and wellness initiatives

SAFETY
- Monitor and evaluate NamPower's compliance with policies, procedures, and applicable legislation
- Record SHEW incidents
- Monitor, analyse, and report safety trends

HEALTH
- Offer primary health care services
- Clinics' compliance with legislative requirements

ENVIRONMENT
- Ensure compliance with legislative requirements
- Identify and mitigate environmental aspects
- Conduct regular environmental audits and inspections
  Conduct training and awareness programmes for employees
- Develop, implement, and review NamPower's environmental policies and procedures

WELLNESS
- Wellness screenings
- Psycho-social support services



NamPower's safety, health, environment and wellness (SHEW) procedures and policies comply with Namibian legislation, SAPP guidelines, and international standards. The Company takes a proactive approach to minimising risks and ensuring operational continuity through:

- ensuring strict adherence to safety, health, and environmental policies by all personnel and stakeholders;
- implementing robust SHEW programmes aimed at mitigating risks and preventing incidents;
- conducting mandatory inductions for all new employees, contractors, and visitors before site access; and
- providing targeted safety and health training as part of each employee's Personal Development Plan, with compulsory courses such as first aid, environmental awareness, and firefighting.

Environmental performance summary

NamPower remains steadfast in its commitment to promoting environmental sustainability across all operations. The following statistics highlight key environmental activities and incidents during the reporting period:

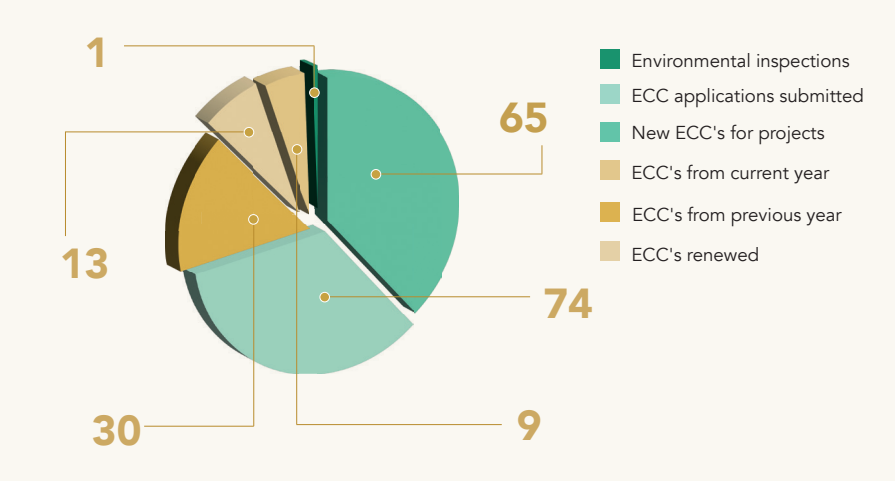
In alignment with the Environmental Management Act, 2007 (No. 7 of 2007), NamPower successfully obtained 67 environmental clearance certificates (ECCs) from the Ministry of Environment, Forestry and Tourism. These ECCs covered both new projects including generation and transmission infrastructure and renewals for operational sites. To ensure ongoing compliance, 82 environmental inspections and audits were conducted across NamPower facilities.

Findings and recommendations from these assessments were documented and communicated to relevant stakeholders for corrective and preventive action. To promote awareness on environmental-related issues, 49 awareness sessions were conducted, covering topics such as general environmental awareness, environmental legal requirements, and chemical handling and management.

During the reporting period, four environmental incidents were recorded. Three incidents involved transformer oil spills. In response, the NamPower Standard on Oil Containment and Drainage Systems was developed and formally approved. The fourth incident was classified as a near miss, when a snake was discovered in a relay room at one of the substations. The reptile was safely captured and relocated by a professional handler.

NamPower continues to comply with all regulatory and licence conditions related to occupational health, safety, and environmental performance.

ECC applications, renewals and inspections



Safety performance summary

- NamPower maintained a zero-fatality record during the reporting period, reflecting continued vigilance in workplace safety.
- A total of 23 vehicle incidents were recorded, comprising one major and 22 minor incidents.
- The lost-time injury rate (LTIR) stood at 0.67, above the Company's target of less than 0.44, with seven lost-time injuries reported.

NamPower remains committed to continuously strengthening its safety culture and maintaining an operational environment where all employees can work with confidence in their safety and well-being.

While these results indicate ongoing progress in strengthening safety systems, and having maintained a zero-fatality record, they also highlight areas for improvement in reducing vehicle incidents and lost-time injuries to meet our safety targets.

In addition to meeting statutory requirements, NamPower continues to implement safety initiatives aimed at reducing the number of workplace injuries through targeted training, awareness programmes, proactive risk assessments, and continuous improvement measures.

Employee health and wellness

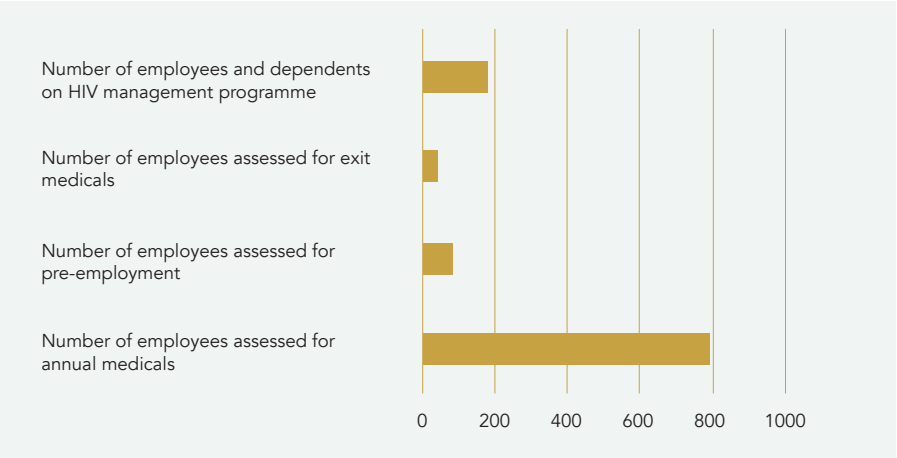
NamPower values its employees as its greatest asset and is dedicated to promoting their health and well-being. To foster a safe and supportive work environment, we have implemented proactive health and wellness initiatives. These include ongoing occupational health surveillances, health risk assessments, health and wellness awareness programmes, and the Employee Assistance Programme, which offers counselling and support services.

Furthermore, as part of our commitment to employee well-being, NamPower contracted a consultant to conduct a fatigue risk review and assessment aimed at implementing a fatigue management programme, given NamPower's operations.



The Company's focus on employee well-being aims to ensure a satisfied, productive, and thriving workforce.

Occupational health surveillance data for the year is shown in the following figure.



The NamPower Employee Wellness Management Policy, endorsed on 17 July 2023, underpins our commitment to fostering a healthy and supportive work environment.

Throughout the year, a series of wellness initiatives focused on key areas such as fatigue management, physical health, mental health, and trauma and stress management.

552 employees participated in activities such as health screenings, face-to-face sessions, and wellness challenges., further promoting a culture of well-being across the Company.

In addition to several positive health and wellness outcomes during the year, we successfully mitigated occupational and non-occupational health risks, revised critical policies related to SHEW activities, and provided in-house training.

NamPower continued to advance its SHEW agenda through several targeted initiatives that improved compliance, reduced risk, and strengthened employee well-being across operations. Key activities for the year are summarised as follows:

Strengthening governance and compliance

- Completed ISO 14001 and ISO 45001 gap audits across key sites and developed an implementation plan.
- Updated Emergency Preparedness and Response Procedures for Anixas I Power Station and substation facilities.
- Secured 67 new and renewed ECCs.
- Conducted occupational hygiene monitoring across operational sites to ensure compliance and protect employee health.
- Developed environmental work instructions for vegetation management, waste management, and biodiversity management.

Enhancing health and wellness

- Conducted medical examinations through senior occupational health nurses and achieved savings of approximately N$700,000.
- Implemented on-site health services, including dental clinics at the head office, Van Eck, and other Windhoek sites.
- Delivered in-house first aid training to 78 employees.
- Facilitated fatigue management awareness workshops at critical sites.
- Hosted wellness screenings, lifestyle campaigns, and monthly webinars on health, fitness, and mental well-being.
- Organised the ‘Grow a Mo’ Movember campaign, promoting awareness of men’s health and mental wellness.

Building safety awareness and preparedness

- Developed internal training manuals for Working at Heights and Chemical Handling and Transport of Dangerous Goods.
- Hosted World Safety Day at Anixas Power Station with participation from key stakeholders.
- Procured and licensed a new ambulance for Ruacana Power Station to enhance emergency response capacity.
- Updated workplace safety content and delivered site-based safety refresher sessions.

Promoting environmental stewardship

- Conducted an internal environmental awareness initiative aligned with the 2025 World Environment Day theme Beat Plastic Pollution, promoting waste reduction and recycling
- Established a baseline water consumption profile for the Central District to guide water conservation efforts.
- Strengthened staff engagement through ongoing environmental education and compliance awareness sessions.

LOOKING AHEAD

NamPower remains focused on strengthening its SHEW performance and cultivating a culture of responsibility and care through advancing safety, environmental stewardship, and operational compliance. The planned initiatives for the coming year include:

- implementing the Fatigue Management Programme across operations;
- maintaining zero fatalities and reducing the LTIFR through targeted interventions;
- upgrading occupational health equipment at the Ruacana and Van Eck power stations;
- extending in-house first aid training at the Anixas Power Station;
- expanding workplace health services, including dental, optometry, and wellness campaigns;
- obtaining approval from the Ministry of Works and Transport for NamPower's Chemical Handling and Transport of Dangerous Goods training materials;
- reviewing and developing procedures and policies in alignment with legislative requirements and new developments;
- providing support to and reviewing submissions for ongoing environmental and social impact assessment (ESIA) studies related to major projects, including the Baynes Power Plant and associated transmission infrastructure, as well as proposed wind energy facilities;
- donating the decommissioned ambulance to the Ministry of Health and Social Services (MoHSS);
- ensuring full compliance with occupational medical surveillance and implementing Company medical recommendations; and
- Aligning with ISO 45001 and ISO 14001 standards to strengthen integrated SHEW governance.



ADOPTING INTERNATIONAL STANDARDS: EMBEDDING SUSTAINABILITY INTO OPERATIONAL EXCELLENCE

NamPower continues to promote organisational and operational excellence by adopting international standards that emphasise quality, reliability, and compliance.

The implementation of the ISO 9001 Quality Management System (QMS) is a key part of this commitment, enabling the Company to foster a culture of continuous improvement while integrating sustainability into everyday operations.

By aligning its systems and processes with internationally recognised standards, NamPower ensures that electricity generation and delivery meet the highest quality and efficiency benchmarks. This approach enhances customer confidence, strengthens regulatory compliance, and supports Namibia's transition toward a sustainable and reliable energy future.

International Organisation for Standardisation (ISO)

NamPower has developed and implemented a comprehensive QMS aligned with ISO 9001:2015 requirements. The certification process involves a rigorous audit by an accredited certification body, assessing the Company's operations against the ISO 9001:2015 standard. The current focus is on the generation segment, particularly the Anixas and Ruacana Power Stations.

While ISO 9001 primarily focuses on quality management, its underlying principles of efficiency, accountability, and continuous improvement also reinforce NamPower's commitment to fulfil its mandate sustainably. The certification supports sustainable resource use and reduces environmental impact by streamlining operational processes and embedding disciplined management practices.

Anixas Power Station: Maintaining ISO 9001 certification

The Anixas Power Station was first awarded ISO 9001:2015 QMS certification in January 2022 by Bureau Veritas Namibia (Pty) Ltd, an accredited ISO certification body. This accomplishment reflects NamPower's commitment to international standards and delivering a safe, reliable, high-quality electricity supply.

Certification is valid for three years, subject to periodic review and reassessment. In addition to maintaining operational and service standards, continual improvement initiatives are identified and implemented throughout the business. A recertification audit was conducted in December 2024, and we are pleased to report that adherence to ISO 9001 standards was confirmed, and the station was recertified in January 2025 for a further three-year period.

The Anixas Power Station continuously monitors KPIs such as voltage frequencies, dips, harmonics, and load factors to ensure operational efficiency and reliability. ISO certification enables the station to benchmark its operations against international best practice, reinforcing a culture of continuous improvement and quality management.

Ruacana Power Station: Progress towards ISO 9001 certification

The Ruacana Power Station is actively progressing toward ISO 9001 certification. The team has conducted several internal audits, drafted the required documentation, and implemented best practices to align with certification requirements.

Ongoing training, monitoring and management reviews

In addition to ISO 9001 QMS-specific training, NamPower provides continuous professional development across all aspects of the business to ensure that staff are well-equipped to perform their duties with care and confidence. Management has also conducted reviews of the QMS at both power stations to assess its effectiveness, address operational gaps, and drive continuous improvement – all essential to ensuring a consistent power supply and superior customer service.

LOOKING AHEAD

Following the successful recertification of the Anixas Power Station in January 2025, the annual surveillance audit of the station is scheduled for October 2025.

A pre-audit of the Ruacana Power Station is scheduled for August 2025 to assess readiness for certification and identify improvement opportunities.



OUR SUSTAINABILITY PERFORMANCE

OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRINCIPLES

Guided by Namibia's Vision 2030 and the National Development Plans (NDP 5 and NDP 6), NamPower embraces sustainability as the foundation for long-term value creation. Our operations align with national priorities for energy security, industrialisation, and environmental stewardship while supporting the United Nations Sustainable Development Goals (SDGs).

As Namibia aims for a 70% renewable energy target by 2030, NamPower plays a key role in enabling a cleaner, inclusive, and resilient energy future. Although formal ESG policies are being developed, our commitment to integrating environmental, social, and governance principles is already embedded throughout our value chain – from generation and transmission to community empowerment and ethical governance.

ALIGNMENT WITH NATIONAL AND GLOBAL FRAMEWORKS

NamPower's sustainability strategy is guided by Namibia's Vision 2030, National Development Plans (NDP 5 and NDP 6), and the Harambee Prosperity Plan II. These national frameworks are complemented by Namibia's Renewable Energy and Climate Change Policies, which aim to achieve 70% renewable energy generation by 2030 and 80% self-sufficiency in the medium term. Our operations are closely aligned with the United Nations' 2030 Agenda for Sustainable Development, ensuring that our initiatives make meaningful contributions to national and global priorities.

ESG-SDG ALIGNMENT AND NAMPOWER'S FOCUS AREAS

NamPower's sustainability framework is supported by the Sustainability Roadmap (2025-2030), which details how ESG principles are systematically integrated throughout the organisation. The roadmap presents a four-stage transition of commitment, implementation, embedding, and value creation, ensuring that sustainability is not viewed as a separate function but woven into strategy, operations, and culture.
Building on this foundation, the following table shows how NamPower's key sustainability themes align with the ESG pillars, the roadmap stages, and the SDGs most relevant to our mandate.

ESG pillar	NamPower theme(s)	Strategic focus areas	Roadmap stage	Key SDGs supported
Environmental	Environmental stewardship and climate action	Renewable energy, climate resilience, water and biodiversity management	Implementation → embedding	6 · 7 · 13 · 15
Social	Economic and infrastructure development Social development and inclusion	Electrification, access, job creation, local procurement Education, health, diversity, gender equality, CSI, community upliftment	Commitment → value creation	1 · 3 · 4 · 5 · 8 · 9 · 17
Governance	Ethical leadership and institutional strengthening	Governance, ethics, risk management, transparency	Commitment → value creation	9 · 17

This alignment demonstrates how NamPower's sustainability journey progresses from commitment, establishing governance, policies, and leadership support, through the implementation of environmental and social initiatives to embedding sustainability systems within business processes and ultimately value creation for stakeholders and the national economy. This integration ensures that NamPower's ESG objectives are progressively matured in line with the Sustainability Roadmap (2025-2030).

NAMPOWER'S CONTRIBUTIONS TO THE UN SUSTAINABLE DEVELOPMENT GOALS

This section details NamPower's contributions to the priority SDGs, grouped under the ESG themes. These initiatives demonstrate how our operations, projects, and partnerships create long-term value for Namibia's people, environment, and economy.

Environmental Stewardship and Climate Action



Clean water and sanitation: Improve community access to clean water, register boreholes, and treat wastewater at power stations.



Affordable and clean energy: Operate the Ruacana Hydropower Station, commission the Omburu Solar PV Plant (20 MW), and develop new renewable projects.



Climate action: Implement NamPower's Climate Change Procedure (2023) and participate in the SAPP's climate change vulnerability studies.



Life on land: Conduct EIAs, develop environmental management plans (EMPs), and protect biodiversity near operations.

Environmental management approach

NamPower's environmental and climate initiatives are guided by Namibia's National Climate Change Policy (NCCP), which addresses the country's vulnerability to climate change and promotes low-carbon, climate-resilient development. Although Namibia contributes minimally to global greenhouse gas emissions, the NCCP provides the framework for adaptation and mitigation, informed by local and regional conditions. Our environmental initiatives are further aligned with the following national and international commitments:

- National Policy on Climate Change for Namibia (2010)
- Namibia's Updated Nationally Determined Contribution (2021)
- The Paris Agreement (2016)
- National Integrated Resource Plan (2016)
- National Energy Policy (2017)
- National Renewable Energy Policy (2017)
- Rural Electrification Master Plan (2010)
- National Independent Power Producer (IPP) Policy

NamPower's Group Environmental Policy outlines annual environmental action programmes. Through our SHEW Policy, we ensure all projects undergo EIAs and EMPs, as required by the Environmental Management Act, 2007. Stakeholder consultation is conducted early in project planning to address potential impacts. Regular SHEW audits, with an average compliance score of 82%, verify our strong adherence to environmental standards and ongoing improvement.

In response to climate risks, NamPower's first Climate Change Procedure (approved in May 2023) outlines adaptation and mitigation strategies aligned with Namibia's Nationally Determined Contributions (NDCs) and the ISBP 2020-2025. NamPower also participates in the SAPP Climate Change Vulnerability Study, which assesses sectoral impacts and proposes resilience measures across member utilities.

Resource efficiency and water stewardship

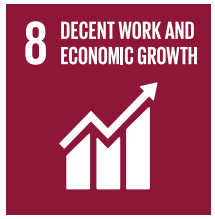
NamPower promotes energy efficiency to reduce emissions and operational costs, supporting a stable and sustainable power supply. Awareness programmes encourage efficient energy use among customers and staff. Water quality is monitored quarterly at Ruacana, Van Eck, and Brakwater to assess operational impact. The Ruacana wastewater treatment plant, completed in 2021, treats effluent before being released into the environment. NamPower also utilises registered boreholes in areas that lack municipal supply, ensuring compliance with the Ministry of Agriculture, Water and Land Reform (MAWLR) regulations.

Social – Economic and Infrastructure Development (S1)

NamPower contributes to Namibia's socio-economic transformation by expanding access to electricity, supporting local suppliers, and stimulating job creation across the value chain. These efforts directly support the national development goals of industrialisation and equitable growth.



No poverty: Expand electrification, create employment, and strengthen local economic participation.



Decent work and economic growth: Employ over 1,000 staff, uphold fair labour practices, and support small and medium enterprises.



Industry, innovation and infrastructure: Extend and modernise the national transmission network, invest in grid stability, and enable digital connectivity through GridOnline.



Partnerships for the goals: Collaborate with the Government, financiers, regulators, and regional partners to advance sustainable energy access.

Social – Social Development and Inclusion (S2)

NamPower is equally committed to uplifting communities and promoting inclusion through targeted corporate social investment, education, health, and gender initiatives.



Good health and well-being: Promote a zero-harm culture and support employee and community health programmes.



Quality education: Provide bursaries, apprenticeships, and vocational training through NamPower's training centre.



Gender equality: Advance women's participation and leadership through affirmative action and development programmes.

Governance – Ethical Leadership and Institutional Strengthening (G)

SDG 9 and SDG 17
Promote ethical leadership, governance transparency, and institutional partnerships that strengthen accountability.

OUR SUSTAINABILITY COMMITMENTS

NamPower's sustainability philosophy is anchored in three interdependent pillars: environmental, social, and governance. Each pillar is underpinned by formal policies, stakeholder engagement, and compliance with national and international frameworks. The following table outlines our key commitments under each pillar.

 Environmental	 Social	 Governance
Our commitment to responsible environmental practices: NamPower's environmental approach is founded on Namibia's Constitution, international conventions, and national policies. Internal frameworks, such as the SHEW Policy and Environmental Management System, ensure compliance and promote continuous improvement. (See pages 125 for disclosures)	**Our commitment to our key stakeholders:** NamPower engages employees, unions, the ECB, the Government, customers, media, suppliers, financiers, and SAPP partners. Through investment in human capital and the five CSI focus areas of education, health and welfare, community development, capacity building, and job creation, we contribute to a prosperous society. (See pages 126 for disclosures)	**Our commitment to good corporate governance and ethical leadership:** Good governance underpins NamPower's sustainability journey. The Group Governance Framework promotes accountability, ethical leadership, and transparency. Organisational values and a strong code of conduct ensure responsible decision-making. (See pages 126 for disclosures)

SUSTAINABILITY ROADMAP 2025-2030

NamPower's Sustainability Roadmap defines the pathway to fully embed ESG principles by 2030. The roadmap focuses on four transition stages: commitment, implementation, embedding, and value creation. Key priorities include developing a sustainability policy, establishing a cross-functional committee, defining materiality, and tracking ESG metrics on a quarterly basis. The roadmap provides the implementation pathway for the ESG themes outlined in Section 3, ensuring that environmental, social, and governance principles translate into measurable impact and long-term corporate value.

Environment

NamPower's climate change and renewable energy initiatives are guided by Namibia's NCCP, which addresses the country's vulnerability to climate change and promotes low-carbon development. Although Namibia contributes minimally to greenhouse gas emissions, the NCCP aims to mitigate and adapt to climate impacts, considering local, regional, and national conditions.

Other Government policies aimed at implementing the 2015 Paris Climate Agreement include:

- National Policy on Climate Change for Namibia (2010)
- Namibia's Updated Nationally Determined Contribution (2021)
- The Paris Agreement (2016)
- National Integrated Resources Plan (2016)
- National Energy Policy (2017)
- National Renewable Energy Policy (2017)
- Rural Electrification Master Plan (2010)
- National Independent Power Producer Policy

NamPower's Group Environmental Policy defines annual environmental action programmes. The Company upholds its SHEW Policy by conducting strict EIAs in accordance with the Environmental Management Act, 2007 (No. 7 of 2007). Early consultation with stakeholders is prioritised to address concerns. NamPower also develops EMPs with mitigation measures to minimise impact on communities and customers during project implementation and operation.

An environmentalist ensures effective execution of EMPs and compliance with legal standards through regular site inspections. NamPower's SHEW Department conducts audits to ensure projects align with environmental policies and legal obligations. Complaint registers at project sites allow for prompt resolution of community concerns. All projects must undergo an EIA in compliance with the Environmental Management Act, 2007 (No. 7 of 2007), with EIA and EMP documents being mandatory for bids. Recent SHEW audits achieved an average score of 82%, reflecting our commitment to safety and environmental compliance.

Our response to the challenges posed by climate change

Southern African power utilities recognise the impact of climate change on water resources and energy generation. In response, the SAPP has initiated a climate change vulnerability study, with NamPower actively participating through its task team representation. This project assesses the impact of climate change on the infrastructure of member utilities and proposes adaptation measures to ensure sustainability.

NamPower's first Climate Change Procedure, approved in May 2023, outlines strategies for mitigating and adapting to climate change, aligned with the ISBP 2020-2025 and Namibia's NDCs. NamPower has invested in several renewable energy projects, as described on pages 73 to 75 of this report.

Sustainability of resources, biodiversity and land use

Electricity/carbon efficiencies

NamPower prioritises energy conservation to promote sustainability, reduce operational costs, and maintain a stable energy supply for customers. By advocating for efficient energy use through targeted awareness campaigns, we aim to minimise our environmental footprint and support the development of a reliable and sustainable energy infrastructure.

Water usage

The Directorate of Water Resources Management (DWRM) oversees the development and management of Namibia's water resources, ensuring sustainable use and protection against degradation. Water pollution monitoring is conducted under the Water Act, 1956 (No. 54 of 1956) and the Water Resources Management Act, 2013 (No. 11 of 2013).

NamPower monitors surface water quality quarterly at the Van Eck Power Station, the Brakwater Depot, and the Ruacana Power Station to assess the impact of its operations on local water sources. The Ruacana Power Station wastewater treatment plant, constructed in September 2021, treats domestic wastewater before being released into the natural environment.

NamPower also utilises groundwater from registered boreholes in areas without access to water supply from the national water utility, town councils, or municipalities, ensuring compliance with regulations set by the MAWLR.

Social

We create value across our operations, employing over 1,000 people, directly and indirectly, supporting thousands through our suppliers. Our local procurement supports previously marginalised businesses. We prioritise safety and health for employees, contractors, and suppliers, and we invest in rural electrification and corporate social programmes that benefit communities across Namibia. Our strong stakeholder relationships reflect our shared commitment to sustainable socio-economic growth. Further details are available on pages 121 to 128 of this report.

Governance

Our commitment to good corporate governance and ethical leadership is detailed on page 35. Strong governance is key to our success and sustainability, supported by our governance policies, framework, and organisational ethics. Guided by the ISBP 2020-2025, we manage risks and seize opportunities across our value chain, ensuring positive outcomes for all stakeholders with sustainability as a core principle.

SUSTAINABILITY FIGURES AND DISCLOSURES

Environment

Category	2024/25	2023/24
Environmental audit results (overall average % score out of 100%)	88	82
Energy mix (installed capacity, MW):	565	509.5
Run-of-river hydro (MW)	347	347
Coal (MW)	120	120
Diesel/HFO (MW)	78	22.5
Renewable – Omburu PV (NamPower owned)	20	20
Renewable IPPs contracted (MW)	246	70
Energy sent out:		
Hydro sent-out (GWh)	2,049	2,067
Coal sent-out (GWh)	16.9	44.3
Diesel/HFO sent-out (GWh)	35.9	5.2
Renewable generation Omburu PV (kWh)	59.6	60.8
Renewable IPP purchases (GWh)	357	361
Imports (GWh)	2,693	2,610
Renewable share of energy (%)	51	46.5
Transmission and distribution losses (%/MWh)	7,9	8.1
Scope 1 GHG emissions (tCO2e)	n/a	n/a
Scope 2 GHG emissions (tCO2e)	n/a	n/a
Emissions intensity (tCO2e/MWh)	n/a	n/a
Total water discharge (m^3)	6.41 billion	6.41 billion
Water intensity (m^3/MWh)	1,320	1,371

Category	2024/25	2023/24
Waste recycled (% of total)	72	68
Environmental incidents (number; fines [N$])	4; none	5; none
ISO 14001 certification (yes/no)	-	-

Social (people)

Category	2024/25	2023/24
Number of employees (30 June)	1,097	1,094
Job creation (salaries, wages and benefits (N$ billion)	1.2	1.2
Average age (years)	41	41
Staff turnover (% of permanent employees)	1.45	1.55
Retention rate (%)	99	99
Female employees (%)	28	27
Women in management (%)	9	7
Unionised workforce (MUN) (number)	583	557
Training spend (N$ million)	2.8	2.4
Skills for the future (employees trained)	926	874
Staff satisfaction rate (%)	69	66
Affirmative action compliance (certificate)	Awarded	Awarded
Overall company performance (score out of 4)	2.91/4	3.24/4

Health and safety

Category	2024/25	2023/24
External customer satisfaction (%)	83	81
Fatalities – NamPower (number)	0	0
Fatalities – contractors (number)	0	0
LTIR (lost-time injury rate)	0,67	0.64
TRIFR (total recordable injury frequency rate)	1.04	1.4
High-potential incidents/near misses (number)	7	2

Community development/economic contribution

Category	2024/25	2023/24
CSI spend (N$ million)	9.7	9.4
External bursaries awarded (number)	9	8
Vocational training bursaries (number)	16	15
NEEEP: Localised preferential procurement (N$)	1.6 billion	630 million

Governance

Category	2024/25	2023/24
Tax paid (PAYE, VAT) (N$ million)	1,153,894	1,289,512
Board composition (number)	Page 37	Page 43
Board independence	Page 46	Page 48
Board gender diversity (%)	Page 41	Page 48
Remuneration (Board + exec.) (N$ million)	7.1	6.78
Conflicts of interest (% of Board members)	None	None
Whistle-blowing reports (number)	6	0

POWERING SOCIAL PROGRESS: NAMPOWER'S COMMITMENT TO SUSTAINABLE COMMUNITY DEVELOPMENT

As part of its broader sustainability agenda, NamPower recognises that reliable power generation and equitable social development are two sides of the same goal: national progress.

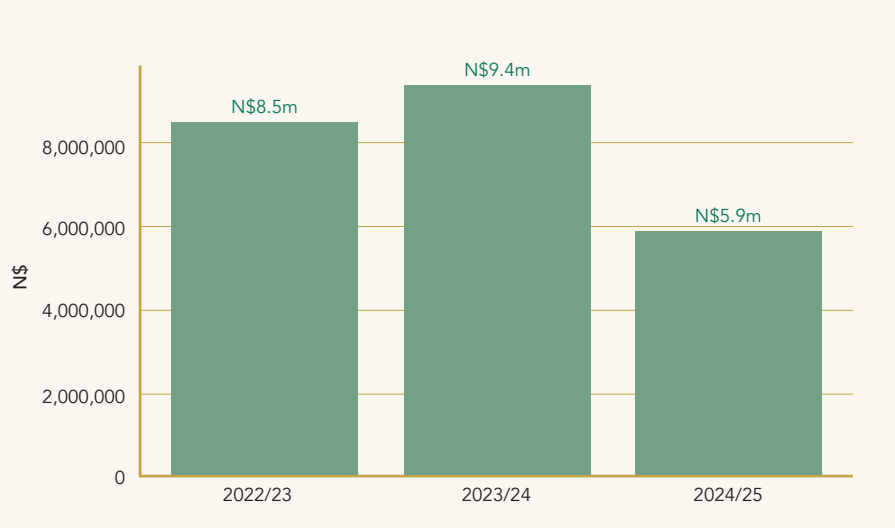
Through the NamPower Foundation, the Company's dedicated vehicle for managing corporate social investment (financial and in-kind), NamPower continues to demonstrate its commitment to uplifting communities and building a more inclusive and resilient Namibia.

In doing so, the foundation aligns its programmes with NDP 6, particularly the pillars of economic transformation, social progress, and environmental sustainability. These priorities also align with several of the SDGs outlined in this report.

How much we have invested over the past three years (2022-2025)

Over the past three years, NamPower has invested more than N$23 million in social development programmes, demonstrating its ongoing commitment to improving lives across Namibia. CSI expenditure amounted to N$8.5 million in 2022/23, N$9.4 million in 2023/24, and N$5.9 million in 2024/25. The following figure shows the spend over the last three years.

Amount invested in CSI initiatives, 2023-2025



How we invest

Our corporate social investment is divided into two categories: social partnership projects and flagship projects. Flagship projects involve long-term relationships and funding, while social partnership projects are once-off, sustainable donations designed to address specific community needs.

Through its programmes, NamPower contributes (financially and in-kind) to four key focus areas:

- Education
- Health and social welfare
- Community development
- Capacity building and skills development

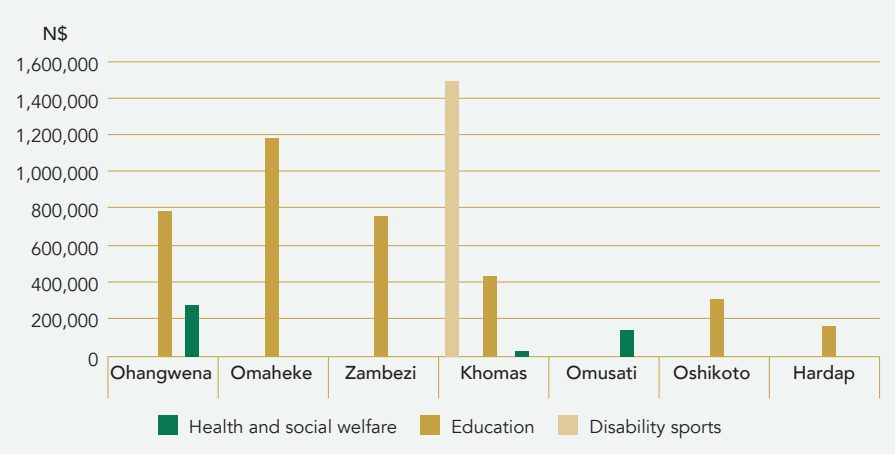
How we choose and track projects

All proposals undergo due diligence and are assessed against community needs, alignment with the Corporate Social Investment Policy, and delivery capacity. Approved projects are monitored against milestones and reported through the foundation's governance structures to ensure transparency and accountability.

Flagship project – Disability Sports Namibia

Building on this focus, a flagship project that illustrates NamPower's enduring commitment to social inclusion is Disability Sports Namibia (DSN). DSN is a collaboration between the Namibia Paralympic Committee, Special Olympics Namibia, and the Namibian National Association of the Deaf, collectively dedicated to creating sports opportunities for persons with disabilities. The partnership reflects NamPower's mission to promote empowerment, equality, and community resilience through practical, people-centred initiatives.

Projects implemented (2024/25)
The following illustration summarises the projects in which the NamPower Foundation invested and implemented during 2024/25, indicating the regions, focus areas, and amounts invested.

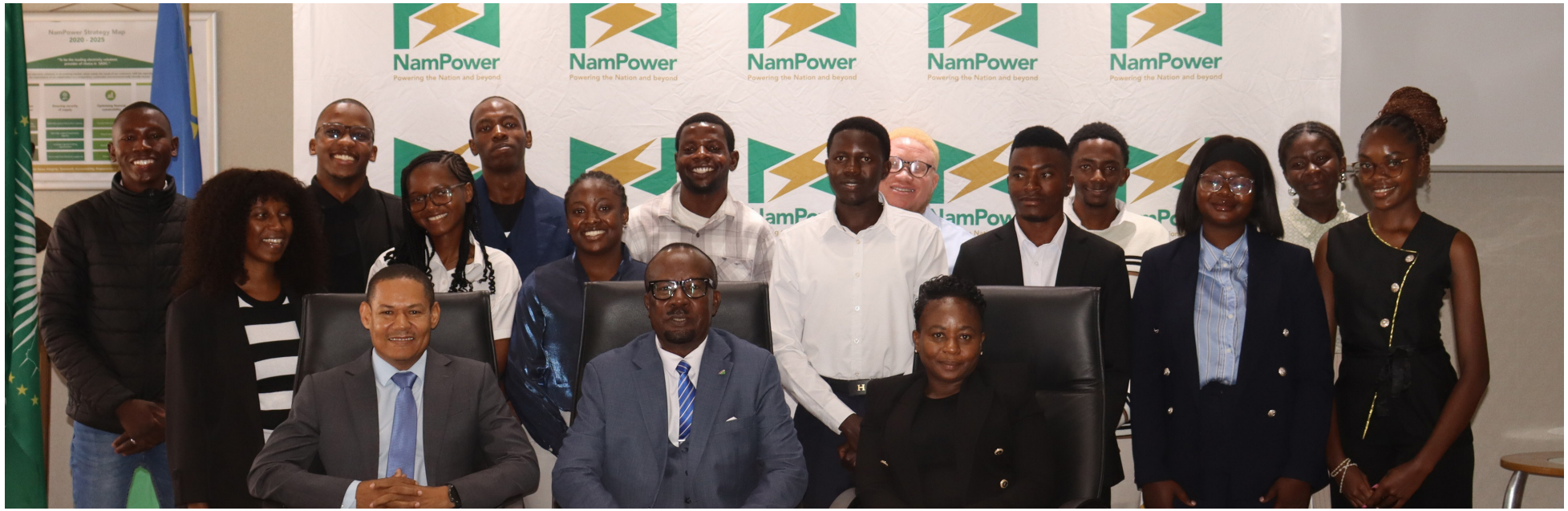


LOOKING AHEAD

Looking ahead, the NamPower Foundation will continue to expand the reach and impact of its social investments, focusing on education, health, community development, and capacity building areas that remain central to Namibia's social and economic development.

Planned initiatives include upgrading school infrastructure, providing educational equipment and materials, developing gardening infrastructure, and supporting community projects that promote self-reliance and skills development. Programmes related to health and capacity building will also remain key priorities.

NamPower remains committed to supporting sustainable socio-economic development, continuously investing in projects that enhance the lives of Namibians and contribute to the nation's long-term prosperity and growth.





06

ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements ("Financial Statements") of Namibia Power Corporation (Proprietary) Limited, comprising the statements of financial position as at 30 June 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in accordance with IFRS® Accounting Standards, and the requirements of the Companies Act of Namibia.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors of the Group and Company are responsible for the controls over, and the security of, the website and, where applicable, for establishing and controlling the process for electronically distributing the integrated annual report and other financial information to shareholders.

The auditor is responsible for reporting on whether the consolidated and separate financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of consolidated and separate annual financial statements

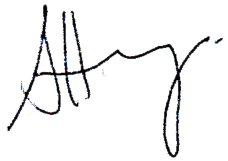
The consolidated and separate financial statements of Namibia Power Corporation (Proprietary) Limited, as identified in the first paragraph, were approved by the board of directors on 04 December 2025 and signed by:



CL KAVENDJII
Chairperson



KS HAULOFU
Managing Director



S HORNUNG
Audit & Risk Management Committee (Board Committee)

VALUE ADDED STATEMENT
FOR THE YEAR ENDED 30 JUNE 2025

	CONSOLIDATED AND COMPANY			
	2025		2024	
	N$'000	%	N$'000	%
VALUE ADDED				
Turnover	**9,105,645**		8,559,649	
Less: Cost of primary energy, materials and services	**6,596,888**		6,008,047	
Value added by operations	**2,508,757**	**68.63**	2,551,602	68.59
Interest and sundry income	**1,146,830**	**31.37**	1,168,554	31.41
	3,655,587	**100.00**	3,720,156	100.00
VALUE DISTRIBUTED				
To remunerate employees	**1,232,895**	**33.73**	1,216,389	32.70
To providers of debt	**23,988**	**0.66**	31,194	0.84
	1,256,883	**34.37**	1,247,583	33.55
VALUE RETAINED				
To maintain and develop operations	**2,398,704**	**65.63**	2,472,573	66.45
	3,655,587	**100.00**	3,720,156	100.00

pwc

INDEPENDENT AUDITOR'S REPORT

To the Member of Namibia Power Corporation (Proprietary) Limited

OUR QUALIFIED OPINION

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion section of our report, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Namibia Power Corporation (Proprietary) Limited (the Company) and its subsidiary (together the Group) as at 30 June 2025, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of Namibia.

What we have audited

Namibia Power Corporation (Proprietary) Limited's consolidated and separate financial statements set out on pages 134 to 259 comprise:

- the directors' report for the year ended 30 June 2025;
- the consolidated and separate statements of financial position as at 30 June 2025;
- the consolidated and separate statements of profit or loss and other comprehensive
- income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

BASIS FOR QUALIFIED OPINION

As at 30 June 2025 and 30 June 2024, the Group's investments in associates, carried at N$1,380,023,000 and N$1,183,989,000, respectively, in the consolidated statement of financial position, comprise its investments in Nored Electricity (Pty) Ltd ("Nored") and Central-North Electricity Distribution Company (Pty) Ltd ("Cenored"), which are equity-accounted for in accordance with International Accounting Standard ("IAS") 28 'Investments in Associates and Joint Ventures'. For the years ended 30 June 2025 and 30 June 2024, the Group recognised, in respect of Nored and Cenored, its share of profit of associates (net of taxation) of N$46,920,000 and N$8,326,000 respectively, and its share of other comprehensive income of associates (net of taxation) of N$149,114,000 and N$184,161,000 respectively, in the consolidated statements of profit or loss and other comprehensive income.

The audited financial statements of Nored for the years ended 30 June 2025 and 30 June 2024 were not available. Consequently, we were unable to obtain sufficient appropriate audit evidence regarding the carrying value of the investment in Nored, retained earnings, and related deferred taxation liabilities as at those dates, as well as the Group's share of profit and other comprehensive income (net of taxation) for the respective years. We were therefore unable to determine whether any adjustments were required to these balances or the related disclosures in the consolidated financial statements for the year ended 30 June 2025. Our audit opinion for the year ended 30 June 2025 is modified due to the possible effects of this matter on the comparability of the current year's figures with those of the prior period. Our audit opinion for the year ended 30 June 2024 was similarly qualified.

Similarly, the audited financial statements of Cenored for the year ended 30 June 2025 were not available. As a result, we were unable to obtain sufficient appropriate audit evidence regarding the carrying value of the investment in Cenored, retained earnings, and related deferred taxation liabilities as at 30 June 2025, or the Group's share of profit and other comprehensive income (net of taxation) for that year. Accordingly, we could not determine whether any adjustments were necessary to these balances or the related disclosures in the consolidated financial statements. Our audit opinion for the year ended 30 June 2024 was also qualified in respect of this matter.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled *"NamPower Integrated Annual Report 2025"*. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements,including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidenceregarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Samuel N Ndahangwapo
Partner
Windhoek, Namibia
Date: 15 December 2025

DIRECTORS' REPORT

VALUE ADDED

The directors take pleasure in presenting their report for the year ended 30 June 2025.

1. PRINCIPAL ACTIVITIES

The Company is responsible for generation, transmission, energy trading and, to a lesser extent, the distribution of electricity in Namibia.

The activities of the associates comprise:

- The provision of technical, management and other related services; and
- The sale and distribution of electricity.

2. OPERATING RESULTS

The operating results of the Group and Company for the year under review are set out in the Statement of Profit or Loss and Other Comprehensive Income.

Units into the system and sold:

	CONSOLIDATED AND COMPANY	
	2025 GWh	**2024 GWh**
Ruacana Hydro Power Station	**2,050**	2,067
Van Eck Power Station	**17**	44
Anixas Power Station	**37**	5
Omburu PV Power Station	**60**	60
Eskom	**1,087**	516
ZESCO	**836**	1,201
ZPC	**315**	384
SAPP Market	**97**	39
REFITs and other IPPs	**357**	361
Total units into system	**4,856**	4,677
To customers in Namibia	**3,708**	3,618
Exports	**539**	540
Orange River ^	**128**	130
Total units sold	**4,375**	4,288

^ Customers on the banks of the Orange River are customers of NamPower, therefore the Group can be seen as subcontracting Eskom to supply electricity to these customers on the Group's behalf. Refer to note 25 for the judgements around the recognition of this revenue.

Transmission losses	**12.5%**	**11.1%**

Growth

During the year under review, the units sold in GWh to customers in Namibia increased by 2.5% (2024: increase of 2.5%). The power imported by the Company during the year under review increased by 7.6% (2024: decreased by 12.2%).

3. SUBSIDIARIES AND ASSOCIATES

Relevant information is disclosed in note 7 to the financial statements.

4. AUDITORS

PricewaterhouseCoopers Namibia (PwC) was re-appointed as auditors with effect from 30 June 2023 for a contract term of three (3) years.

5. CAPITAL EXPENDITURE

The expenditure on property, plant and equipment during the financial year amounted to N$2.3 billion (2024: N$1.5 billion). The expenditure on intangible assets during the financial year amounted to N$13.3 million (2024: N$845 thousand).

This expenditure is mainly attributable to:

5.1 Electrification:

- Power Quality Project (non-RED areas)
- Pre-payment Meters, TID Rollover
- Brakwater/Dobra, 11kV Overhead Line upgrade
- Warmbad/Karas, 22kV Overhead Line

5.2 Substation Development

- Lüderitz Wind - Transmission Investment
- 58 MW / 75 MWh Omburu BESS Connection
- Kokerboom Substation: 3 x 100MVAr 400kV Shunt R
- HVDC Earth Electrode Stations Construction
- Zambezi Substation: Single phase converter transformers
- Gerus Substation: Single phase converter transformers

5.3 Refurbishment and Upgrading:

- Tsumeb Substation: 30MVA 66/11kV Transformer replacement
- Auas Substation: Reactor (100mVAr - 400kV)
- Kokerboom Substation: Reactor 13 - SERGI

5.4 Transmission System Development:

- TX-Backbone Power Quality Meters (17)
- External: Sekelduin Substation Development
- External: Khomas Substation – City of Windhoek
- Erongo Substation 220/66/22kV
- Zambezi/Omburu 330/220kV 315 MVA transformer
- 400kV Obib-Oranjemund Development
- External: Langer Heinrich Mine (Phase 2) 12 MV

5.5 Power Station Development:

- Omburu BESS Project
- Lüderitz Wind Power Plant
- Otjikoto Biomass Power Project
- Rosh Pinah Solar PV Power Project

5.6 Intangible Assets:

- Communications Network and QoS Management Modules

6. SHAREHOLDER

The Government of the Republic of Namibia is the sole shareholder of the Company.

7. SHARE CAPITAL

7.1 Authorised

365 000 000 ordinary shares at N$1

7.2 Issued share capital

165 000 000 (2024: 165 000 000) ordinary shares at N$1

8. SECRETARY

Ms E. Tuneeko held office as Company Secretary for the year under review. The business and postal addresses are shown on page 261.

9. GOING CONCERN

The directors have made an assessment of the ability of the Group and Company to continue as a going concern in the foreseeable future.

The directors have considered the prevailing weak economic condition on the going concern of the entity. In performing this assessment, management performed cash flow projections for the next five (5) years and are comfortable that the use of the going concern basis of accounting is appropriate for these periods. The Company made a loss in the prior year mainly due to the fair value loss on embedded derivative because of the fluctuation in foreign exchange. The fair value adjustment on embedded derivative has no impact on cashflow and future profitability. The Group and Company maintained its credit rating for the period under review. The Company complied with all its debt covenants for the year under review. The directors have satisfied themselves that the Group and Company have adequate financial resources to continue in operational existence for the foreseeable future. The directors, therefore, believe there is no reason for the business not to continue as a going concern in the financial year ahead.

10. REGISTERED ADDRESS

Namibia Power Corporation (Proprietary) Limited
(Reg no 2051)
NamPower Centre
15 Luther Street
PO Box 2864
WINDHOEK
Namibia

11. APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements were approved and authorised for issue by the directors on 04 December 2025.

STATEMENTS OF FINANCIAL POSITION AT 30 JUNE 2025

	NOTES	CONSOLIDATED 2025 N$'000	CONSOLIDATED 2024 N$'000 *Restated	COMPANY 2025 N$'000	COMPANY 2024 N$'000 *Restated
Assets					
Total non-current assets		**47,042,533**	44,580,982	**45,883,789**	43,618,272
Property, plant and equipment	6	**43,882,434**	41,810,972	**43,882,434**	41,810,972
Investment properties	8	**14,020**	18,392	**14,020**	18,392
Intangible assets	9	**20,364**	13,190	**20,364**	13,190
Investment in associates	7.2	**1,380,023**	1,183,989	**221,279**	221,279
Investments	11	**1,113,917**	1,327,470	**1,113,917**	1,327,470
Derivative assets	21.1	**606,521**	204,151	**606,521**	204,151
Loans receivable	10	**25,254**	22,818	**25,254**	22,818
Total current assets		**11,981,376**	10,331,013	**11,981,376**	10,331,013
Inventories	12	**154,001**	119,017	**154,001**	119,017
Trade and other receivables	13	**2,248,258**	1,272,764	**2,248,258**	1,272,764
Current tax receivable		**145,085**	33,780	**145,085**	33,780
Investments	11	**6,578,076**	6,686,767	**6,578,076**	6,686,767
Derivative assets	21.1	**77,055**	44	**77,055**	44
Cash and cash equivalents	14	**2,778,901**	2,218,641	**2,778,901**	2,218,641
Total assets		**59,023,909**	54,911,995	**57,865,165**	53,949,285
Equity					
Total equity attributable to equity holders		**41,081,550**	38,037,949	**39,926,298**	37,078,732
Issued share capital	16.2	**165,000**	165,000	**165,000**	165,000
Share premium	16.3	**900,000**	900,000	**900,000**	900,000
Reserve fund	16.4	**1,891,733**	1,822,619	**1,891,733**	1,822,619
Development fund	16.5	**8,648,797**	7,238,318	**8,443,305**	7,078,495
Capital revaluation reserve	16.6	**29,262,034**	27,681,535	**28,312,274**	26,882,142
Strategic inventory revaluation reserve	16.7	**166,571**	111,572	**166,571**	111,572
Investment valuation reserve	16.8	**47,415**	118,905	**47,415**	118,904
Total equity		**41,081,550**	38,037,949	**39,926,298**	37,078,732
Liabilities					
Total non-current liabilities		**15,615,367**	14,790,270	**15,611,865**	14,786,768
Interest bearing loans and borrowings	17	**915,377**	253,358	**915,377**	253,358
Derivative liabilities	21.2	**1,077**	177,247	**1,077**	177,247
Deferred revenue liabilities	18	**2,032,021**	1,590,078	**2,032,021**	1,590,078
Employee benefits provisions	22	**248,535**	240,732	**248,535**	240,732
Retention creditors	20.4	**76,982**	139,170	**76,982**	139,170
Deferred tax liabilities	19	**12,341,375**	12,389,685	**12,337,873**	12,386,183
Total current liabilities		**2,326,992**	2,083,776	**2,327,002**	2,083,785
Trade and other payables *	20	**1,948,332**	1,366,483	**1,948,342**	1,366,492
Derivative liabilities	21.2	**40,578**	89,272	**40,578**	89,272
Current tax payable *		**-**	283,813	**-**	283,813
Interest bearing loans and borrowings	17	**97,449**	92,470	**97,449**	92,470
Deferred revenue liabilities	18	**200,876**	209,512	**200,876**	209,512
Employee benefits provisions	22	**39,757**	42,226	**39,757**	42,226
Total liabilities		**17,942,359**	16,874,046	**17,938,867**	16,870,553
Total equity and liabilities		**59,023,909**	54,911,995	**57,865,165**	53,949,285

** Certain amounts disclosed here do not correspond to the 2024 financial statements due to errors and reflect corrections made. Refer to note 31.*

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	NOTES	CONSOLIDATED 2025 N$'000	CONSOLIDATED 2024 N$'000	COMPANY 2025 N$'000	COMPANY 2024 N$'000
Revenue	25	**9,105,645**	8,559,649	**9,105,645**	8,559,649
Other income	25	**341,457**	304,015	**341,457**	304,015
Cost of electricity	26 (a)	**(6,043,531)**	(4,879,860)	**(6,043,531)**	(4,879,860)
Employee costs	26 (d)	**(1,232,895)**	(1,216,390)	**(1,232,895)**	(1,216,390)
Depreciation and amortisation	26 (b)	**(2,402,921)**	(1,851,365)	**(2,402,921)**	(1,851,365)
Other expenses	26 (e)	**(472,796)**	(740,700)	**(472,796)**	(740,700)
Net impairment gain/(loss) on financial assets	26 (c)	**48,461**	(157,776)	**48,461**	(157,776)
Net fair value and foreign exchange loss on financial instruments	26 (f)	**616,235**	1,099,098	**616,235**	1,099,098
(Loss)/profit before net finance income		**(40,345)**	1,116,670	**(40,345)**	1,116,671
Finance income – net		**781,385**	833,345	**781,385**	833,345
Finance income	24	**805,373**	864,539	**805,373**	864,539
Finance costs	24	**(23,988)**	(31,194)	**(23,988)**	(31,194)
Share of profit of associates, net of taxation	7.2	**46,920**	8,326	**-**	-
Profit before taxation		**787,960**	1,958,341	**741,040**	1,950,016
Taxation	15	**680,531**	(566,345)	**680,531**	(566,345)
Profit for the year		**1,468,491**	1,391,996	**1,421,569**	1,383,671
Other comprehensive income					
Items that may not be subsequently reclassified to profit or loss					
Revaluation of property, plant and equipment	15	**2,072,787**	4,370,676	**2,072,787**	4,370,676
Revaluation of strategic inventory	15	**79,708**	76,233	**79,708**	76,233
Net change in fair value of listed equity instruments	15	**196**	570	**196**	570
Net change in fair value of unlisted equity	15	**(74,179)**	24,161	**(74,179)**	24,161
Remeasurements of employee benefit provisions	22.3	**17,906**	15,428	**17,906**	15,428
Share of other comprehensive income of associates, net of taxation	15	**149,114**	184,161	**-**	-
Related tax	15	**(672,915)**	(1,426,059)	**(672,915)**	(1,426,059)
		1,572,617	3,245,170	**1,423,503**	3,061,009
Items that may be subsequently reclassified to profit or loss					
Net change in fair value of debt instruments	15	**2,495**	4,074	**2,495**	4,074
Related tax	15	**-**	-	**-**	-
		2,495	4,074	**2,495**	4,074
Other comprehensive income for the year, net of taxation		**1,575,112**	3,249,244	**1,425,998**	3,065,083
Total comprehensive income for the year		**3,043,603**	4,641,241	**2,847,567**	4,448,754

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

CONSOLIDATED	NOTES	Issued Share Capital N$'000	Share Premium N$'000	Reserve Fund N$'000	Development Fund N$'000	Capital Revaluation Reserve N$'000	Strategic Inventory Revaluation Reserve N$'000	Investment Valuation Reserve N$'000	Retained Earnings N$'000	Total Equity N$'000
Balance at 1 July 2024	16	165,000	900,000	1,822,619	7,238,318	27,681,535	111,572	118,905	-	38,037,948
Total comprehensive income for the year										
Profit for the year		-	-	-	-	-	-	-	1,468,491	1,468,491
Other comprehensive income										
Revaluation of property, plant and equipment, net of taxation	15	-	-	-	-	1,430,132	-	-	-	1,430,132
Revaluation of strategic inventory	15	-	-	-	-	-	54,999	-	-	54,999
Net changes in fair value of listed and unlisted equity and debt instruments	15	-	-	-	-	-	-	(71,489)	-	(71,489)
Share of other comprehensive income of associates, net of taxation		-	-	-	-	150,367	-	-	(1,253)	149,114
Remeasurements of employee benefit provisions, net of taxation	15	-	-	-	-	-	-	-	12,355	12,355
Total other comprehensive income		-	-	-	-	1,580,499	54,999	(71,489)	11,102	1,575,111
Total comprehensive income for the year		-	-	-	-	1,580,499	54,999	(71,489)	1,479,593	3,043,602
Allocation from retained income		-	-	69,114	1,410,479	-	-	-	(1,479,593)	-
Transfer to reserve fund	16.4	-	-	69,114	-	-	-	-	(69,114)	-
Funds for capital expenditure requirements	16.5	-	-	-	1,410,479	-	-	-	(1,410,479)	-
Balance at 30 June 2025		165,000	900,000	1,891,733	8,648,797	29,262,034	166,571	47,415	-	41,081,550

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025 *(continued)*

	NOTES	Issued Share Capital N$'000	Share Premium N$'000	Reserve Fund N$'000	Development Fund N$'000	Capital Revaluation Reserve N$'000	Strategic Inventory Revaluation Reserve N$'000	Investment Valuation Reserve N$'000	Retained Earnings N$'000	Total Equity N$'000
CONSOLIDATED										
Balance at 1 July 2023	16	**165,000**	**900,000**	**1,752,080**	**5,906,630**	**24,523,165**	**59,733**	**90,100**	**-**	**33,396,708**
Total comprehensive income for the year										
Profit for the year		-	-	-	-	-	-	-	1,391,996	1,391,996
Other comprehensive income										
Revaluation of property, plant and equipment, net of taxation	15	-	-	-	-	2,973,948	-	-	-	2,973,948
Revaluation of strategic inventory	15	-	-	-	-	-	51,839	-	-	51,839
Net changes in fair value of listed and unlisted equity and debt instruments	15	-	-	-	-	-	-	28,805	-	28,805
Share of other comprehensive income of associates, net of taxation		-	-	-	-	184,422	-	-	(261)	184,161
Remeasurements of employee benefit provisions, net of taxation	15	-	-	-	-	-	-	-	10,492	10,492
Total other comprehensive income		**-**	**-**	**-**	**-**	**3,158,370**	**51,839**	**28,805**	**10,231**	**3,249,245**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**3,158,370**	**51,839**	**28,805**	**1,402,227**	**4,641,241**
Allocation from retained income		**-**	**-**	**70,539**	**1,331,688**	**-**	**-**	**-**	**(1,402,227)**	**-**
Transfer to reserve fund	16.4	-	-	70,539	-	-	-	-	(70,539)	-
Funds for capital expenditure requirements	16.5	-	-	-	1,331,688	-	-	-	(1,331,688)	-
Balance at 30 June 2024		**165,000**	**900,000**	**1,822,619**	**7,238,318**	**27,681,535**	**111,572**	**118,905**	**-**	**38,037,949**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025 *(continued)*

	NOTES	Issued Share Capital N$'000	Share Premium N$'000	Reserve Fund N$'000	Development Fund N$'000	Capital Revaluation Reserve N$'000	Strategic Inventory Revaluation Reserve N$'000	Investment Valuation Reserve N$'000	Retained Earnings N$'000	Total Equity N$'000
COMPANY										
Balance at 1 July 2024	16	165,000	900,000	1,822,619	7,078,495	26,882,142	111,572	118,905	-	37,078,732
Total comprehensive income for the year										
Profit for the year		-	-	-	-	-	-	-	1,421,569	1,421,569
Other comprehensive income										
Revaluation of property, plant and equipment, net of taxation	15	-	-	-	-	1,430,132	-	-	-	1,430,132
Revaluation of strategic inventory	15	-	-	-	-	-	54,999	-	-	54,999
Net changes in fair value of listed and unlisted equity and debt instruments	15	-	-	-	-	-	-	(71,489)	-	(71,489)
Remeasurements of employee benefit provisions, net of taxation	15	-	-	-	-	-	-	-	12,355	12,355
Total other comprehensive income		-	-	-	-	1,430,132	54,999	(71,489)	12,355	1,425,997
Total comprehensive income for the year		-	-	-	-	1,430,132	54,999	(71,489)	1,433,924	2,847,566
Allocation from retained income		-	-	69,114	1,364,810	-	-	-	(1,433,924)	-
Transfer to reserve fund	16.4	-	-	69,114	-	-	-	-	(69,114)	-
Funds for capital expenditure requirements	16.5	-	-	-	1,364,810	-	-	-	(1,364,810)	-
Balance at 30 June 2025		165,000	900,000	1,891,733	8,443,305	28,312,274	166,571	47,415	-	39,926,298

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025 *(continued)*

	NOTES	Issued Share Capital N$'000	Share Premium N$'000	Reserve Fund N$'000	Development Fund N$'000	Capital Revaluation Reserve N$'000	Strategic Inventory Revaluation Reserve N$'000	Investment Valuation Reserve N$'000	Retained Earnings N$'000	Total Equity N$'000
COMPANY										
Balance at 1 July 2023	16	**165,000**	**900,000**	**1,752,080**	**5,754,872**	**23,908,194**	**59,733**	**90,100**	**-**	**32,629,978**
Total comprehensive income for the year										
Profit for the year		-	-	-	-	-	-	-	1,383,671	1,383,671
Other comprehensive income										
Revaluation of property, plant and equipment, net of taxation	15	-	-	-	-	2,973,948	-	-	-	2,973,948
Revaluation of strategic inventory	15	-	-	-	-	-	51,839	-	-	51,839
Net changes in fair value of listed and unlisted equity and debt instruments	15	-	-	-	-	-	-	28,805	-	28,805
Remeasurements of employee benefit provisions, net of taxation	15	-	-	-	-	-	-	-	10,491	10,491
Total other comprehensive income		**-**	**-**	**-**	**-**	**2,973,948**	**51,839**	**28,805**	**10,491**	**3,065,083**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**2,973,948**	**51,839**	**28,805**	**1,394,162**	**4,448,754**
Allocation from retained income		**-**	**-**	**70,539**	**1,323,623**	**-**	**-**	**-**	**(1,394,162)**	**-**
Transfer to reserve fund	16.4	-	-	70,539	-	-	-	-	(70,539)	-
Funds for capital expenditure requirements	16.5	-	-	-	1,323,623	-	-	-	(1,323,623)	-
Balance at 30 June 2024		**165,000**	**900,000**	**1,822,619**	**7,078,495**	**26,882,142**	**111,572**	**118,905**	**-**	**37,078,732**

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	NOTES	CONSOLIDATED 2025 N$'000	CONSOLIDATED 2024 N$'000 *Restated	COMPANY 2025 N$'000	COMPANY 2024 N$'000 *Restated
Cash flows from operating activities					
Cash receipts from customers	30 (h)	**8,855,113**	8,423,988	**8,855,113**	8,423,988
Cash paid to suppliers and employees *		**(6,970,732**	(6,701,683)	**(6,970,732)**	(6,701,683)
Cash generated by operations	30 (a)	**1,884,381**	1,722,305	**1,884,381**	1,722,305
Interest received **	30 (c)	**50,632**	130,779	**50,632**	130,779
Taxation paid *	30 (b)	**(435,812)**	-	**(435,812)**	-
Net cash inflow from operating activities		**1,499,201**	1,853,084	**1,499,201**	1,853,084
Cash flows from investing activities					
Proceeds from the sale of property, plant and equipment		**-**	18,399	**-**	18,399
Acquisitions of intangible assets	9.	**(13,298)**	(845)	**(13,298)**	(845)
Extension and replacement of property, plant and equipment to maintain operations *	30 (k)	**(2,903,281)**	(1,326,814)	**(2,903,281)**	(1,326,814)
Interest received **	30 (c)	**420,174**	380,166	**420,174**	380,166
Dividend received		**90**	1,118	**90**	1,118
Grant received		**357,795**	-	**357,795**	-
Proceeds from collective investment schemes		**625,000**	195,902	**625,000**	195,902
Proceeds from fixed deposits and treasury bills		**3,262,918**	2,862,685	**3,262,918**	2,862,685
Proceeds from money market funds		**925,000**	100,000	**925,000**	100,000
Payments for collective investment schemes		**670,000)**	(100,000)	**(670,000)**	(100,000)
Payments for fixed deposits and treasury bills		**(3,483,920)**	(3,044,489)	**(3,483,920)**	(3,044,489)
Payments for money market funds		**(80,000)**	-	**(80,000)**	-
Proceeds from loans receivable	30 (j)	**761**	984	**761**	984
Payments for loans advanced	30 (j)	**(282)**	(1,011)	**(282)**	(1,011)
Net cash outflow from investing activities		**(1,559,043)**	(913,905)	**(1,559,043)**	(913,905)
Cash flows from financing activities					
Interest paid	30 (d)	**(20,759)**	(35,222)	**(20,759)**	(35,222)
Repayment of borrowings	30 (i)	**(83,755)**	(89,841)	**(83,755)**	(89,841)
Proceeds from borrowings		**745,774**	-	**745,774**	-
Net cash inflow/outflow from financing activities		**641,260**	(125,063)	**641,260**	(125,063)
Net increase in cash and cash equivalents					
Cash and cash equivalents at 1 July		**581,418**	814,117	**581,418**	814,117
Effect of exchange rate fluctuations on cash held		**2,218,641**	1,418,366	**2,218,641**	1,418,366
		(21,158)	(13,841)	**(21,158)**	(13,841)
Cash and cash equivalents at 30 June	14.	**2,778,901**	2,218,641	**2,778,901**	2,218,641

** Certain amounts disclosed here do not correspond to the 2024 financial statements due to a classification error and reflect correction made, refer to note 31. Included in the extension and replacement of property, plant and equipment to maintain operations line item is upfront payments for the acquisition of PPE amounting to N$737.4 million (2024: N$124.6 million).*

*** The total interest received for the year amounted to N$470.8 million (2024: N$510.9 million)*

1. REPORTING ENTITY

Namibia Power Corporation (Proprietary) Limited is the holding company of the Group and is incorporated and domiciled in Namibia. The financial statements for the year ended 30 June 2025 comprise of the Company and its subsidiary (together referred to as the "Group") and the Group's interest in associates.

2. BASIS OF PREPARATION

a) Compliance with IFRS Accounting Standards

The consolidated and separate annual financial statements of Namibia Power Corporation Ltd for the year ended 30 June 2025 have been prepared in accordance with IFRS® Accounting Standards ("IFRS"), interpretations issued by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee ("IFRS IC") effective at the time of preparing these statements and in the manner required by the Namibian Companies Act.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

b) Basis of measurement

The financial statements are prepared on the historical cost basis, except for the following items which are measured at fair value:

- derivative financial instruments;
- financial assets and financial liabilities at fair value through profit or loss;
- financial assets at fair value through other comprehensive income;
- property, plant and equipment excluding machinery and equipment and
- investment properties which are measured at fair value.

c) Functional and presentation currency

These financial statements are presented in Namibia Dollars (N$), which are the Group's functional and presentation currency and are rounded to the nearest thousand.

d) Materiality

NamPower defines material information as those which are expected to potentially influence decisions that the primary users of general-purpose financial statements make on the basis of the financial statements of NamPower if such information is omitted, misstated or is obscuring the provision of financial information about NamPower. The identification of material information concentrates on both quantitative and qualitative matters that have the potential to impact the company's ability to deliver on its strategy.

e) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values of both financial and non-financial assets and liabilities.
When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions and inputs made in measuring fair values are included in the following notes:

Note 6 - revaluation of property, plant and equipment and impairment of assets;
Note 8 - valuation of investment property and
Note 11 - investments;
Note 29 - valuation of financial instruments - loans and derivatives.

f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee (EXCO). EXCO has been identified as being the Managing Director, the Chief Operating Officer, the Chief Financial Officer, the Executive: Generation, the Executive: Modified Single Buyer, the Executive: Human Capital and the Executive: Transmission.

2. BASIS OF PREPARATION *(continued)*

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expensesthat relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by EXCO to make decisions about resources to be allocated to the segment and to assess the performance of the segment, for which separate financial information is available.

3. MATERIAL ACCOUNTING POLICIES

a) Basis of consolidation

These financial statements incorporate the financial statements of the Company and its associates. The Company, subsidiary and associates measure its investments in associates at cost less accumulated impairment losses in its separate financial statements.

(i) Investments in equity-accounted investees

Associates
Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases.

The Group's share of its associates' post-acquisition profits or losses is recognised within the share of profit of equity-accounted investees, and its share of post-acquisition movement in reserve is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any payables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

The Group assesses on an annual basis whether there is any indication that an associate may be impaired. Where such an indication exists, the carrying amount of the interest in associates is tested for impairment by comparing its recoverable amount with the carrying amount.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing these financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the enterprise. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

b) Property, plant and equipment

(i) Owned assets

Property, plant and equipment is initially recognised at cost. Cost includes any costs directly attributable to bringing the asset to the location and condition necessary to be capable of operating in the manner intended by management. Subsequently, property, plant and equipment is measured at revalued amounts being its fair value at the date of the revaluation less any subsequent accumulated depreciation (see below) and subsequent accumulated impairment losses (see accounting policy 3 (e)), except for machinery and equipment which is measured at cost less accumulated depreciation.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components of property, plant and equipment. Plant and equipment is revalued at the estimated replacement cost thereof as adjusted in relation to the remaining useful lives of these assets. Property is revalued to its fair value. Valuations of property, plant and equipment are determined from market-based evidence by appraisals undertaken by professional valuers. The Group performs independent external revaluations every three years, and independent desktop revaluations in between to ensure that the carrying amount does not differ significantly from the fair value. Variables used in the desktop revaluation are both international and local indices to determine the replacement cost for the various asset classes. The valuators consider the trends in replacement costs for the desktop revaluation to arrive at a cost price adjustment to determine the replacement cost of the assets for the period under review.

Any revaluation increase arising on the revaluation of such property, plant and equipment is recognised in other comprehensive income and presented in equity in the capital revaluation reserve, except to the extent that it reverses a revaluation decrease for the same assets previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount as a result of a revaluation is recognised in profit or loss. The decrease is recognised in other comprehensive income only to reduce any credit balance existing in the revaluation reserve. On the subsequent sale or retirement of an item of revalued property, plant and equipment, the attributable revaluation surplus remaining in the capital revaluation reserve is transferred directly to retained earnings.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

The market value of property is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The fair value of items of plant and equipment is based on the market approach and cost approaches using market prices for similar items when available and depreciated replacement cost when appropriate.

Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

Machinery and equipment are stated at cost less accumulated depreciation and accumulated impairment.

The estimated useful lives for the current and comparative periods are as follows:

Category

- Power Stations
  - Ruacana Power Station - Plant: 1 - 50 years
  - Ruacana Power Station - Civils: 45 - 100 years
  - Van Eck Power Station - Plant: 10 - 35 years
  - Anixas Power Station - Plant: 10 - 35 years
  - Omburu PV Station - Plant: 1 - 25 years
- Transmission and Distribution Systems: 8 - 60 years
- Machinery and Equipment: 3 - 35 years
- Buildings: 23 - 50 years
- Aircraft fleet: 10 - 35 years

The depreciation methods, useful lives and residual values are reassessed annually.

(ii) Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as incurred.

(iii) Strategic inventory

Spare parts and servicing equipment are usually carried as inventory and recognised in profit or loss as consumed. However, major spare parts, stand-by equipment and servicing equipment qualify as property, plant and equipment when an entity expects to use them during more than one period. Stand-by equipment relates to parts kept on hand to ensure the uninterrupted operation of production equipment if there is an unexpected breakdown or equipment failure. Due to the long useful lives and high residual values of these property, plant and equipment items, their depreciation is considered insignificant and is therefore not applied.

This asset class is accounted for in terms of the accounting policy for property, plant and equipment and is revalued every three years with such sufficiency that the amount does not differ materially from that which would be determined using fair values at the reporting date.

Items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they meet the definition of property, plant and equipment, otherwise they are classified as inventories in accordance with IAS 2, Inventories.

(iv) Assets under construction

Assets under construction are measured at cost, which is assumed to be equal to fair value. This includes costs of materials and direct labour, and any cost incurred in bringing it to its present location and condition for their intended use and capitalised borrowing costs. Materials used in the construction of property, plant and equipment are valued at weighted average cost.

Assets under construction are not revalued as the cost of construction is assumed to be at fair value.

(v) Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, limited to its residual value.

The Group depreciates stand-by equipment. Stand-by equipment is depreciated at the same rate as the main item of property, plant and equipment as these assets will be simultaneously retired with the main asset.

The useful life of spare parts and servicing equipment classified as property, plant and equipment commences when they are put into use, rather than when they are acquired. Spare parts and servicing equipment are depreciated over the period starting when it is brought into service and continuing over the shorter of its useful life and the remaining expected useful life of the main asset.

Land and assets under construction are not depreciated.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

(vi) Disposal

Gains or losses are determined by comparing proceeds with the carrying amount. The gains or losses are included in profit or loss.

(vii) Reclassification to investment property

If an owner-occupied property becomes an investment property that will be carried at fair value, any difference at that date between the carrying amount of the property in accordance with IAS 16 and its fair value is treated in the same way as a revaluation in accordance with IAS 16.

c) Intangible assets

(i) Computer software

Acquired computer software is capitalised on the basis of costs incurred to acquire and bring to use a specific software. These costs are amortised over their estimated useful lives. If software is integral to the functionality of related equipment, then it is capitalised as part of the equipment.

(ii) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(iii) Amortisation

Acquired computer software is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of the intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful life for the current and comparative periods is as follows:

- Computer software 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

d) Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation purposes but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss. Cost includes expenditure that is directly attributable to acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour and other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property calculated as the difference between net proceeds from disposal and the carrying amount of the item, is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of the investment property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Rental income earned on investment properties is recognised on a straight-line basis over the lease term.

e) Impairment of assets

Non-financial assets
The carrying amounts of the Group's non-financial assets or its cash generating unit, other than inventories and investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Calculation of recoverable amount
The recoverable amount of non-financial assets is the greater of their fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit (CGU). For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. All impairment losses, except

3. MATERIAL ACCOUNTING POLICIES *(continued)*

for property, plant and equipment accounted for under the revaluation model, are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to the assets in terms of the apportionment method depending on the carrying amount of that specific asset.

See accounting policy 3 (b)(i) for revaluation model.

Reversals of impairment
In respect of non-financial assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

f) Inventories

Fuel, coal, maintenance spares and consumable stores are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated cost necessary to make the sale. The cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined using the weighted average cost method.

g) Trade and other receivables

Trade receivables are amounts due from customers for the supply of electricity and are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. See note 13 for further information about the Group's accounting for trade receivables and note 29.4.3 for a description of the Group's impairment policies. Payment terms vary between customer classes as per the Group's credit policy. Interest is charged at a market related rate on balances in arrears.

Other receivables are amounts that generally arise from transactions outside the usual operating activities of the Group and are recognised initially at the amount of consideration. They are subsequently measured at amortised cost less loss allowance.

h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually settled on 30-day terms.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. The carrying amount of trade and other payables approximates their fair value. Trade payables are non-interest-bearing and are normally settled on 30 - 60-day terms.

i) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur to settle the obligation, and where a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost. Provisions are not recognised for future operating losses. The only provisions that the Group has are employee benefit provisions. Refer to accounting policy (p).

j) Financial Instruments

Initial recognition
Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to the fair value of financial assets or deducted from the fair value of financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
Interest bearing loans and borrowings, loans and receivables, corporate bonds, fixed deposits, cash and cash equivalents and trade and other receivables that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group subsequently measures all other financial assets at fair value through profit or loss (FVTPL).

However, the Group may make the following irrevocable election at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal and interest repayments, plus interest calculated using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in finance income in note 24.

(ii) Debt instruments classified as at FVTOCI

The inflation linked bonds held by the Group are classified as at FVTOCI. These bonds are denominated in Namibia Dollars (N$) and linked to the Namibian CPI, thus there is no leverage. The inflation linked bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these inflation linked bonds as a result of impairment gains or losses and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these inflation linked bonds had been measured at amortised cost. All other changes in the carrying amount of these inflation linked bonds are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Group made an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

The Group elected to classify irrevocably its non-listed equity investments as measured at FVTOCI as it intends to hold these investments for the foreseeable future.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in other income.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

(iv) Financial assets at FVTPL

Collective investment schemes, money market funds and derivative financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities, or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

(v) Cash and cash equivalents

Cash and cash equivalents are stated at cost which approximates fair value due to the short-term nature of these instruments.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash balances, including call accounts.

(vi) Foreign exchange gains and losses on financial assets

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

(vii) Finance income

Finance income comprises interest receivable on loans, trade receivables and income from financial market investments.

Finance income is calculated by applying the effective interest rate method to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). Finance income on credit-impaired financial assets is calculated by applying the effective interest rate to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

3. MATERIAL ACCOUNTING POLICIES *(continued)*

Interest income is recognised as it accrues using the effective interest method in profit or loss.

The Group has chosen to present interest received on financial assets held for cash management purposes as operating cash flows and interest received on other financial assets as investing cash flows because they are returns on the Group's investments.

(viii) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost or at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix for some of the portfolios and loss rate approach for the rest. The provision matrix approach is a calculation of the lifetime expected credit loss applying relevant loss rates to the trade receivables ageing bucket. The resultant loss rates are calibrated based on historical credit loss experience, taking into account both the time value of money and previous write-offs recoveries. The loss rate approach uses historical credit loss experience in order to estimate the 12-month expected credit losses or the lifetime expected credit losses on the financial assets. Both approaches are applied with reference to past default experience of the debtor with time value of money losses taken into account through the analysis of default experience by assessing the time taken to collect trade receivables. Adjustments are made for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Impairment loss is reversed to the extent that it does not exceed what the carrying amount of the financial asset would have been had the impairment not been recognised.

Reversal of impairment losses are recognised in profit or loss except for equity investments at FVTOCI which are recognised in other comprehensive income.

Significant increase in credit risk
The Group assesses the significant increase in credit risk of the investments and loans receivables on an ongoing basis throughout each reporting period and keeping abreast of the latest developments in various industries to determine major key risk factors that could have adverse effects on underlying assets and their credit rating. The Group considers available reasonable and supportive forward-looking information.

The following indicators, especially, are incorporated:
- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the financial institutions' ability to meet their obligations
- actual or expected significant changes in the operating results of the financial institutions
- significant increases in credit risk on other financial instruments of the financial institutions

The Group considers the following macroeconomic information in its model:
- market interest rates and
- growth rates

Fund fact sheets are also analysed and reviewed on a quarterly basis, with specific attention to risk profile and asset allocation of each individual fund, thereby ensuring compliance with the overall NamPower Investment Policy Statement.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on investments and loans receivables has increased significantly since initial recognition when contractual payments are more than thirty (30) days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low probability of default in terms of the Group's investment policy statement and risk appetite.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

The Group considers a financial asset to have low probability of default when the asset has an external credit rating of 'investment grade' in accordance with the globally understood definition or, if an external rating is not available, the asset has an internal rating of 'performing.' Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Trade receivables subject to impairment are monitored to assess whether they have been subject to a significant increase in credit risk after initial recognition. There will be a significant increase in credit risk when:

- payments are more than 90 days past due;
- a significant qualitative event has occurred.

Definition of default
The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than ninety (90) days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the customer, issuer or the borrower;
b) a breach of contract, such as a default or past due event;
c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d) it is becoming probable that the customer or borrower will enter bankruptcy or other financial reorganisation; or
e) the disappearance of an active market for that financial asset because of financial difficulties.

Where it is assessed that a counterparty's credit risk has increased significantly from its initial low risk designation, the related asset is moved from stage 1 to stage 2.

Where the counterparty is assessed to be credit-impaired, the related asset is disclosed in stage 3.

Write-off policy
The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses
The expected credit loss methodology remained consistent from those applied previously. The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets this is represented by the assets' gross carrying amount at the reporting dates plus any interest earned up to the date of default for interest bearing debt instruments. For accounts receivable, the exposure includes the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

(ix) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

In addition, on derecognition of an investment in a debt instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to treasury income in profit or loss.

In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

(x) Liabilities and equity

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(xi) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

(xii) Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is designated at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near future; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated at FVTPL.

Financial liabilities measured subsequently at amortised cost
Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

(xiii) Non-derivative financial liabilities

These financial liabilities comprise of loans and borrowings, trade and other payables and retention creditors.
Loans payable to subsidiaries are measured at amortised cost.

Non-derivative financial liabilities are recognised initially at fair value less directly attributable transaction costs. The loans, subsequent to initial recognition, are measured at amortised cost using the effective interest method.

Fair value which is determined for disclosure purposes is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. The carrying value of short-term non-derivative financial instruments is assumed as the fair value due to the short-term nature of the instruments. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

(xiv) Offset

Financial assets and liabilities are offset against each other only when a legally enforceable right exists to set off the recognised amounts, and the Group intends to either settle on a net basis, or to realise the assets and settle the liability simultaneously.

(xv) Foreign exchange gains and losses on financial liabilities

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These exchange gains and losses are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at spot rate at the reporting date.

(xvi) Derecognition of financial liabilities

A financial liability is derecognised when, and only when:

- The liability is extinguished, that is, when the obligation specified in the contract is discharged;
- cancelled;
- or has expired.

The difference between the carrying amount of a financial liability (or part thereof) derecognised and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(xvii) Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities which includes forward exchange contracts. In accordance with its investment policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at fair value, directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The fair value of forward exchange contracts is their quoted market price at the reporting date, being the present value of the quoted forward price.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as financial liability. Derivatives are not offset in the financial statements unless the Group has both the legal right and intention to offset.

(xviii) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract, with the effect that some of the cash flows of the combined instrument vary in a way similar to those of a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, or other variable. The hybrid contract is the entire contract, and the host contract is the main body of the contract excluding the embedded derivative.

An embedded derivative is separated from the host contract and accounted for as a derivative if:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and
- the combined instrument is not measured at fair value with changes in fair value recognised in profit or loss.

The determination of the value of the host contract of a hybrid electricity contract (which includes an embedded derivative) is based on the standard electricity tariff specified in the contract and, where no standard tariff is specified, the tariff that would normally apply to such a customer.

The changes in fair value are included in net fair value gain/(loss) on embedded derivatives in profit or loss. The impact of the fair value gains or losses is taken into account in the calculation of current and deferred taxation.

Embedded derivatives that are not separated are effectively accounted for as part of the hybrid instrument. The value at initial recognition is adjusted for cash flows since inception. The value of the embedded derivatives which involve a foreign currency is first determined by calculating the future cash flows, converting the cash flows to the reporting currency at the relevant Namibia dollar/foreign currency forward rate and then discounting the cash flows by using the relevant interest rate curve.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

The fair value of the embedded derivative is determined on the basis of its terms and conditions. If this is not possible, then the value of the embedded derivative is determined by fair valuing the whole contract and deducting from it the fair value of the host contract. If the Group is unable to determine the fair value of the embedded derivative using this method then the entire hybrid contract is designated as at fair value through profit or loss.

Where there is no active market for the embedded derivatives, valuation techniques are used to ascertain their fair values. Financial models are developed incorporating valuation methods, formulae and assumptions. The valuation methods include the following:

- forwards rates, CPI indexes and commodity indexes.

The fair value of embedded derivatives is adjusted, where applicable, to take into account the inherent uncertainty relating to the future cash flows of embedded derivatives such as liquidity, model risk and other economic factors.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative is more than twelve (12) months and is not expected to be realised or settled within twelve (12) months

(xix) Hedging

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. The Group designates certain derivatives as a hedge of the exposure in the fair value of recognised assets or liabilities or unrecognised firm commitments.

Economic hedging
The Group does not apply hedge accounting as the derivatives are used for economic hedging. Changes in fair value of these derivative instruments are recognised in profit or loss.

k) Deferred revenue

(i) Government grants

Government grants are recognised initially as deferred revenue at fair value when there is reasonable assurance that they will be received, and the Group will comply with the conditions associated with the grant. Government grants received relating to the creation of electricity assets are included in non-current liabilities as deferred revenue and are credited to profit or loss on a systematic basis over the useful lives of the assets. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised.

(ii) Transfers of assets from customers

The Group recognises assets transferred by customers as an item of property, plant and equipment in accordance with IAS 16 at the fair value of the asset transferred on the date of transfer. The fair value of the asset transferred is recognised in deferred revenue in accordance with IFRS 15 revenue from contracts with customers over the shorter of the Power Supply Agreement (PSA) contract term, or the useful life of the asset.

(iii) Capital contributions received

Capital contributions by customers for the construction of assets are initially recognised in deferred revenue - capital contributions received while the construction of the asset is in progress. Once the asset is complete, it is transferred to property, plant and equipment in accordance with IAS 16. The deferred revenue is recognised in revenue in accordance with IFRS 15 over the shorter of the Power Supply Agreement (PSA) contract term, or the useful life of the asset.

(iv) Long Run Marginal Cost

In 2013, the Electricity Control Board introduced the long-run marginal cost (LRMC) levy to create a reserve for use in avoiding significant future price shocks to the Namibian consumer through the tariff. In line with the directives of the Regulator, the Electricity Control Board, the LRMC levy is ring-fenced within the Company and invested in a separate interest-bearing account effective 1 July 2018.

These funds can only be utilised with the specific approval of the Regulator. As the levy does not relate to services already provided to the customer, the Company has not yet met its performance obligations and therefore revenue should not be recognised until it provides the related services in future and has received permission from the ECB to utilise the LMRC in compensation for those services. Consideration for the LRMC is collected through the monthly electricity billing to the customers.

The amounts are recognised as revenue once funds have been withdrawn from the LRMC to subsidise operational costs or, in the case of LRMC funds being withdrawn for the purposes of constructing new power plants, over the useful life of the asset. Where the LRMC funds are used to construct a new asset, the performance obligation is the supply of electricity with the use of the newly constructed asset.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

(v) Financing component

Income recognised as capital contribution is for funds utilised in the construction of the asset or the assets transferred by the customer in order to connect and supply the electricity to the customer. Although the construction of the asset and the supply of power are not two distinct performance agreements, the income derived as assets transferred by the customer or as a result of capital contribution towards the construction of the assets is not discounted during the construction period as the funds received from customers are deemed as typical within the industry as per IFRS 15 paragraph BC233(c).

The primary purpose of those payment terms is to provide the customer with assurance that the entity will complete its obligations satisfactorily under the contract, rather than to provide financing to the customer or the entity.

l) Appropriation of Funds

The Group is dependent upon funds generated internally and the raising of long-term loans for the financing of its fixed and working capital requirements. Therefore, the Group is compelled to apply funds derived from its activities after provision for taxation, as follows:

- Reserve Fund - to be utilised to fund costs associated with potential energy crises. The Fund is credited with calculated interest, after deduction of income tax, on the monthly balance. The interest earned is calculated on the outstanding balance of the reserve fund at a monthly average interest rate earned on the current account.
- Development Fund - to be utilised for the total or partial financing of capital works and extensions to power stations, transmission and distribution networks. The annual profit after the interest allocation to the reserve fund is transferred to this fund.
- Share Capital - Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

m) Taxation

Tax expense comprises current and deferred tax. Taxation is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: taxable temporary differences arising from the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries and associates to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and it is the Group's intention to settle on a net basis or to realise their tax assets and settle their tax liabilities simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable and the related tax benefit will be realised.

n) Revenue

Revenue comprises of electricity sales, SAPP market sales, capital contributions by customers and associated services. Most customers pay for electricity after consumption and have 30 days to pay, except for capital contributions.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Tariffs and service charges are agreed upfront with the customer. Revenue is adjusted for the fair value of non-cash consideration received, and for upfront capital contributions advanced by customers.

The Group recognises revenue when (or as) the Group transfers control of a product or service to a customer.

(i) Electricity Sales

The Group supplies units of electricity to users. Revenue is recognised over time as electricity is consumed by the customer. Performance obligation is settled when electricity is supplied to the customer. Some customers prepay for electricity.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

(ii) Services

Service revenue comprises of basic charges. The basic charge covers the monthly administrative costs, which is basically the cost for meter readings and monthly invoicing and account queries. These charges are part of the monthly bill to the customer and revenue is recognised as and when the service is performed.

(iii) Capital Contributions

Transfers of assets constructed by the customers
The transfers of assets from customers comprise of assets constructed by customers and transferred to the Group, as well as capital/cash contributions made by customers towards assets constructed by the Group. The Power Supply Agreements (PSA) state that assets will be transferred or contributions will be made in order to connect the customer to the Group's electricity network system. Connections relating to electricity purchasing customers where there is a material right are allocated to deferred income when the customer is connected to the electricity network. The deferred income is recognised in profit or loss within revenue on a straight-line basis over the shorter of the useful life and the term of the power supply agreement.

Capital contributions where the construction of assets is funded by external parties on behalf of the customer are initially recognised in deferred revenue - capital contributions received while the construction of the asset is in progress. Once the asset is complete, it is transferred to the beneficiary and a receivable recognised for the costs incurred. The Group is guaranteed a refund as these projects are pre-approved.

Capital contributions made by the customer towards assets constructed by the Group
Capital contributions by customers for the construction of assets are initially recognised in deferred revenue as they represent a contract liability. Costs incurred associated to the assets are capitalised as assets under construction. Once the asset is complete, it is transferred to property, plant and equipment.

In Power Supply agreements where there is an ongoing obligation on the Group to provide services and electricity to the customer, the deferred revenue is recognised in profit or loss within revenue on a straight-line basis over the shorter of the useful life of the asset and the term of the power supply agreement.

Measurement and recognition
The Group recognises assets transferred by customers as an item of property, plant and equipment at the fair value of the asset transferred on the date of transfer. The fair value of the asset transferred is recognised as deferred revenue as it represents a contract liability.

The value of the capital contribution is included in the determination of the transaction price and in the PSA contracts as there are subsequently ongoing obligations on NamPower to connect the customer to the network. Thus, the deferred revenue is recognised when the performance obligations are satisfied, i.e. over the shorter of the PSA contract term, or the useful life of the asset.

(iv) SAPP market sales

Refers to energy sold through energy trading markets. Energy is sold via the Southern Africa Power Pool (SAPP) and not to a specific utility. Revenue is recognised when the customer uses power.

(v) Maximum demand

This charge covers the cost of the transmission network, and the operations and maintenance on the distribution network. The Group is required to be in a position to supply the notified maximum demand anytime to customers. The maximum demand charge is the highest load/maximum demand supplied/incurred during a billing month or any consecutive period. Revenue is recognised over time as and when the customer is connected to the grid.

(vi) Extension charges

Extension covers the operations and maintenance of the transmission network and other charges to distribution customers. Revenue is recognised over time when the customer is connected to the grid.

(vii) Network charges

Network charges cover the cost to access the Group's transmission network and revenue is recognised over time when the customer is connected to the grid.

(viii) Losses charges

Losses sales recover the cost of transmission losses previously part of electricity sales, which is energy lost when transporting over transmission i.e. units into the system less units sold = transmission losses. Revenue is recognised over time as and when the customer is connected to the grid.

(ix) Reliability charges

Reliability sales recover the cost of being the supplier of last resort, previously part

3. MATERIAL ACCOUNTING POLICIES *(continued)*

of electricity sales. These include like ancillary services (spinning and quick reserve/ network stability, voltage regulation, black start, etc.), long term planning, market operator costs, etc. Revenue is recognised over time as and when the customer is connected to the grid.

(x) Other income

Other income comprises non-electricity associated income usually of small value and once-off transactions. Other income is recognised at a point in time, when the service is performed.

o) Finance expenses

Finance expenses comprise interest expenses on borrowings, interest and fees payable on debt securities, interest resulting from derivatives held for risk management and interest from the unwinding of discounts on liabilities. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

p) Capitalisation of borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised up to the date that the asset is substantially completed. The capitalisation rates applied are the weighted averages of the borrowing costs applicable to the borrowings of the respective entities in the Group unless an asset is financed by a specific loan, in which case the specific rate is used.

q) Employee benefit provisions

(i) Short-term employee benefit provisions

The cost of all short-term employee benefit provisions is recognised in profit or loss during the period in which the employee renders the related service.

The accruals for employee entitlements to annual leave and bonuses represent the amount which the Group has a present obligation to pay as a result of employee services provided to the reporting date. The accruals have been calculated at undiscounted amounts based on current wage and salary rates.

(ii) Retirement benefits

The Group contributes to a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(iii) Post-retirement medical benefits

The Group subsidises part of the contributions by retired employees to the medical aid fund. An obligation is recognised for the present value of post-retirement medical benefits.

The net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods that benefit is discounted to determine its present value, and any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation is done by a qualified actuary using the projected unit credit method. The discount rate is the yield of the South African zero coupon government bond as at 30 June 2025.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised immediately in other comprehensive income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or to the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefit provisions

Severance pay retirement benefits
The Group recognises an obligation for statutory severance benefits, in accordance with the Namibia Labour Act 2007. The liability is discounted to account for the

3. MATERIAL ACCOUNTING POLICIES *(continued)*

present value of the future benefits payable on resignation or retirement of employees on reaching the age of 65. The cost of providing the benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. The movement for the year, including actuarial gains and losses, is recognised in profit or loss in the year in which it occurs. The discount rate is the yield of the South African zero coupon government bond as at 30 June 2025.

4. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of these financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Note 6 - Revaluation of property, plant and equipment

The Group performs an independent external revaluation every three years and an annual independent desktop revaluation to ensure that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

In estimating the fair value of property, plant and equipment, the Group uses market-observable data to the extent that it is available (see note 6). The Group engages third party qualified valuers to perform the valuation. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the valuation model.
Further information on the carrying amounts of property, plant and equipment and the sensitivity of those amounts to changes in unobservable inputs are provided in note 6.9.

Note 29.4 - Expected credit losses (ECL)

When measuring ECL, the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future macro-economic forecasts.

Further information on the loss allowance is provided in note 13.

Note 21.2 - Embedded derivatives

NamPower has entered into two (2) power purchase agreements (PPAs) with ZESCO Limited. The first is a 100MW 10-year contract which commenced in February 2020 and the second is an 80MW 5-year contract which commenced in April 2022. The contracts are both denominated in United States Dollars (USD) and both energy tariffs escalate with the United States Producer Price Index (US PPI).

The embedded derivative comprises the following categories:
- Foreign currency embedded derivative due to the PPA being denominated in USD
- Inflation-linked embedded derivative due to the tariff escalation being based on US PPI

Valuation techniques are used to determine the fair value as there is no active market for embedded derivatives.

The future foreign cash flows are estimated and converted into local reporting currency at the relevant foreign currency forward rates. This was done at the inception date of each PPA and is repeated for each valuation date. The net differences in the future cash flows, between the valuation and inception dates, are then discounted by using the relevant interest rate curve to determine the valuation amount. The input assumptions pertinent to the valuation are obtained either with reference to the contractual provisions of the relevant PPA or from independent market sources where appropriate. The only significant unobservable input is the US PPI forecast.

Forecast sales volumes are based on average historical energy usage and contractual minimums as stipulated in the PPAs.

4. SIGNIFICANT JUDGEMENTS AND ESTIMATES *(continued)*

The following assumptions were used for the valuation of embedded derivatives and are regarded as the best estimates by the Group:

Assumptions at 30 June 2025

Input	Units	2026	2027	2028	2029	2030
US CPI	Year-on-year (%)	2.91%	2.36%	2.31%	2.34%	2.36%
United States PPI - ZESCO	Year-on-year (%)	2.88%	2.34%	2.30%	2.32%	2.34%
United States PPI - ZESCO 80MW	Year-on-year (%)	2.88%	2.34%	2.30%	2.32%	2.34%
NAD/USD	NAD per USD	18.2851	18.9683	19.6994	20.5051	21.4444
United States interest rates	Annual effective	3.82%	3.44%	3.35%	3.35%	3.37%
Rand interest rates	Annual effective	6.71%	6.68%	6.72%	6.87%	7.09%
Capacity factor - ZESCO 100MW	Annual effective	82.67%	82.67%	82.67%	82.67%	82.67%
Capacity factor - ZESCO 80MW	Annual effective	63.70%	63.70%	63.70%	63.70%	63.70%

Assumptions at 30 June 2024

Input	Units	2025	2026	2027	2028	2029
US CPI	Year-on-year (%)	2.81%	2.55%	2.54%	2.55%	2.56%
United States PPI - ZESCO	Year-on-year (%)	3.24%	2.50%	2.48%	2.50%	2.51%
United States PPI - ZESCO 80MW	Year-on-year (%)	3.33%	2.52%	2.51%	2.52%	2.53%
NAD/USD	NAD per USD	19.0018	19.6950	20.5379	21.5499	22.7534
United States interest rates	Annual effective	4.99%	4.54%	4.27%	4.11%	4.01%
Rand interest rates	Annual effective	7.89%	7.72%	7.72%	7.85%	8.05%
Capacity factor - ZESCO 100MW	Annual effective	93.90%	93.90%	93.90%	93.90%	93.90%
Capacity factor - ZESCO 80MW	Annual effective	53.47%	53.47%	53.47%	53.47%	53.47%

5. STANDARDS AND INTERPRETATIONS

5.1 New standards, amendments and interpretations effective for the first time in the current year

Title of standard	Nature of change	Impact	Effective date
IFRS S1 - General Requirements for Disclosure of Sustainability-Related Financial Information	In June 2023, the International Sustainability Standards Board (ISSB) issued IFRS S1. The standard sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the users of general-purpose financial reports in making decisions relating to providing resources to the entity.	Assessed to have no material impact on the Group.	Annual periods beginning on or after 1 January 2024
IFRS S2 - Climate-related Disclosures	In June 2023, the International Sustainability Standards Board (ISSB) issued IFR, the S2 Climate-related Disclosures. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity.	Assessed to have no material impact on the Group.	Annual periods beginning on or after 1 January 2025
Amendments to IAS 1 - Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	Assessed to have no material impact on the Group.	Annual periods beginning on or after 1 January 2024
Amendment to IFRS 16 – Leases on Sale and Leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	Assessed to have no material impact on the Group.	Annual periods beginning on or after 1 January 2024
Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	Assessed to have no material impact on the Group.	Annual periods beginning on or after 1 January 2024

5. STANDARDS AND INTERPRETATIONS *(continued)*

5.2 New standards, amendments and interpretations issued and not yet effective for the year ended 30 June 2025

Title of standard	Nature of change	Impact	Effective date
Amendments to IAS 21 - Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	Assessed to have no material impact on the Group.	Annual periods beginning on or after 1 January 2025.
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. Additional disclosures are introduced for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income (OCI).	The Group is currently assessing the impact of the amendments.	Annual periods beginning on or after 1 January 2026, but can be early-adopted subject to local endorsement where required.
Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity.'	The Group is currently assessing the impact of the amendments.	Annual periods beginning on or after 1 January 2026.
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash Flows.	The Group is currently assessing the impact of the standard.	Annual periods beginning on or after 1 January 2026 with earlier application permitted.

5. STANDARDS AND INTERPRETATIONS *(continued)*

5.2 New standards, amendments and interpretations issued and not yet effective for the year ended 30 June 2025

Title of standard	Nature of change	Impact	Effective date
IFRS 18, 'Presentation and Disclosure in Financial Statements'	In response to investors' concerns about the comparability and transparency of entities performance reporting, the Board introduced new requirements in IFRS 18. These will help achieve comparability of the financial performance of similar entities, especially related to how operating profit or loss is defined. The new disclosures required for some management-defined performance measures will also enhance transparency. Key Takeaways: 1. Main Business Activities Impact on Presentation: IFRS 18 affects entities providing financing or investing in specific assets, requiring certain income and expenses to be categorized as operating, altering the presentation of operating profit. 2. Required Subtotals: Mandates the inclusion of 'Operating profit or loss' alongside 'Profit or loss' and 'Profit or loss before financing and income taxes,' with exceptions for entities with financing as their main activity. 3. Disclosures Related to the Statement of Profit or Loss: Introduces disclosure requirements for management-defined performance measures and expenses, offering guidance on presentation by nature or function. 4. Aggregation and Disaggregation: Offers enhanced guidance on grouping items based on shared characteristics, influencing both primarily financial statements and notes. 5. Other Limited Changes: Includes amendments to IAS 7, specifying 'operating profit or loss' as the starting point for reconciling cash flows and removing options for presenting interest and dividends paid and received.	The Group is currently assessing the impact of the standard.	Annual periods beginning on or after 1 January 2027
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: • it does not have public accountability; and • it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.	Assessed to have no material impact on the Group.	Annual periods beginning on or after 1 January 2027. Earlier application is permitted.

6. PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED AND COMPANY	Cost/ Valuation	Accumulated depreciation	Carrying amount
2025	**N$'000**	**N$'000**	**N$'000**
Ruacana power station	**9,971,742**	**(2,109,260)**	**7,862,482**
Van Eck power station	**1,549,260**	**(401,426)**	**1,147,834**
Anixas power station	**1,891,786**	**(119,452)**	**1,772,334**
Omburu PV station	**371,824**	**(37,814)**	**334,010**
Transmission and distribution systems	**30,994,967**	**(3,064,309)**	**27,930,658**
Aircraft fleet	**105,265**	**(15,250)**	**90,015**
Machinery and equipment	**324,314**	**(152,017)**	**172,298**
Land and buildings	**460,025**	**(48,068)**	**411,957**
Assets under construction	**3,205,691**	**-**	**3,205,691**
Strategic inventory	**955,155**	**-**	**955,155**
Total	**49,830,029**	**(5,947,596)**	**43,882,434**
2024			
Ruacana power station	9,196,699	(1,125,592)	8,071,107
Van Eck power station	1,411,811	(256,898)	1,154,913
Anixas power station	611,016	(54,291)	556,725
Omburu PV station	384,747	(28,281)	356,466
Transmission and distribution systems	28,649,079	(1,956,728)	26,692,351
Aircraft fleet	87,217	(8,974)	78,243
Machinery and equipment	258,391	(102,279)	156,112
Land and buildings	461,555	(28,639)	432,916
Assets under construction	3,449,900	-	3,449,900
Strategic inventory	862,239	-	862,239
Total	**45,372,654**	**(3,561,682)**	**41,810,972**

6. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	NOTES	Ruacana Power Station	Van Eck Power Station	Anixas Power Station	Omburu PV Station	Transmission and Distribution Systems	Aircraft Fleet	Machinery and Equipment	Land and Buildings	Assets under Construction	Strategic Inventory	Total
		N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000
CONSOLIDATED AND COMPANY												
2025												
Carrying amount at 1 July 2024		8,071,107	1,154,913	556,725	356,466	26,692,351	78,243	156,112	432,916	3,449,900	862,239	41,810,972
- At cost/valuation		9,196,699	1,411,811	611,016	384,747	28,649,079	87,217	258,391	461,555	3,449,900	862,239	45,372,654
- Accumulated depreciation		(1,125,592)	(256,898)	(54,291)	(28,281)	(1,956,728)	(8,974)	(102,279)	(28,639)	-	-	(3,561,682)
Additions		-	-	-	-	-	1,155	59,891	-	2,185,927	80,757	2,327,730
Assets under construction completed		-	17,594	1,254,290	-	1,196,919	-	28,882	-	(2,497,685)	-	-
Strategic inventory items issued		-	-	-	-	-	-	-	-	67,549	(67,549)	-
Transfer to intangible assets	9	-	-	-	-	-	-	(11,967)	-	-	-	(11,967)
Revaluation		775,043	119,855	26,480	(12,923)	1,148,969	16,893	-	(1,530)	-	79,708	2,152,495
Disposals		-	-	-	-	-	-	-	-	-	-	-
- At cost/valuation		-	-	-	-	-	-	(10,883)	-	-	-	(10,883)
- Accumulated depreciation		-	-	-	-	-	-	10,883	-	-	-	10,883
Depreciation for the year		(983,668)	(144,528)	(65,161)	(9,533)	(1,107,581)	(6,276)	(60,620)	(19,429)	-	-	(2,396,797)
Carrying amount at 30 June 2025		7,862,482	1,147,834	1,772,334	334,010	27,930,658	90,015	172,298	411,957	3,205,691	955,155	43,882,433
- At cost/valuation		9,971,742	1,549,260	1,891,786	371,824	30,994,967	105,265	324,314	460,025	3,205,691	955,155	49,830,029
- Accumulated depreciation		(2,109,260)	(401,426)	(119,452)	(37,814)	(3,064,309)	(15,250)	(152,017)	(48,068)	-	-	(5,947,597)

Included in additions are borrowing costs capitalised of N$25.2 million (2024: Nil) for the Group and Company.

6. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	NOTES	Ruacana Power Station	Van Eck Power Station	Anixas Power Station	Omburu PV Station	Transmission and Distribution Systems	Aircraft Fleet	Machinery and Equipment	Land and Buildings	Assets under Construction	Strategic Inventory	Total
		N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000
CONSOLIDATED AND COMPANY												
2024												
Carrying amount at 1 July 2023		**7,459,731**	**1,155,010**	**547,662**	**363,364**	**24,589,112**	**75,135**	**164,449**	**410,579**	**2,015,320**	**846,983**	**37,627,345**
- At cost/valuation		7,973,226	1,282,933	574,695	377,189	25,558,822	78,743	234,640	424,027	2,015,320	846,983	39,366,578
- Accumulated depreciation		(513,495)	(127,923)	(27,033)	(13,825)	(969,710)	(3,608)	(70,191)	(13,448)	-	-	(1,739,233)
Additions		-	-	-	-	10,853	-	43,320	8	1,364,467	121,472	1,540,120
Assets under construction completed		15,719	868	-	-	91,574	-	2,517	1,659	(112,336)	-	-
Strategic inventory items issued		-	-	-	-	-	-	-	-	182,449	(182,449)	-
Transfer to intangible assets	9	-	-	-	-	-	-	-	-	-	-	-
Assets transferred from customers		-	-	-	-	44,566	-	-	-	-	-	44,566
Revaluation		1,207,754	128,010	36,321	7,558	2,946,698	8,474	-	35,861	-	76,233	4,446,909
Disposals		-	-	-	-	(2,879)	-	(165)	-	-	-	(3,044)
- At cost/valuation		-	-	-	-	(3,433)	-	(22,087)	-	-	-	(25,520)
- Accumulated depreciation		-	-	-	-	554	-	21,922	-	-	-	22,476
Depreciation for the year		(612,097)	(128,975)	(27,258)	(14,456)	(987,572)	(5,366)	(54,010)	(15,191)	-	-	(1,844,927)
Carrying amount at 30 June 2024		**8,071,107**	**1,154,913**	**556,725**	**356,465**	**26,689,472**	**78,242**	**156,111**	**432,915**	**3,449,900**	**862,239**	**41,810,970**
- At cost/valuation		9,196,699	1,411,811	611,016	384,747	28,649,079	87,217	258,391	461,555	3,449,900	862,239	45,372,654
- Accumulated depreciation		(1,125,592)	(256,898)	(54,291)	(28,281)	(1,956,728)	(8,974)	(102,279)	(28,639)	-	-	(3,561,684)

6. PROPERTY, PLANT AND EQUIPMENT *(continued)*

6.1 Assets under construction

CONSOLIDATED AND COMPANY

2025	Power stations N$'000	Transmission and distribution systems N$'000	Machinery and equipment N$'000	Land and buildings N$'000	Total N$'000
Opening balance	**1,135,690**	**2,234,777**	**58,199**	**21,234**	**3,449,900**
Additions	**1,112,490**	**958,311**	**11,605**	**171,070**	**2,253,476**
Assets under construction completed	**(1,271,884)**	**(1,196,919)**	**(28,882)**	**-**	**(2,497,685)**
Closing balance	**976,296**	**1,996,169**	**40,922**	**192,304**	**3,205,691**
2024					
Opening balance	692,121	1,291,027	23,266	8,906	2,015,320
Additions	460,155	1,035,324	37,450	13,987	1,546,916
Assets under construction completed	(16,586)	(91,574)	(2,517)	(1,659)	(112,336)
Closing balance	1,135,690	2,234,777	58,199	21,234	3,449,900

6.2 Land and buildings (owner-occupied properties)

The revaluations of land and buildings were performed externally effective 30 June 2025 by independent valuer, Eehamba Property Consultants CC. Eehamba Property Consultants CC is not connected to the Group.

The valuations were performed on the basis of one of the methods mentioned below:

- Income Capitalisation method which determines the fair market value property based on the income it can generate.
- Direct Comparable approach comparing the subject properties' characteristics with those of comparable properties which have recently sold in similar transactions.

Details of properties registered in the Company's name are available for inspection at the registered office of the Company.

6.3 Transmission and distribution systems

A number of distribution lines and transmission substations are erected on or are under construction on land which does not belong to the Company. Occupational rights are secured by agreements between the owners and Namibia Power Corporation (Proprietary) Limited. Servitudes in favour of Namibia Power Corporation (Proprietary) Limited in respect of these occupational rights are registered with the registrar of deeds and are available for inspection at the Company's premises.

6.4 Ruacana Power Station

The Ruacana Power Station is erected on land in the Kunene region for which occupational rights were obtained. The Diversion Weir is erected in Angola and acts as water storage for Ruacana Power Station.

6.5 Valuation of power stations, transmission and distribution systems and aircraft fleet

The Group performs an independent external revaluation every three years, and an independent desktop revaluation in between to ensure that the carrying amount does not differ significantly from the fair value.

A desktop revaluation was performed effective 30 June 2025 (2024: full revaluation) for the power stations, transmission and distribution systems, strategic inventory and aircraft fleet by independent valuers namely, MPAMOT Africa Pty Ltd, based on external independent input and on the basis of the replacement value as adjusted for the remaining useful lives of the assets.

6. PROPERTY, PLANT AND EQUIPMENT *(continued)*

The valuators are not connected to the Group and have extensive experience in the valuation of generation, transmission and distribution assets.

The replacement value of the power stations increased mainly due to increases in commodity prices, labour and transport costs and consumer price index (CPI). The depreciation of the N$ against the US$ is considered to be the primary reason for the increase in the costs of imported goods and services.

The increase in transmission systems in the current year's valuation is mainly attributed to adjustments to the probable remnant lives of transmission systems and new assets added to the transmission network. In addition, because indexation is applied on the present-day replacement cost of the prior year, the yielding depreciating replacement cost estimate may fluctuate above or below the prior year's depreciated replacement cost estimate.

The valuators derived the annual price change for 2025 for the various components of each asset class by analysing the corresponding regional and international price indices. The overall cost price adjustment for each asset class was calculated by applying a weighting to the individual component's price change and calculating an overall weighted price change average. From a general and qualitative point of view the Group deems the approach used as feasible and found no indications that the assumptions were unreasonable. The price changes per asset class were then applied by the Group to the replacement costs in the valuation of the power generation, distribution and transmission assets.

6.6 Valuation of strategic inventory

A desktop revaluation was performed effective 30 June 2025 (2024: full revaluation) for the strategic inventory by independent valuers namely, MPAMOT Africa Pty Ltd, on the basis of their replacement value to ensure that the carrying amount does not differ significantly from the fair value. The valuators are not connected to the Group.

Escalations are applied based on relevant indices for the individual equipment types. The items in strategic inventory are broken down into the escalation categories i.e. CPI – Electrical Components, Conductor Steel Core (ACSR), transformer, switchgear, copper conductors and cables, tower, insulator, fittings and poles. These escalation categories are created to account for specific asset types and their makeup. The Steel and Engineering Industries Federation of Southern Africa (SEIFSA) indices are used to account for such market fluctuations as these track the prices of commodities and other indicators used in adjusting for pricing over time.

6.7 Reconciliation of the carrying amount

Cost
The carrying amount that would have been recognised had the assets been measured under the cost model for each revalued class of property, plant and equipment is not disclosed because it is impracticable. The Group's core assets have always been carried at the revalued amount before the implementation of IFRS Accounting Standards and the historical values were not separately disclosed and are therefore not available.

6. PROPERTY, PLANT AND EQUIPMENT *(continued)*

6.8 Reconciliation of the revaluation surplus

2025	Consolidated Capital Revaluation Reserve (net of tax)	Company Capital Revaluation Reserve (net of tax)	Consolidated Strategic Inventory Revaluation Reserve	Company Strategic Inventory Revaluation Reserve
	N$'000	N$'000	N$'000	N$'000
Opening balance at 1 July 2024	**(27,158,373)**	**(26,933,987)**	**(111,572)**	**(111,572)**
Change for the period	(1,430,132)	(1,430,132)	(54,999)	(54,999)
Revaluation	(1,430,132)	(1,430,132)	(54,999)	(54,999)
Closing balance at 30 June 2025	**(28,588,505)**	**(28,364,119)**	**(166,571)**	**(166,571)**

2024	Consolidated Capital Revaluation Reserve (net of tax)	Company Capital Revaluation Reserve (net of tax)	Consolidated Strategic Inventory Revaluation Reserve	Company Strategic Inventory Revaluation Reserve
	N$'000	N$'000	N$'000	N$'000
Opening balance at 1 July 2023	(24,184,425)	(23,960,039)	(59,733)	(59,733)
Change for the period	(2,973,948)	(2,973,948)	(51,839)	(51,839)
Revaluation	(2,973,948)	(2,973,948)	(51,839)	(51,839)
Closing balance at 30 June 2024	(27,158,373)	(26,933,987)	(111,572)	(111,572)

The distribution of the balance to the shareholder is only available on retirement or sale of the asset.

6.9 Measurement of fair value:

(i) Fair value hierarchy

The fair value measurements for the land and buildings have been categorised as Level 3 fair values based on the inputs to the valuation techniques used.
The fair value measurements of the power stations, transmission systems and strategic inventory have been categorised as Level 3 fair values based on significant unobservable data.

The fair value measurements for the aircraft fleet have been categorised as Level 2 fair values based on the market price in active markets for similar assets.

(ii) Level 3 fair values

Reconciliation of Level 3 fair values
The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

6. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	2025 N$'000	2024 N$'000
Consolidated and Company		
Power stations, transmission and distribution systems and strategic inventory		
Opening balance 1 July	**37,714,697**	**34,979,880**
Additions and transfers from property, plant and equipment	2,482,012	102,603
Depreciation	(2,310,472)	(1,770,359)
Loss included in other comprehensive income		
- Changes in fair value (unrealised)	2,137,132	4,402,573
Closing balance 30 June	**40,023,369**	**37,714,697**
Land and buildings		
Opening balance 1 July	**432,917**	**410,581**
Additions and transfers from property, plant and equipment	-	1,667
Depreciation	(19,429)	(15,191)
Loss included in other comprehensive income		
- Changes in fair value (unrealised)	(1,530)	35,861
Closing balance 30 June	**411,958**	**432,917**

(iii) Transfers between levels

There were no transfers between the fair value hierarchy levels.

(iv) Valuation techniques and significant observable and unobservable inputs used

For recurring and non-recurring fair value measurements categorised within Level 3 of the fair value hierarchy, the Group uses the valuation processes to decide its valuation policies and procedures and analyse changes in fair value measurements from period to period. The Finance Business Unit has set up a valuation committee, which is headed up by the Chief Financial Officer of the group, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The valuation committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The Group's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. The responsibility of ongoing measurement resides with the business divisions. Once submitted, fair value estimates are also reviewed and challenged by the Chief Financial Officer (CFO).

The CFO validates fair value estimates by:

- Benchmarking prices against observable market prices or other independent sources
- Evaluating and validating input parameters
- Verifying third party sources (micro or macro economy input)
- Understanding the valuation methodologies and sources of inputs and verifying their suitability for IFRS reporting requirements

There are no changes in the valuation techniques used for the period under review.

6. PROPERTY, PLANT AND EQUIPMENT *(continued)*

6.9 Measurement of fair value *(continued)*

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant inputs used.

Property, plant and equipment item	Level	Valuation technique	Valuation: The description of valuation technique	Observable inputs	Significant unobservable inputs of level 3 item	Inter-relationship between key unobservable inputs and fair value measurement
Power stations	3	Depreciated replacement cost (DRC) method	The DRC method requires that, for each asset under consideration, a value be obtained for a modern equivalent asset (MEA), that being an asset that can reasonably provide like-for-like benefits of the asset under consideration, which are subsequently depreciated (on a straight line basis (SLB) in accordance with NamPower's existing policy) to match the remaining life of the asset under consideration.	Not applicable	The replacement costs are based on a combination of the escalation of historical costs, observed trends in prices for new generation plants and proprietary 3rd party software. Furthermore, the following ranges were considered: - Replacement cost: N$23.9 billion (*2024: N$22.6 billion) - Probable remnant lives: 7-97 years (*2024: 8-98 years)	An increase in the replacement cost will increase the fair value and vice versa. A decrease in the probable remnant live will result in a reduced fair value and vice versa.
Transmission and distribution systems	3	Depreciated replacement cost (DRC) method	The DRC method requires that, for each asset under consideration, a value be obtained for a modern equivalent asset (MEA), that being an asset that can reasonably provide like-for-like benefits of the asset under consideration, which are subsequently depreciated (on a straight line basis (SLB) in accordance with NamPower's existing policy) to match the remaining life of the asset under consideration.	Not applicable	The following ranges were considered: - Composite indexation of aggregated equipment and labour costs: 98-104% (*2024: 101-112%) - Normal useful life: 10-90 years (*2024: 10-90 years) - Probable remnant lives: 1-90 years (*2024: 1-90 years) - Metal scrap values: N$2.2 – N$105.0 per kg (*2024: N$3.0 – N$163.0 per kg)	An increase in labour and materials costs would result in an increase in the fair value and vice versa. An increase in useful lives results in a decrease in fair value and vice versa. An increase in metal scrap values (residual values) would result in a decrease in the fair value and vice versa.

** The table was corrected from the prior year to include quantitative information on significant unobservable inputs.*

6. PROPERTY, PLANT AND EQUIPMENT *(continued)*

6.9 Measurement of fair value *(continued)*

(iv) Valuation techniques and significant observable and unobservable inputs used (continued)

Property, plant and equipment item	Level	Valuation technique	Valuation: The description of valuation technique	Observable inputs	Significant unobservable inputs of level 3 item	Inter-relationship between key unobservable inputs and fair value measurement
Aircraft fleet	2	Market comparable prices	The fair value of the aircraft fleet was determined through consideration of the published aircraft bluebook as well as consideration of prevailing prices for similar aircraft fleet of a similar age and operating hours (both for the engines and airframes) on the international market.	Market prices	Not applicable	Not applicable
Land and buildings	3	Income capitalisation method	This method determines the fair market value property based on the income it can generate.	Not applicable	Capitalisation rate 9.8% (2024: 9-14%) Expected vacancy rate 15% (2024: 5-12%) Expenses 20% (2024: 10-20%)	The estimated fair value would increase (decrease) if: • the capitalisation rate was lower (higher) • vacancy rate lower (higher) • the expenses were lower (higher)
Land and buildings	3	Direct comparable approach	Compares the subject properties' characteristics with those of comparable properties which have recently sold in similar transactions.	Market prices	Not applicable	Not applicable
Strategic inventory	3	Replacement cost (RC) method	This method determines the present market value. The annual price change for the strategic inventory was determined by applying escalations for the individual equipment type and market movements based on indices relevant to that asset grouping.	Not applicable	The replacement costs for the equipment is based on costs from purchases and are indexed from this date to obtain the current market rate. - Indexation of equipment and labour costs: 99-103% (*2024: 101-112%) - Replacement cost: N$905 thousand – N$14 million (*2024: N$901 thousand – N$13 million)	An increase in labour and materials costs would result in an increase in the fair value and vice versa. An increase in replacement cost would result in an increase in fair value.

** The table was corrected from the prior year to include quantitative information on significant unobservable inputs.*

6. PROPERTY, PLANT AND EQUIPMENT *(continued)*

6.9 Measurement of fair value (continued)

Sensitivity analysis for property, plant and equipment categorised into Level 3 of the fair value hierarchy:

The higher the capitalisation rate and expected vacancy rate, the lower the fair value of the land and buildings, and vice versa.

The higher the rental growth rate, the higher the fair value of the land and buildings, and vice versa.

An increase in the equipment cost and a decrease or increase in labour cost would result in an increase in the fair value of the power stations, transmission and distribution systems and strategic inventory.

A decrease in the equipment cost and a decrease or increase in labour cost would result in a decrease in the fair value of the power stations, transmission and distribution systems and strategic inventory.

	2025 N$'000		2024 N$'000	
	+1% in Equipment cost and - 1% in Labour cost	+1% in Equipment cost and + 1% in Labour cost	+1% in Equipment cost and - 1% in Labour cost	+1% in Equipment cost and + 1% in Labour cost
Ruacana power station	7,884,020	7,906,223	8,093,127	8,115,347
Van Eck power station	1,149,334	1,150,845	1,156,425	1,157,913
Anixas power station	1,773,858	1,775,676	558,303	560,097
Omburu PV station *	335,169	336,795	357,722	359,442
Distribution lines	849,458	853,103	753,982	757,243
Transmission lines	18,481,164	18,595,614	18,901,866	18,784,297
Transmission substations	8,665,945	8,684,175	6,937,500	6,927,544
Strategic inventory	955,447	955,660	862,861	863,241
	-1% in Equipment cost and - 1% in Labour cost	-1% in Equipment cost and + 1% in Labour cost	-1% in Equipment cost and - 1% in Labour cost	-1% in Equipment cost and + 1% in Labour cost
Ruacana power station	7,818,738	7,840,941	8,026,865	8,049,085
Van Eck power station	1,144,825	1,146,336	1,151,916	1,153,404
Anixas power station	1,768,995	1,770,813	553,356	555,150
Omburu PV station *	331,223	332,849	353,489	355,209
Distribution lines	839,498	843,143	745,270	748,532
Transmission lines	18,287,950	18,402,399	19,095,794	18,976,020
Transmission substations	8,602,889	8,621,119	6,990,615	6,980,254
Strategic inventory	954,651	954,864	861,237	861,617

** The table was updated from prior year to include Omburu PV station.*

6. PROPERTY, PLANT AND EQUIPMENT *(continued)*

6.10 Fair value of the assets

A detailed assessment to ascertain the fair value of the assets cannot be performed on an annual basis due to the effort that would be required to perform such an exercise.

The Group's frequency of revaluation of three (3) years is in line with the industry practice of 3 to 5 years. The Group believes that the carrying amount of its property, plant and equipment does not materially differ from the fair value.

7. INTEREST IN SUBSIDIARIES AND ASSOCIATES

7.1 Subsidiary companies

	Nature of operation	Country of incorporation	Date of incorporation	Issued Share Capital	Percentage holding		Shares at Cost		Total Investment	
					2025	2024	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000	%	%	N$'000	N$'000	N$'000	N$'000
Name										
Directly held										
* Capricorn Power Supply (Pty) Ltd	Dormant	Republic of Namibia	25/02/1999	**2.5**	**100**	100	**2**	2	**2**	2
Less: accumulated impairment of investment	-		-	**-**	**-**	-	**(2)**	(2)	**(2)**	(2)
							-	-	**-**	-

** The subsidiary is dormant and thus not considered for consolidation purposes.*

7. INTEREST IN SUBSIDIARIES AND ASSOCIATES *(continued)*

7.2 Associates

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Carrying amount of associates				
Carrying amount at beginning of year	**1,183,989**	991,502	**221,279**	221,279
Equity accounted earnings	**46,920**	8,326	**-**	-
Share of other comprehensive income of associates - gain on property valuation, net of tax	**150,367**	184,422	**-**	-
Share of other comprehensive income of associates - remeasurement of employee benefits	**(1,253)**	(261)	**-**	-
	1,380,023	1,183,989	**221,279**	221,279
Post-acquisition reserves				
Retained earnings	**922,845**	726,811		
Share of opening retained earnings	**726,811**	534,324		
Share of current year income	**196,034**	192,487		
Non-distributable reserves	**457,178**	457,178		
Share of opening revaluation and development reserve	**457,178**	457,178		
	1,380,023	1,183,989		

7.3 The summarised unaudited financial statements of NORED Electricity (Pty) Ltd are as follows:

	CONSOLIDATED	
	2025	2024
	N$'000	N$'000
Statement of financial position		
Non-current assets	**2,848,639**	3,019,734
Current assets	**320,334**	252,477
Non-current liabilities	**(1,206,591)**	(1,207,958)
Current liabilities	**(308,302)**	(377,897)
	1,654,080	1,686,356
Statement of comprehensive income		
Revenue	**1,610,625**	1,612,023
Expenditure	**(1,510,540)**	(1,512,966)
Profit/(loss) before taxation	**100,085**	99,057
Profit/(loss) from continuing operations for the year	**100,085**	99,057
Other comprehensive income	**-**	47,321
Total comprehensive income/(loss)	**100,085**	146,378

** Certain amounts disclosed here do not correspond to the 2024 financial statements, as the amounts were previously based on the draft financial information of the associate available at the time. The Group has since updated the comparatives to reflect the amounts as per the latest available draft financial statements.*

7. INTEREST IN SUBSIDIARIES AND ASSOCIATES *(continued)*

The Company holds a 33.33% equity interest in NORED Electricity (Pty) Ltd but has 33.33% of the voting rights. The Company has the right to appoint two of the six directors. The Company has performed an assessment and determined that it does not have control over the relevant activities but still exhibits significant influence over the associate.

7.4 The summarised unaudited financial statements of Central-North Electricity Distribution Company (Pty) Ltd (CENORED) are as follows:

	CONSOLIDATED	
	2025	2024
	N$'000	N$'000
Statement of financial position		
Non-current assets	**708,144**	695,241
Current assets	**217,199**	201,345
Non-current liabilities	**(228,896)**	(188,483)
Current liabilities	**(224,219)**	(190,815)
	472,228	517,288
Statement of comprehensive income		
Revenue	**950,595**	944,622
Expenditure	**(924,180)**	(898,666)
Profit before taxation	**26,415**	45,956
Taxation	**(1,158)**	(301)
Profit from continuing operations for the year	**25,257**	45,655
Other comprehensive income	**(2,461)**	(638)
Total comprehensive income	**22,796**	45,017

The Company holds a 40.95% equity interest in Central-North Electricity Distribution Company (Pty) Ltd (CENORED) but has less than 40.95% of the voting rights. The Company has the right to appoint two of the eight directors. The Company has performed an assessment and determined that it does not have control over the relevant activities but still exhibits significant influence over the associate.

7.5 Information about the associates

The Associates are engaged in the supply and distribution of electricity in the northern regions and the central-north regions of Namibia. The Regional Electricity Distributors (REDS) have taken over the distribution function of the Company and are strategic to the entity's activities.

There are no restrictions on the ability of associates to transfer funds to the Group in the form of cash dividends.

The Group's associates are all incorporated in the Republic of Namibia which is also the principal place of business.

None of the Group's associates are publicly listed entities and consequentially do not have published price quotations.

The Group has no obligation which gives rise to the need to recognise contingent liabilities of its subsidiaries and associates.

The Group holds no other interest in associates.

8. INVESTMENT PROPERTIES

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Opening balance	**18,392**	22,578	**18,392**	22,578
Fair value adjustment	**(4,372)**	(4,186)	**(4,372)**	(4,186)
Closing balance	**14,020**	18,392	**14,020**	18,392

Investment properties comprise a number of commercial properties that are leased to third parties and vacant land held for capital appreciation. Included in investment properties is Erf number 6321 (a portion of Erf number 5627), Ongwediva that is being rented to a third party under an operating lease. No contingent rentals are charged.

Rental income and direct operating expenses relating to the investment properties are disclosed in note 26.

There are no contractual obligations to purchase, construct, develop, repair and maintain investment property.

There are no restrictions on the realisability of investment property or the remittance of income and proceeds of the disposal of investment property.

(a) Measurement of fair value

(i) Fair value hierarchy

The fair value of all investment properties was determined as at 30 June 2025 by an independent qualified property valuer, Eehamba Property Consultants which has extensive experience in the Namibian property market. The fair value of the Group's investment property portfolio is provided annually by independent valuers.

The fair value measurement for investment property of N$14.0 million (2024: N$18.4 million) has been categorised as a Level 3 fair value based on the inputs to the valuation method used.

(ii) Level 3 fair value

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

8. INVESTMENT PROPERTIES *(continued)*

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Opening balance	**18,392**	22,578	**18,392**	22,578
Loss included in other expenses				
- Changes in fair value (unrealised)	**(4,372)**	(4,186)	**(4,372)**	(4,186)
Closing balance	**14,020**	18,392	**14,020**	18,392

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Observable inputs	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement	Sensitivity
Income Capitalisation Method: The commercial properties' fair values were based on this valuation technique which involves determining the net income of the property that will be capitalised at a rate sought by prudent investors to determine the capitalised value of the subject property.	• Not applicable	• Capitalisation/ Discount rate: 1.1% (2024: 10%) • Vacancy rate: 0% (2024: 10%) • Expenses: 25% (2024: 15%)	The estimated fair value would increase (decrease) if: • The capitalisation rate was lower (higher) • The vacancy rate was lower (higher) • Expenses were lower (higher)	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
Direct Sales Comparison Method: This valuation technique was used in determining the fair values of the vacant plots which are classified as investment property. The method calculates the market value by comparing the property's characteristics with those of comparable properties which have recently sold in similar transactions.	• Market prices	• Not applicable	• Not applicable	• Not applicable

Details of the properties registered in the Group and Company's name are available for inspection at the registered office of the Group.

9. INTANGIBLE ASSETS

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Computer software - purchased				
Opening carrying amount - 1 July	**13,190**	18,783	**13,190**	18,783
- At cost	**143,896**	143,051	**143,896**	143,051
- Accumulated amortisation and accumulated impairment	**(130,706)**	(124,268)	**(130,706)**	(124,268)
Additions	**1,331**	845	**1,331**	845
Transfer from property, plant and equipment (purchased software)	**11,967**	-	**11,967**	-
Amortisation	**(6,123)**	(6,438)	**(6,123)**	(6,438)
Closing carrying amount - 30 June	**20,364**	13,190	**20,364**	13,190
- At cost	**157,193**	143,896	**157,193**	143,896
- Accumulated amortisation and accumulated impairment	**(136,829)**	(130,706)	**(136,829)**	(130,706)

Included in the carrying amount of computer software at 30 June 2025 is an amount of N$11.8 million related to software licences for the Scada system with a remaining amortisation period of 2 years.

10. LOANS RECEIVABLE

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Employee loans	**4,156**	4,154	**4,156**	4,154
Loan to the Alten Solar Power (Hardap) Pty Ltd	**21,142**	18,703	**21,142**	18,703
- Expected credit losses	**(44)**	(39)	**(44)**	(39)
	25,254	22,818	**25,254**	22,818

The fair value amount of the loans receivable for Alten Solar Power (Hardap) Pty Ltd amount to N$16.9 million (2024: N$15.6 million).

The fair value was based on a rate of 12.2% (2024: 12.7%) for the Alten Solar Power (Hardap) Pty Ltd.

Employee loans comprise of:

Employee study loans.
Employee study loans are interest free and repayable over the duration of the study period.
Employee study loans were not fair valued as the amount is considered to be insignificant.

10. LOANS RECEIVABLE *(continued)*

Loan to the Alten Solar Power (Hardap) Pty Ltd

The Company approved a loan to Alten Solar Power (Pty) Ltd amounting to N$9.8 million for the construction of the transmission connection facilities for a 37MW Solar Photovoltaic Power Plant. Interest on the loan is charged at 16% p.a. compounded daily. The interest is capitalised monthly with one final loan capital and interest repayment at maturity on 31 December 2043.

The Group's exposure to credit, currency and interest rate risks related to loans receivable is disclosed in note 29.

11. INVESTMENTS

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Non-current investments	**1,113,917**	1,327,470	**1,113,917**	1,327,470
Financial assets at amortised cost:				
Debt instruments at amortised cost	**441,830**	708,459	**441,830**	708,459
- Expected credit losses	**(892)**	(1,567)	**(892)**	(1,567)
Fixed deposits at amortised cost	**559,701**	400,000	**559,701**	400,000
- Expected credit losses	**(2,227)**	(855)	**(2,227)**	(855)
Financial assets at fair value through other comprehensive income:				
Inflation linked bonds	**54,853**	86,734	**54,853**	86,734
Expected credit losses	**(110)**	(241)	**(110)**	(241)
Investment in unlisted equities	**60,761**	134,940	**60,761**	134,940
- Erongo RED (Pty) Ltd	**33,570**	103,891	**33,570**	103,891
- Alten Solar Power (Hardap) Pty Ltd	**27,191**	31,049	**27,191**	31,049
Current investments	**6,578,076**	6,686,766	**6,578,076**	6,686,766
Financial assets at amortised cost:				
Debt instruments at amortised cost	**296,462**	363,833	**296,462**	363,833
- Expected credit losses	**(931)**	(466)	**(931)**	(466)
Fixed deposits at amortised cost	**3,142,080**	2,662,483	**3,142,080**	2,662,483
- Expected credit losses	**(3,262)**	(2,391)	**(3,262)**	(2,391)
Treasury bills at amortised cost	**-**	71,854	**-**	71,854
- Expected credit losses	**-**	(74)	**-**	(74)
Financial assets at fair value through other comprehensive income:				
Listed equity: Sanlam shares	**2,239**	2,043	**2,239**	2,043
Inflation linked bonds	**68,898**	2,182	**68,898**	2,182
Financial assets at fair value through profit or loss:				
Collective investment schemes	**1,998,277**	1,787,612	**1,998,277**	1,787,612
Money market funds	**1,074,313**	1,800,146	**1,074,313**	1,800,146
Expected credit losses	**-**	(455)	**-**	(455)
Total investments	**7,691,993**	8,014,236	**7,691,993**	8,014,237

11. INVESTMENTS *(continued)*

The Group elected to classify irrevocably its listed and unlisted equity investments as measured at FVTOCI as it intends to hold these investments for long-term strategic reasons. Dividends of N$90 thousand (2024: N$1.1 million) were received from these equity investments for the period under review. The current and non-current investments splits were determined based on the underlying maturity dates.

Fair value measurements for investments

This section explains the judgements and estimates made in determining the fair values of the investments that are recognised and measured at fair value in the financial statements and investments for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair values, the group has classified its investments into the three levels prescribed under the IFRS accounting standards. An explanation of each level follows underneath the table.

(i) Fair value hierarchy for investments

	CONSOLIDATED AND COMPANY			
	Level 1	Level 2	Level 3	Total
	N$'000	N$'000	N$'000	N$'000
As at 30 June 2025				
Financial assets at fair value through profit or loss				
Collective Investment Schemes		1,998,277	-	1,998,277
Money market funds		1,074,313	-	1,074,313
Financial assets at fair value through other comprehensive income:				
Inflation linked bonds		123,751	-	123,751
Listed equity: Sanlam shares	2,239	-	-	2,239
Investment in unlisted equities				
- Erongo RED (Pty) Ltd		-	33,570	33,570
- Alten Solar Power (Hardap) Pty Ltd		-	27,191	27,191
Financial assets for which the fair value is disclosed				
Financial Assets at Amortised Cost:				
- Debt instruments		813,886	-	813,886
- Fixed deposits	-	3,665,362	-	3,665,362
- Treasury bills	-	-	-	-
Total investments	2,239	7,675,589	60,761	7,738,589

11. INVESTMENTS *(continued)*

	CONSOLIDATED AND COMPANY			
	Level 1	Level 2	Level 3	Total
	N$'000	N$'000	N$'000	N$'000
As at 30 June 2024				
Financial assets at fair value through profit or loss				
Collective Investment Schemes	-	1,787,612	-	1,787,612
Money market funds	-	1,800,146	-	1,800,146
Financial assets at fair value through other comprehensive income:				
Inflation linked bonds	-	88,916	-	88,916
Listed equity: Sanlam shares	2,043	-	-	2,043
Investment in unlisted equities				
- Erongo RED (Pty) Ltd	-	-	103,891	103,891
- Alten Solar Power (Hardap) Pty Ltd	-	-	31,049	31,049
Financial assets for which the fair value is disclosed				
Financial Assets at Amortised Cost:				
- Debt instruments	-	1,097,464	-	1,097,464
- Fixed deposits	-	3,107,422	-	3,107,422
- Treasury bills	-	72,048	-	72,048
Total investments	2,043	7,953,607	134,940	8,090,590

There were no transfers between fair value levels during the year.

IFRS specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group and Company's market assumptions. These two types of inputs have created the following value hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the majority of the over-the-counter derivative contracts, traded loans and issued structured debt. The sources of input parameters such as Jibar yield curve or counterparty credit risk are Bloomberg.
- Level 3 – inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments with significant unobservable components.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value Level 1 and Level 2 investments include:

- for collective investment schemes, money market instruments, listed and fixed deposits – quoted market prices
- for treasury bills - discounted valuation technique using quoted prices and rates
- for debt instruments - discounted valuation technique using quoted market prices

11. INVESTMENTS *(continued)*

(iii) Fair value measurements using significant unobservable inputs (Level 3)

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	Equity investments - unlisted investments
Balance at 1 July 2024	**134,940**
Total gains or losses: – in other comprehensive income	**(74,179)**
Balance at 30 June 2025	**60,761**

There were no disposals for the year under review.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of unlisted equity instruments, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to fair value
Discounted cash flow method: This approach utilises forecasts and budgets prepared by management.	Free cash flow based on projected revenues and expenses. N$1.1 billion (*2024: N$3.3 billion)	The higher the net projected free cash flow, the higher the fair value and vice versa.
	Cost of equity determined using a Capital Asset Pricing Model. 23.0% (*2024: 24.7%)	The higher the cost of equity, the lower the fair value and vice versa.
	Growth rate determined using forecasted macroeconomic indicators. 8.37% (*2024: 7.43%)	The higher the net projected free cash flow, the higher the fair value and vice versa.

** The table was corrected from the prior year to include quantitative information on significant unobservable inputs.*

11. INVESTMENTS *(continued)*

An increase or (decrease) of the following significant unobservable inputs used in the fair value measurement for the unlisted investments would have increased/(decreased) the fair values of the unlisted investments by the amounts shown below.

	CONSOLIDATED AND COMPANY		CONSOLIDATED AND COMPANY	
	Increase	Decrease	Increase	Decrease
	N$'000	N$'000	N$'000	N$'000
Sensitivity analysis				
Erongo RED (Pty) Ltd:				
1% change in free cash flows	**34,182**	**32,963**	105,552	102,242
1% change in cost of equity rate	**30,267**	**37,405**	96,518	112,245
1% change in growth rate	**35,847**	**31,583**	108,296	99,970
Alten Solar Power (Hardap) Pty Ltd:				
1% change in free cash flows	**27,463**	**26,919**	31,360	30,739
1% change in cost of equity	**25,359**	**26,919**	12,875	13,724

The Group's exposure to credit, currency and interest rate risks related to investments is disclosed in note 29.

12. INVENTORIES

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Maintenance spares and consumables	**28,183**	25,952	**28,183**	25,952
Fuel and coal	**125,818**	93,065	**125,818**	93,065
	154,001	119,017	**154,001**	119,017

No inventory was pledged as security.

There are no items of inventory that are stated at net realisable value.

Inventories recognised as an expense during the year ended 30 June 2025 amounted to N$10.5 million (2024: N$11.1 million).

13. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Financial instruments:				
Trade receivables at amortised cost	**1,428,730**	1,103,156	**1,428,730**	1,103,156
- Gross receivables	**2,189,092**	1,938,560	**2,189,092**	1,938,560
- Expected credit losses	**(760,362)**	(835,404)	**(760,362**	(835,404)
Non-financial instruments:				
Prepayments	**795,071**	166,946	**795,071**	166,946
Project and other advances	**3,090**	2,659	**3,090**	2,659
Other receivables	**21,367**	3	**21,367**	3
Total trade and other receivables	**2,248,258**	1,272,764	**2,248,258**	1,272,764
Categorisation of trade and other receivables				
Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:				
At amortised cost	**1,428,730**	1,103,156	**1,428,730**	1,103,156
Non-financial instruments	**819,528**	169,608	**819,528**	169,608
	2,248,258	1,272,764	**2,248,258**	1,272,764

Expected credit losses (ECL) of N$49.8. million - reversed (2024: N$157.1 million - raised) in respect of trade receivables were recognised in profit or loss. Refer to note 29.4.3 for further explanation of the movement in expected credit losses.

The carrying amount of the trade receivables disclosed above approximates its fair value due to its short-term nature. In addition, the carrying amounts do not include a significant financing component.

The Group's exposure to credit and currency risks related to trade and other receivables are disclosed in note 29.

Related party receivables

Included in trade and other receivables are amounts due from related parties for the Group and Company. These have been disclosed in note 27.

The average credit period on sales of supply is 90 days. Namibian Prime Interest rate is charged on outstanding trade receivables that are more than 30 days past due. The Group has well-established credit control procedures that monitor activity on customer accounts and allow for remedial action should the customer not comply with payment terms. These procedures include an internal collection process, follow up with the customer either telephonically or in person, negotiations of mutually acceptable payment arrangements and the issue of a notice of disconnection of supply and letters of demand. Non-payment can result in disconnection of supply and the customer's account being closed.

The following collection strategies are currently in operation with varying levels of success:

- contacting of customers
- disconnections
- use of debt collectors
- payment arrangements
- automated notices and letters of demand

Progress on the collection process is reviewed on a regular basis and if it is evident that the amount will not be recovered, it is recommended for write-off in terms of the Group policy. The process of recovery continues unless it is confirmed that there is no prospect of recovery, or the costs of such action will exceed the benefits to be derived.

13. TRADE AND OTHER RECEIVABLES *(continued)*

Customers are grouped in different categories, namely Category A to E, according to their size of demand, geographic location of the customer (cross borders), characteristics and types. The categorisation of customers is based on the generic or unique individual contracts of supply as follows:

- Category A customers (electricity transmission): these are time of use customers located within the Namibian borders which are connected to the Group transmission system, and include redistributors, commercial, industrial and mining customers.
- Category B customers (electricity cross borders): these are customers located outside the Namibian borders that are connected to the NamPower transmission system.
- Category C customers (electricity distribution): comprise of customers within Namibian borders other than category A, B, D and E. These customers include commercial, industrial, farms and plots outside town boundaries where there are no regional electricity distributors.
- Category D customers (electricity distribution Government departments/ agents): comprise of Ministries, offices and agencies of the Government of the Republic of Namibia, Village Councils and Regional Councils within Namibia and outside town boundaries where there are no regional electricity distributors.

Payment terms of the above customers are between 20 and 30 days from date of invoice.

Category A to D customers i.e. electricity customers and tenants of the Group properties, are required to provide the security equivalent to between one and three months' consumption before any supply of service is made available on signing of the agreement.

- Category E customers (other receivables): these are customers for services other than electricity and include employees, tenants of the Group properties and customers of the other related electricity services. No security is held in respect of these balances except for tenants of the Group properties, and no interest has been charged on overdue balances.

The Expected Credit Losses for Categories A to D are calculated using the Provision Matrix Approach.

The following macro-economic factors were used as independent variables for the regression analysis:

- Gross Domestic Product Annual Growth Rate of 2.7% (2024: 4.5%);
- Prime lending interest rate of 10.5% (2024: 11.5%);
- Inflation rate (CPI) of 3.7% (2024: 4.6%) and the Namibian Unemployment Rate of 36.9% (2024: 33.4%)

As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

Certain regional and local authorities and government agencies continued to fall into arrears during the course of the financial year. The timely collection of revenue from these customers remains a challenge. These customers' debts are monitored on a regular basis and receive ongoing management attention. Interventions pursued included entering into repayment arrangements and approaching relevant stakeholders to assist with resolving the growing debt. There has been slow progress on payments achieved from these initiatives and the accounts continued to escalate unabated. Power supply suspension to these customers was initiated in June 2023. However, the suspension was later halted taking into consideration the impact that disconnections will have on the economy and the communities in general, and to allow for consultative engagements with the customers, Regulator and Central Government to seek alternative solutions to settle the debts. The payment profile of these customers continues to deteriorate and it is on that basis that they were grouped into a separate category, to better account for the higher loss rate applicable to them.

Category E customers and some customers in Category A and C are assessed individually and expected credit loss is based on the individual customer history.

13. TRADE AND OTHER RECEIVABLES *(continued)*

	Impairment Analysis: Trade receivables – days past due				
	Not past due	30 days past due	60 days past due	90 days past due	Total
30 June 2025	N$'000	N$'000	N$'000	N$'000	N$'000
Collectively assessed for impairment: Category A Customers - Electricity transmission customers[1]					
Expected credit loss rate (%)	3.05%	24.69%	52.11%	72.68%	
Net carrying amount at default[2]	471,494	74,648	6,804	427	553,373
Loss allowance	14,360	18,428	3,546	311	36,645
Individually assessed for impairment: Category A Customers - Electricity transmission customers					
Expected credit loss rate (%)	-	-	-	100.00%	
Net carrying amount at default[2]	-	-	-	21,135	21,135
Loss allowance	-	-	-	21,135	21,135
Collectively assessed for impairment: Certain regional and local authorities, government agencies and NORED - Category A and D Customers - Electricity transmission customers [1]					
Expected credit loss rate (%)	49.53%	76.17%	85.03%	94.55%	
Net carrying amount at default[2]	38,428	24,559	17,671	615,619	696,277
Loss allowance	19,034	18,706	15,027	582,052	634,819
Collectively assessed for impairment: Category B Customers - Electricity cross border customers					
Expected credit loss rate (%)	32.39%	43.37%	72.80%	76.92%	
Net carrying amount at default[2]	7,245	4,556	3,130	56,473	71,404
Loss allowance	2,346	1,976	2,279	43,438	50,039
Collectively assessed for impairment: Category C Customers - Electricity distribution customers					
Expected credit loss rate (%)	0.99%	23.37%	49.36%	73.45%	
Net carrying amount at default[2]	15,810	1,107	2	3,171	20,090
Loss allowance	157	259	1	2,329	2,746
Individually assessed for impairment: Category C Customers - Electricity distribution customers					
Expected credit loss rate (%)	-	-	-	100.00%	
Net carrying amount at default[2]	-	-	-	3,771	3,771
Loss allowance	-	-	-	3,771	3,771

13. TRADE AND OTHER RECEIVABLES *(continued)*

	Impairment Analysis: Trade receivables – days past due				
	Not past due	30 days past due	60 days past due	90 days past due	Total
	N$'000	N$'000	N$'000	N$'000	N$'000
Collectively assessed for impairment: Category D Customers - Government departments/ agents electricity customers					
Expected credit loss rate (%)	0.66%	8.01%	15.29%	47.28%	
Net carrying amount at default[2]	9,478	1,165	-	619	11,262
Loss allowance	62	93	-	293	448
Individually assessed for impairment: Category E Customers - Sundry					
Expected credit loss rate (%)	0.05%	82.26%	0.01%	6.23%	
Estimated total gross carrying amount at default	172,659	441	32,758	165,574	371,432
Loss allowance	82	363	4	10,310	10,759
Total loss allowance	36,041	39,825	20,857	663,639	760,362

[1] For category A and D customers, we noted high loss rates for current balances but, based on management's assessment, it is still appropriate to recognise revenue. It is still probable that the Group will collect the consideration. Certain Local Authorities, Regional Councils and Government Agencies under Category A and D were grouped into a separate category, to better account for the higher loss rate applicable to them.

[2] The Net carrying amount at default balance is the Trade Receivables Balance minus the corresponding Value Added Tax "VAT", the sum of the adjusted security deposits (cash and guarantees) and debtors with credit balances.

13. TRADE AND OTHER RECEIVABLES *(continued)*

	Impairment Analysis: Trade receivables – days past due				
30 June 2024	**Not past due**	**30 days past due**	**60 days past due**	**90 days past due**	**Total**
	N$'000	**N$'000**	**N$'000**	**N$'000**	**N$'000**
Collectively assessed for impairment: Category A Customers - Electricity transmission customers[1]					
Expected credit loss rate (%)	0.69%	21.74%	65.11%	98.97%	
Net carrying amount at default[2]	365,299	6,186	3,071	1,596	376,153
Loss allowance	2,520	1,345	2,000	1,580	7,444
Individually assessed for impairment: Category A Customers - Electricity transmission customers					
Expected credit loss rate (%)	-	-	1.00	100.00%	
Net carrying amount at default[2]	-	-	381	45,949	46,330
Loss allowance	-	-	381	45,949	46,330
Collectively assessed for impairment: Certain regional and local authorities, government agencies and NORED - Category A and D Customers - Electricity transmission customers [1]					
Expected credit loss rate (%)	41.83%	65.71%	77.36%	90.73%	
Net carrying amount at default[2]	109,053	23,984	25,333	706,087	864,457
Loss allowance	45,616	15,761	19,598	640,633	721,609
Collectively assessed for impairment: Category B Customers - Electricity distribution customers					
Expected credit loss rate (%)	41.50%	57.44%	75.68%	75.96%	
Net carrying amount at default[2]	12,045	9,195	6,293	36,215	63,748
Loss allowance	4,999	5,281	4,763	27,508	42,552
Collectively assessed for impairment: Category C Customers - Electricity distribution customers					
Expected credit loss rate (%)	0.01	0.20	40.95%	67.51%	
Net carrying amount at default[2]	18,881.99	2,187.91	3	3,249	24,322
Loss allowance	208.24	442.92	1	2,193	2,846
Individually assessed for impairment: Category C Customers - Electricity distribution customers					
Expected credit loss rate (%)	100.00%	100.00%	-	100.00%	
Net carrying amount at default[2]	7	2	-	3,870	3,879
Loss allowance	7	2	-	3,870	3,879

13. TRADE AND OTHER RECEIVABLES *(continued)*

	Impairment Analysis: Trade receivables – days past due				
	Not past due	30 days past due	60 days past due	90 days past due	Total
	N$'000	N$'000	N$'000	N$'000	N$'000
Collectively assessed for impairment: Category D Customers - Government departments/ agents electricity customers					
Expected credit loss rate (%)	0.68%	9.50%	19.24%	54.30%	
Net carrying amount at default[2]	11,403	567	-	77	12,047
Loss allowance	78	54	-	42	174
Individually assessed for impairment: Category E Customers - Sundry					
Expected credit loss rate (%)	3.82%	91.69%	1.36%	11.38%	
Estimated total gross carrying amount at default	11,164	373	29,968	82,589	124,094
Loss allowance	427	342	406	9,395	10,570
Total loss allowance	53,855	23,228	27,150	731,171	835,403

The loss allowance for trade and other receivables reconciles to the opening loss allowance for that provision as follows:

	Category A	Certain regional and local authorities and government agencies - Category A and D	Category B	Category C	Category D	Category E	Total
	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000
Reconciliation of movements in allowance for impairment							
Opening loss allowance as at 01 July 2023	**81,660**	**554,115**	**10,313**	**5,632**	**15,425**	**11,179**	**678,324**
(Decrease)/increase in loss allowance recognised in profit loss during the year	(27,884)	167,494	32,238	1,092	(15,252)	(609)	157,079
Opening loss allowance as at 01 July 2024	**53,776**	**721,609**	**42,552**	**6,724**	**173**	**10,570**	**835,403**
Increase/(decrease) in loss allowance recognised in profit loss during the year	29,200	(86,789)	7,487	(207)	275	189	(49,845)
Receivables written off during the year as uncollectible	(25,195)		-	-	-		(25,195)
Closing loss allowance as at 30 June 2025	**57,781**	**634,819**	**50,039**	**6,518**	**448**	**10,759**	**760,362**

14. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Cash and cash equivalents consist of:				
Cash on hand	**577**	51	**577**	51
Call account - Long run marginal cost[1]	**126,667**	115,955	**126,667**	115,955
Bank balances	**839,159**	823,640	**839,159**	823,640
Short term deposits[2]	**1,812,499**	1,278,995	**1,812,499**	1,278,995
	2,778,901	2,218,641	**2,778,901**	2,218,641

[1] The Long run marginal cost (LRMC) call account is restricted and may only be utilised with the approval of the Electricity Control Board (ECB). These funds are generally classified as available for use within the Group

[2]Deposits at notice include call accounts. There are no restrictions on the funds which are managed according to the Group's investment policy statement

The Group's exposure to credit, currency and interest rate risks related to cash and cash equivalents is disclosed in note 29.

The carrying amounts of cash and cash equivalents approximate its fair values, due to its liquid and short-term nature.

15. TAXATION

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Namibian company tax				
Current taxation	**115,881**	283,813	**115,881**	283,813
Current taxation - prior period adjustment	**(75,187)**	-	**(75,187)**	-
Deferred taxation	**(721,225)**	282,532	**(721,225)**	282,532
Taxation recognised in profit or loss	**(680,531)**	566,345	**(680,531)**	566,345
Taxation recognised in other comprehensive income	**672,915**	1,426,059	**672,915**	1,426,059
Total taxation	**(7,616)**	1,992,404	**(7,616)**	1,992,404
Tax rate reconciliation	**%**	%	**%**	%
Standard Tax Rate	**31.00**	32.00	**31.00**	32.00
Social Responsibility	**0.47**	0.16	**0.47**	0.16
Donations	**0.13**	0.00	**0.13**	0.00
Other Items not deductible for tax purposes				
Investment properties	**0.18**	0.07	**0.18**	0.07
Short term insurance	**0.08**	0.03	**0.08**	0.03
Government grant	**(11.45)**	(3.66)	**(11.45)**	(3.66)
Capital contributions by customers	**16.27**	(1.35)	**16.27**	(1.35)
Deferred tax on assets with no tax values	**-**	1.40	**-**	1.40
Manufacturing deduction	**(10.00)**	0.43	**(10.00)**	0.43
Gains & losses on non-current financial instruments	**(0.62)**	(0.03)	**(0.62)**	(0.03)
Rate change	**(107.73)**	-	**(107.73)**	
Prior period adjustment	**(10.15)**	-	**(10.15)**	-
Effective tax rate	**(91.82)**	29.04	**(91.82)**	29.04

15. TAXATION *(continued)*

Taxation recognised in other comprehensive income	CONSOLIDATED			COMPANY		
	Before tax	Tax expense (benefit)	Net of tax	Before tax	Tax expense (benefit)	Net of tax
2025						
Remeasurements of employee benefit provisions	**(17,906)**	**5,551**	**(12,355)**	**(17,906)**	**5,551**	**(12,355)**
Share of other comprehensive income of associates	**(149,114)**	**-**	**(149,114)**	**-**	**-**	**-**
Valuation of listed equity instruments	**(196)**	**-**	**(196)**	**(196)**	**-**	**(196)**
Valuation of debt-instruments	**(2,495)**	**-**	**(2,495)**	**(2,495)**	**-**	**(2,495)**
Valuation of unlisted equity instruments	**74,179**	**-**	**74,179**	**74,179**	**-**	**74,179**
Revaluation of property, plant and equipment	**(2,073,081)**	**642,655**	**(1,430,426)**	**(2,073,081)**	**642,655**	**(1,430,426)**
Revaluation of land	**294**	**-**	**294**	**294**	**-**	**294**
Revaluation of strategic inventory	**(79,708)**	**24,709**	**(54,999)**	**(79,708)**	**24,709**	**(54,999)**
	(2,248,027)	**672,916**	**(1,575,112)**	**(2,098,913)**	**672,916**	**(1,425,998)**
2024						
Remeasurements of employee benefit provisions	(15,428)	4,937	(10,491)	(15,428)	4,937	(10,491)
Share of other comprehensive income of associates	(184,161)	-	(184,161)	-	-	-
Valuation of listed equity instruments	(570)	-	(570)	(570)	-	(570)
Valuation of debt-instruments	(4,074)	-	(4,074)	(4,074)	-	(4,074)
Valuation of unlisted equity instruments	(24,161)	-	(24,161)	(24,161)	-	(24,161)
Revaluation of property, plant and equipment	(4,364,775)	1,396,728	(2,968,047)	(4,364,775)	1,396,728	(2,968,047)
Revaluation of land	(5,901)	-	(5,901)	(5,901)	-	(5,901)
Revaluation of strategic inventory	(76,233)	24,395	(51,839)	(76,233)	24,395	(51,839)
	(4,675,303)	1,426,060	(3,249,244)	(4,491,142)	1,426,060	(3,065,083)

16. SHARE CAPITAL AND RESERVES

CONSOLIDATED		COMPANY	
2025	2024	2025	2024
N$'000	N$'000	N$'000	N$'000
365,000	365,000	**365,000**	365,000
165,000	165,000	**165,000**	165,000
900,000	900,000	**900,000**	900,000

16.1 Authorised

365 000 000 ordinary shares at N$1

16.2 Issued and fully paid share capital

165 000 000 (2024: 165 000 000) ordinary shares at N$1

The unissued share capital is under the control of the Government of the Republic of Namibia, represented by the Ministry of Industries, Mines and Energy, as the sole shareholder.

16.3 Share premium

Share premium arising on shares issued

100 000 000 ordinary shares of N$1 each and share premium of N$9.

(2024: 100 000 000 ordinary shares of N$1 each and share premium of N$9.)

Holders of the ordinary shares are entitled to dividends whenever dividends to ordinary shareholders are declared and are entitled to one vote per share at general meetings of the Company.

16.4 Reserve Fund

The reserve fund is utilised to fund costs associated with potential energy crises. There are no restrictions on the distribution of the balance to the shareholders.

16.5 Development Fund

The development fund is utilised for the total or partial financing of capital works and extensions to power stations, transmission and distribution networks. There are no restrictions on the distribution of the balance to the shareholders.

16.6 Capital revaluation reserve

The revaluation reserve relates to the increments and decrements on the revaluation of property, plant and equipment. There are no restrictions on the distribution of the balance to the shareholders.

16.7 Strategic inventory revaluation reserve

The revaluation reserve relates to the revaluation of strategic inventory items. The revaluation is performed in line with the Group's property, plant and equipment policy. There are no restrictions on the distribution of the balance to the shareholders.

16.8 Investment valuation reserve

The reserve consists of all fair value movements relating to financial instruments classified as fair value through other comprehensive income.

The fair value adjustment relates to 25 249 shares held in Sanlam Ltd, 57 shares held in Alten Solar Power (Hardap) Pty Ltd, 1 267 500 shares held in Erongo RED (Pty) Ltd and inflation-linked bonds held with Bank of Namibia.

There are no restrictions on the distribution of the balance to the shareholders.

17. INTEREST BEARING LOANS AND BORROWINGS

Terms and conditions of outstanding loans were as follows:

	Currency	Coupon interest rate	Effective interest rate	Year of maturity	30 June 2025 Carrying amount	30 June 2025 Face value	30 June 2024 Carrying amount	30 June 2024 Face value
17.1 Interest bearing borrowings					**N$'000**	**N$'000**	**N$'000**	**N$'000**
17.1.1 European Investment Bank - loan III	ZAR	**9.26%**	**9.26%**	2029	**101,604**	**98,932**	124,183	120,917
17.1.2 Agence Francaise de Development II	ZAR	**9.10%**	**9.10%**	2027	**56,618**	**55,147**	79,265	77,206
17.1.3 KFW Bankengruppe III	ZAR	**8.26%**	**8.26%**	2027	**101,712**	**99,279**	142,380	138,991
17.1.4 Agence Francaise de Development III	ZAR	**8.65%**	**8.26%**	2039	**305,047**	**301,686**	-	-
17.1.5 KFW Bankengruppe IV	ZAR	**6.57%**	**6.57%**	2036	**447,845**	**444,088**	-	-
					1,012,826	**999,132**	345,828	337,114
Less: Instalments payable within one year transferred to current liabilities					**97,449**	**83,755**	92,470	83,755
					915,377	**915,377**	253,358	253,359

All the loans are unsecured and are repayable biannually, in equal instalments over the term of the loan.

Classification and measurement categories for interest bearing loans and borrowings is 29.1.

The Group's exposure to liquidity and currency risks related to interest bearing loans and borrowings is disclosed in note 29.

Debt covenants
The Group has met all the debt covenant ratio requirements as at 30 June 2025. The ratios below are calculated based on/aligned to the definitions as per loan agreements with lenders.

Ratios	Agreement requirement	2025	2024 *Restated
Debt Service Coverage (12 months)	Above 1.3	17.81	20.48
Two-year average debt service coverage ratio	Above 1.4	19.15	14.79
Debt to total debt and equity ratio	Below 65%	2.40%	0.90%
Net debt to EBITDA ratio	Below 4	(5.3)	(5.5)

Defaults and breaches
There were no defaults or breaches of the loan agreements during the year under review.

18. DEFERRED REVENUE LIABILITIES

	NOTES	CONSOLIDATED		COMPANY	
		2025	2024	2025	2024
		N$'000	N$'000	N$'000	N$'000
Non-current liability					
Generation assets: Anixas	18.1	**132,968**	141,831	**132,968**	141,831
Transfers of assets from customers	18.3	**209,878**	236,989	**209,878**	236,989
Interest rate subsidy - EIB Loan III	18.2	**2,333**	3,415	**2,333**	3,415
Capital contributions received	18.4	**956,996**	910,092	**956,996**	910,092
Omburu PV plant	18.6	**294,607**	297,752	**294,607**	297,752
Biomass power project	18.7	**357,795**	-	**357,795**	-
Omburu Battery Energy Storage System (BESS)	18.8	**77,444**	-	**77,444**	-
		2,032,021	1,590,079	**2,032,021**	1,590,078
Current liability					
Interest rate subsidy - EIB Loan III	18.2	**1,416**	2,083	**1,416**	2,083
Generation assets: Anixas	18.1	**8,864**	8,864	**8,864**	8,864
Long-run marginal cost	18.5	**126,666**	115,955	**126,666**	115,955
Transfers of assets from customers	18.3	**55,513**	68,920	**55,513**	68,920
Omburu PV plant	18.6	**8,417**	13,690	**8,417**	13,690
		200,876	209,512	**200,876**	209,512

18.1 Deferred revenue - Government Grants

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Generation assets: Anixas				
Opening balance	**150,696**	159,560	**150,696**	159,560
Recognised in profit or loss	**(8,864)**	(8,864)	**(8,864)**	(8,864)
Closing balance	**141,832**	150,696	**141,832**	150,696

The grant of N$250 million was received to subsidise the construction of Anixas Power Station, the 22.5 megawatt (MW) emergency power plant at Walvis Bay, to serve as a back-up energy supply to prevent power black outs that may be experienced during peak hours. Of this grant, N$8.9 million (2024: N$8.9 million) was recognised as income during the current year while the N$141.8 million (2024: N$150.7 million) represents deferred income and will be recognised on a systematic basis over the useful life of the power plant.

The Group will continue to operate and maintain the Anixas Power Station.

There were no unfulfilled conditions and other contingencies attached to the Government grant.

18. DEFERRED REVENUE LIABILITIES *(continued)*

18.2 Interest rate subsidy - EIB Loan III

Reconciliation of deferred revenue - Interest rate subsidy	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Opening balance	**5,498**	7,581	**5,498**	7,581
Recognised in profit or loss	**(1,749)**	(2,083)	**(1,749)**	(2,083)
Closing balance	**3,749**	5,498	**3,749**	5,498

An interest rate subsidy of N$65.9 million was received during the financial year ended 30 June 2010. EU-Africa Infrastructure Trust Fund ("ITF") approved, inter alia, the provision of an interest rate subsidy for an amount of €5 million (five million euros), equivalent to N$65.9 million, to enable EIB to make available finance to NamPower at reduced interest rates. The parties have agreed that the interest rate subsidy be applied upfront in order to reduce the interest payable. Of this grant, N$1.7 million (2024: N$2.1 million) was recognised as income during the current year whilst the remaining N$3.7 million (2024: N$5.5 million) represents deferred income and will be recognised over the period of the loan of 20 years.

18.3 Transfers of assets from customers

The transfers of assets from customers comprise of assets constructed by customers and transferred to the Group, as well as capital/cash contributions made by customers towards completed assets constructed by the Group. The Power Supply Agreements (PSA) state that assets will be transferred, or contributions will be made in order to connect the customer to the Group's electricity network system.

Opening balance	**305,909**	335,954	**305,909**	335,954
Additions in the current period	**28,883**	44,566	**28,883**	44,566
Recognised in profit or loss	**(69,401)**	(74,611)	**(69,401)**	(74,611)
Closing balance	**265,391**	305,909	**265,391**	305,909

The N$28.9 million (2024: N$44.6 million) additions to transfers of assets from customers relates to assets constructed and transferred to the group in respect of new customer contracts.

The Group expects that 21% (N$55.5 million) of the unsatisfied performance obligations as of 30 June 2025 will be recognised as revenue during the next reporting period. The remaining 79% (N$210 million) will be recognised over the shorter of the remaining useful lives of the assets and the PSA.

18. DEFERRED REVENUE LIABILITIES *(continued)*

18.4 Deferred revenue: Capital contributions received

Capital contributions received include upfront payments received from Transmission customers for the construction of assets. The upfront capital contribution is initially recognised in deferred revenue. Once the construction of the asset is complete, the deferred revenue is recognised in revenue in accordance with IFRS 15 over the period of the Power Supply Agreement (PSA) or the useful life of the asset, whichever is shorter.

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Opening balance	**910,092**	810,773	**910,092**	810,773
Payments received	**46,267**	107,947	**46,267**	107,947
Transfers to assets from customers	**(28,883)**	-	**(28,883)**	-
Project costs incurred	**(9,875)**	(8,628)	**(9,875)**	(8,628)
Project costs capitalised	**35,421**	-	**35,421**	-
Project costs expensed	**3,973**	-	**3,973**	-
Closing balance	**956,996**	910,092	**956,996**	910,092

The increase in capital contributions received from customers is mainly as a result of contributions in respect of new customer contracts amounting to N$46.3 million (2024: N$107.9 million).

The Group expects that 28% (N$269.8 million) of the unsatisfied performance obligations as of 30 June 2025 will be recognised as transfers of assets from customers during the next reporting period. The remaining 72% (N$687.2 million) will be recognised in the financial periods from 2027 onwards.

18.5 Deferred revenue: Long-run marginal cost

In 2013, the Electricity Control Board introduced the long-run marginal cost (LRMC) levy to create a reserve for use in avoiding significant future price shocks to the Namibian consumer. In line with the directives of the Regulator, the Electricity Control Board, the LRMC levy is ring-fenced within the Company and invested in a separate interest-bearing account effective 1 July 2018. These funds can only be utilised with the specific approval of the Regulator. The year under review included N$0 (2024: N$200 million) of the LRMC utilised as a fuel cost subsidy for the Van Eck and Anixas Power Stations.

18. DEFERRED REVENUE LIABILITIES *(continued)*

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2025
	N$'000	N$'000	N$'000	N$'000
Opening balance	**115,954**	290,259	**115,954**	290,259
Interest received	**10,711**	25,696	**10,711**	25,696
LRMC utilised - Van Eck and Anixas Power Stations fuel cost subsidy	**-**	(200,000)	**-**	(200,000)
Closing balance	**126,665**	115,955	**126,666**	115,954

18.6 Deferred revenue: Omburu PV plant

Opening balance	**311,442**	325,443	**311,442**	325,443
Recognised in profit or loss	**(8,417)**	(14,001)	**(8,417)**	(14,001)
Closing balance	**303,024**	311,442	**303,024**	311,442

The Group constructed a 20MW PV plant which was commissioned during 2022. The Electricity Control Board approved an amount of N$342 million to be utilised from the LRMC towards the cost of the construction. The funds were claimed as and when the Group incurred the cost of construction. Of these funds, N$8 million (2024: N$14 million) was recognised as income during the current year while the N$303.0 million (2024: N$311.4 million) represents deferred income and will be recognised on a systematic basis over the useful life of the power plant.

18.7 Deferred revenue: Biomass power project

Opening balance	**-**	-	**-**	-
Grants received	**357,795**	-	**357,795**	-
Closing balance	**357,795**	-	**357,795**	-

In January 2024, the shareholder, the Government of the Republic of Namibia, committed N$400 million in respect of subsidising the construction of the 40MW Otjikoto Biomass Power Plant. The Group received the first payment of N$200 million (2024: Nil) during the year under review. In addition, grant funding amounting to EUR 20,8 million was committed by the Mitigation Action Fund (MAF) in respect of this project. Of this grant, EUR 8.3 million - equivalent to N$157.8 million (2024: Nil) - was received during the year under review. As at reporting date, the power plant was still under construction. The grants received are accounted for as deferred revenue and will be recognised as income on a systematic basis over the useful life of the power plant.

18. DEFERRED REVENUE LIABILITIES *(continued)*

18.8 Deferred income: Omburu Battery Energy Storage System (BESS)

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2025
	N$'000	N$'000	N$'000	N$'000
Opening balance	-	-	-	-
Grants received	77,444	-	77,444	-
Closing balance	77,444	-	77,444	-

In December 2021 KfW, a German Development Bank, committed EUR20 million, equivalent N$357.4 million as grant towards the construction of Omburu Battery Energy Storage System (BESS).

Of this grant, EUR4.0 million equivalent to N$77.4 million (2024: Nil) was received during the year under review. As at reporting date, the battery storage system was still under construction. The grant received is accounted for as deferred income and will be recognised as income on a systematic basis over the useful life of the storage system.

19. DEFERRED TAX LIABILITIES

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Balance at the beginning of the year	**12,389,685**	10,681,094	**12,386,183**	10,677,592
Current charge recognised in profit or loss	**(65,213)**	255,202	**(65,213)**	255,202
Current year (loss)/profit	**(65,213)**	255,202	**(65,213)**	255,202
Temporary differences	**(65,213)**	13,686	**(65,213)**	13,686
Unused tax loss	**-**	241,516	**-**	241,516
Timing differences for current period recognised through profit/loss - decrease in PPE with no corresponding decrease in tax value	**142,321**	27,330	**142,321**	27,330
Current charge recognised in other comprehensive income	**672,915**	1,426,059	**672,915**	1,426,059
Rate change adjustment	**(798,333)**	-	**(798,333)**	-
Balance at end of year	**12,341,375**	12,389,685	**12,337,873**	12,386,183
The balance comprises:				
Deferred tax liabilities	**12,509,930**	12,803,466	**12,506,428**	12,799,963
Deferred tax assets	**(168,555)**	(413,781)	**(168,555)**	(413,781)
Total net deferred tax liability/asset	**12,341,375**	12,389,685	**12,337,873**	12,386,182
Deferred tax liabilities:				
Deferred tax liabilities to be recovered after more than 12 months	**12,506,469**	12,799,084	**12,502,967**	12,795,580
Deferred tax liability to be recovered within 12 months	**3,460**	4,382	**3,460**	4,382
	12,509,930	12,803,466	**12,506,428**	12,799,963
Deferred tax assets:				
Deferred tax assets to be recovered after more than 12 months	**(168,555)**	(413,781)	**(168,555)**	(413,781)
	(168,555)	(413,781)	**(168,555)**	(413,781)
Property, plant and equipment	**12,209,232**	12,518,883	**12,205,730**	12,515,381
Strategic inventory	**286,547**	275,917	**286,547**	275,917
Prepayments	**3,460**	4,382	**3,460**	4,382
Inventories	**10,691**	5,508	**10,691**	5,508
Expected credit losses on investments	**(2,229)**	(1,935)	**(2,229)**	(1,935)
Severance pay liability	**(11,636)**	(13,777)	**(11,636)**	(13,777)
Loans and unrealised foreign exchange losses	**(9,085)**	(1,225)	**(9,085)**	(1,225)
Retention creditors	**(37,951)**	(44,533)	**(37,951)**	(44,533)
Post- retirement medical benefit	**(74,852)**	(76,770)	**(74,852)**	(76,770)
Power purchase and power sales agreement - embedded derivative	**203,269**	(15,252)	**203,269**	(15,252)
Provisions and advance payments	**(65,931)**	(68,801)	**(65,931)**	(68,801)
Trade receivables	**(170,139)**	(192,712)	**(170,139)**	(192,712)
	12,341,375	12,389,685	**12,337,873**	12,386,183

19. DEFERRED TAX LIABILITIES *(continued)*

Movements - Deferred tax assets	Property, plant and equipment N$'000	Employee benefits N$'000	Embedded derivative N$'000	Provisions N$'000	Trade receivable N$'000	Other N$'000	Total N$'000
At 1 July 2023	**-**	**(77,336)**	**-**	**(60,146)**	**(154,984)**	**(731,078)**	**(1,023,543)**
(Charged)/credited							
- to profit or loss	-	-	-	(8,656)	(37,728)	669,357	622,973
- to other comprehensive income	-	(13,211)	-	-	-	-	(13,212)
At 1 July 2024	**-**	**(90,547)**	**-**	**(68,802)**	**(192,712)**	**(61,721)**	**(413,782)**
(Charged)/credited							
- to profit or loss	-	-	-	2,871	22,573	215,724	241,168
- to other comprehensive income	-	4,059	-	-	-	-	4,059
At 30 June 2025	**-**	**(86,488)**	**-**	**(65,931)**	**(170,139)**	**154,003**	**(168,554)**
Movements - Deferred tax liabilities							
At 1 July 2023	**11,355,278**	**-**	**180,577**	**-**	**-**	**165,281**	**11,701,137**
(Charged)/credited							
- to profit or loss	-	-	-	-	-	(61,275)	(61,275)
- to other comprehensive income	1,160,103	-	-	-	-	-	1,160,103
At 1 July 2024	**12,515,381**	**-**	**180,577**	**-**	**-**	**104,006**	**12,799,964**
(Charged)/credited							
- to profit or loss	-	-	-	-	-	16,116	16,116
- to other comprehensive income	(309,653)	-	-	-	-	-	(309,653)
At 30 June 2025	**12,205,728**	**-**	**180,577**	**-**	**-**	**120,122**	**12,506,428**

20. TRADE AND OTHER PAYABLES

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Financial instruments:				
Trade payables	**1,509,911**	969,778	**1,509,921**	969,787
Value Added Tax	**16,819**	48,439	**16,819**	48,439
Retention creditors	**49,522**	-	**49,522**	-
Non-financial instruments:				
Leave and bonus accruals	**372,078**	348,266	**372,078**	348,266
Total trade and other payables	**1,948,330**	1,366,483	**1,948,340**	1,366,492

20.1. Categorisation of trade and other payables

Trade and other payables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	**1,576,252**	1,018,226	**1,576,262**	1,018,226
Non-financial instruments	**372,078**	348,266	**372,078**	348,266
	1,948,330	1,366,483	**1,948,340**	1,366,492

The Group's exposure to liquidity and currency risks related to trade and other payables are disclosed in note 29.

20.2 Leave and bonus accruals

The Group accrues for leave pay and bonuses for all employees. The values at 30 June 2025 for leave accruals were N$161.8 million (2024: N$151.9 million) and bonus accruals were N$210.3 million (2024: N$196.4 million) and were determined by reference to the leave days accrued and proportionate annual bonus accrual. The bonus accrual is expected to be utilised within the following financial year.

20.3 Related party payables

Trade and other payables due to related parties have been disclosed in note 27.

20. TRADE AND OTHER PAYABLES *(continued)*

20.4 Retention creditors

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2025
	N$'000	N$'000	N$'000	N$'000
Non-Current	**76,982**	139,170	**76,982**	139,170
Current (included in trade payables)	**49,522**	-	**49,522**	-
	126,504	139,170	**126,504**	139,170

This represents retentions held by the Company in respect of defect clauses in contracts with suppliers.

21. DERIVATIVES

21.1 Derivative assets

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Non-current assets				
Embedded derivative - Power Purchase Agreement (PPA)	**606,521**	204,151	**606,521**	204,151
	606,521	204,151	**606,521**	204,151
Current assets				
Embedded derivative - Power Purchase Agreement (PPA)	**77,055**	-	**77,055**	-
Valuation firm commitments	**-**	44	**-**	44
	77,055	44	**77,055**	44

21.2 Derivative liabilities

Non-current liabilities				
Embedded derivative - Power Purchase Agreement (PPA)	**1,077**	177,247	**1,077**	177,247
	1,077	177,247	**1,077**	177,247
Current liabilities				
Forward exchange contract liabilities	**15,651**	14,706	**15,651**	14,706
Valuation firm commitments	**19,989**	-	**19,989**	-
Embedded derivative - Power Purchase Agreement (PPA)	**4,938**	74,566	**4,938**	74,566
	40,578	89,272	**40,578**	89,272

21. DERIVATIVES *(continued)*

Valuation
The fair value of the embedded derivative is determined using the methodology and assumptions as detailed in Note 4.

The key driver for the movement of the embedded derivative value from a liability to an asset position is the appreciation of 8% in the forecast for the Namibian dollar relative to the US dollar. The lower average forecasted US PPI index is an additional factor which contributed to the decreased liability for the 80MW contract.

During the financial year ended 30 June 2024, an agreement was reached with ZESCO wherein the capacity under the 80MW power purchase agreement was reduced by 60MW to 20MW. The reduction in capacity was to be effective from 1 July 2024 until 30 June 2025, after which the obtainable capacity would be revisited based on water availability. During the financial year ended 30 June 2025, it was agreed that the capacity under the 80MW contract would remain at the reduced 20MW for the duration of the contract. This adjustment has contributed to a further N$18 million reduction in liability.

22. EMPLOYEE BENEFIT PROVISIONS

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Post-Retirement	**249,507**	239,906	**249,507**	239,906
Medical Benefits	**38,785**	43,052	**38,785**	43,052
Severance pay liability	**288,292**	282,958	**288,292**	282,958
	39,757	42,226	**39,757**	42,226
Current	**248,535**	240,732	**248,535**	240,732
Non-current	**288,292**	282,958	**288,292**	282,958

22.1 Post-Retirement Medical Benefits

22.1.1 Actuarial assumptions

The Group makes contributions to two defined benefit plans that provide medical benefits for current employees. The Group makes contributions to three defined benefit plans that provide medical benefits for pensioners. The benefit plans are provided by Namibia Medical Care (NMC), which is administered by Methealth Namibia Administrators.

In terms of the conditions of employment for employees appointed before 1 August 2004, the post-retirement medical benefits is an arrangement where the Group subsidises either a proportion or the full amount of the medical aid scheme contributions under Namibia Medical Care ("NMC") of qualifying retired employees and their eligible dependents. Such individuals are referred to as medical scheme continuation members and include members who have continued membership after retirement or the death in service of the principal member.
Responsibility for governance of the defined benefit plans lies with the Group.

The present value of the provision at 30 June 2025, as determined by an actuarial valuation, was N$249.5 million (2024: N$239.9 million). This actuarial valuation was performed by ZAQ Consultants and Actuaries Namibia. The defined benefit obligation was calculated using the Projected Unit Credit method. Under the Projected Unit Credit method, the present value of benefits that will accrue to employees in respect of the next year of service after the valuation date is calculated and this is called the current service cost. The liability is expected to be settled over 15 years.

The defined medical benefit liability is unfunded. No dedicated assets had been set aside to meet this liability.

The Group expects to pay N$37.1 million (2025: N$34.4 million) in contributions to the defined benefit plans in 2026.

22. EMPLOYEE BENEFIT PROVISIONS *(continued)*

Membership data

The table below provides a summary of details for the members.

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Current (in service) employees				
Number of active employees	**236**	263	**236**	263
Subsidy weighted average age	**55.54**	55.90	**55.54**	55.90
Subsidy weighted average past service	**29.17**	29.20	**29.17**	29.20
Average monthly subsidy payable during retirement (N$)	**5,520**	4,800	**5,520**	4,800
Continuation members (pensioners)				
Number of continuation members	**158**	147	**158**	147
Subsidy weighted average age	**70.41**	70.80	**70.41**	70.80
Average monthly subsidy (N$)	**5,080**	5,120	**5,080**	5,120
Liability for defined benefit obligations				
The following were the principal actuarial assumptions at the reporting date:				
Discount rate at 30 June (%)	**12.09**	13.34	**12.09**	13.34
Medical cost trend rate (%)	**7.99**	9.28	**7.99**	9.28
Consumer price inflation (%)	**6.49**	7.78	**6.49**	7.78
Net effective discount rate	**3.79**	3.72	**3.79**	3.72

Discount rate

The nominal and real zero yield curves as at 30 June 2025, supplied by the Johannesburg Stock Exchange (JSE), were used to determine the discount rate and consumer price inflation. These yield curves were used because there is not a deep market in government bonds in the Republic of Namibia. To determine the discount rate to use, the implied duration obtained was used to match it with a point on the yield curve.

The implied duration used to value the liabilities was calculated to be 13.0 (2024: 12.9) years.

The net effective discount rate is based on the relationship between the (yield curve based) discount rate for the relevant duration and the (yield curve based) medical aid inflation for the relevant duration.

Medical aid inflation

The underlying future rate of consumer price index inflation (CPI inflation) was derived from the point on the yield curve which matches the implied duration of the liability. The assumed rate of medical aid inflation was set as the calculated value of CPI plus 1.5%.

Namibia has experienced high healthcare cost inflation in recent years. The annualised compound rates of increase for the last ten years show that registered medical schemes contribution inflation outstripped general CPI by almost 3% year on year. The Group does not believe that these increases are sustainable and has assumed that medical aid contribution inflation would outstrip general inflation by 1.5% per annum over the foreseeable future.

22. EMPLOYEE BENEFIT PROVISIONS *(continued)*

Mortality rates

Assumptions regarding future mortality have been based on published statistics and mortality tables. Mortality before retirement has been based on the SA 85-90 mortality tables and mortality post-employment has been based on the PA (90) ultimate mortality tables. These are the most commonly used tables in the industry.

The current longevities underlying the values of the defined medical benefit liability at the reporting date were as follows:

	Longevity (years) at age 65	Longevity (years) at age 60
Males	**11.2**	15.3
Females	**16.1**	19.1

Spouses and dependents

The marital status of members who are currently married was assumed to remain the same up to retirement. It was also assumed that 90% of all single male and female employees would be married at retirement with no dependent children. Where necessary, it was assumed that female spouses would be 5 years younger than their male spouses at retirement.

Comparison with preceding valuation

	30-06-2025 Valuation	30-06-2024 Valuation	% Change
Membership changes			
Changes to in-service membership as at the valuation dates:			
Number of active employees	**236**	**263**	-10.3%
Subsidy weighted average age	**55.54**	**55.90**	-0.6%
Subsidy weighted average age	**29.17**	**29.17**	0.0%
Average monthly subsidy (N$)	**5,520**	**4,800**	15.0%
Changes to continuation membership (pensioners' membership) as at the valuation dates:			
Number of principal members	**158**	**147**	7.5%
Subsidy weighted average age	**70.41**	**70.81**	-0.6%
Average monthly subsidy (N$)	**5,080**	**5,120**	-0.8%
Changes in the valuation assumptions as at the valuation dates:			
Financial variable			
Discount rate	**12.09%**	**13.34%**	-9.4%
Consumer price inflation	**6.49%**	**7.78%**	-16.6%
Medical aid inflation	**7.99%**	**9.28%**	-13.9%
Net effective discount rate	**3.79%**	**3.72%**	1.9%

22. EMPLOYEE BENEFIT PROVISIONS *(continued)*

22.1.2 Movements in the net liability for defined benefit obligations recognised in the statement of financial position

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Net liability for defined obligations as at 1 July	**239,906**	199,646	**239,906**	199,646
Interest cost	**31,896**	26,593	**31,896**	26,593
Current service costs	**4,522**	3,552	**4,522**	3,552
Past service costs	**-**	-	**-**	33,263
Benefits paid				
- Employer	**(1,158)**	(1,235)	**(1,158)**	(1,235)
- Continuation members	**(7,752)**	(6,484)	**(7,752)**	(6,484)
Remeasurements				
- Gain from economic assumptions	**(2,231)**	(2,077)	**(2,231)**	(2,077)
- Gain from experience	**(15,675)**	(13,351)	**(15,675)**	(13,351)
Net liability for defined obligations as at 30 June	**249,507**	239,906	**249,507**	239,906

The main reasons for the actuarial gain can be attributed to the following factors:

Changes in economic variables – Over the past year interest rates, bond yields and inflation figures have changed, which caused the net effective discount rate to increase. This increase in the net effective discount rate resulted in a decrease in the liability of around N$2.2 million.

Change in membership and other smaller assumptions – Membership changes differed from those allowed for in the previous valuation, primarily due to higher-than-expected withdrawals. In-service employees experienced a 10.3% reduction in membership, without a corresponding increase in pensioner membership. Pensioner subsidy rates also decreased by 0.8%, mainly due to changes in medical aid plans. This, along with other smaller assumptions, resulted in a decrease in liability of approximately N$15.7 million.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are:

	-1% discount rate		+1% discount rate	
Discount rate	2025	2024	2025	2024
Defined benefit obligation	**280,269**	268,972	**223,751**	215,513
Service cost	**5,460**	5,248	**4,069**	3,926
Interest cost	**31,022**	33,154	**29,095**	30,729

22. EMPLOYEE BENEFIT PROVISIONS *(continued)*

Medical aid inflation / Consumer Price Inflation (CPI)	-1% medical aid inflation / CPI		+1% medical aid inflation / CPI	
	2025	2024	2025	2024
Defined benefit obligation	**222,632**	214,471	**281,227**	269,857
Service cost	**4,042**	3,901	**5,484**	5,271
Interest cost	**26,734**	28,445	**33,938**	35,961

Mortality rate	-20% mortality rate		+20% mortality rate	
	2025	2024	2025	2024
Defined benefit obligation	**268,607**	258,469	**233,747**	224,606
Service cost	**5,054**	4,870	**4,395**	4,230
Interest cost	**32,342**	34,367	**28,139**	29,862

Risk exposure

Through its post-retirement medical benefit plan, the Group is exposed to a number of risks, the most significant of which are detailed below:

Discount rate

The value of the liability is directly dependent on the discount rate, as a change in discount rate will result in the liabilities being discounted more or less than the current assumed value.

Medical aid inflation

The cost of the subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have a direct effect on the liability of future retirees.

Consumer Price Inflation (CPI)

The value of the liability is directly dependent on the rate of CPI, as the level at which the liabilities grow are directly linked to CPI.

Mortality rate

Deviations from the assumed level of mortality experience of the current employees and the continuation members (pensioners) will have a large impact on the actual cost to the Group. If the actual rate of mortality turns out higher than the rates assumed in the valuation basis, the cost to the Group in the form of subsidies will reduce and vice versa.

The total liability for key management is given below.

	CONSOLIDATED AND COMPANY	
	2025	2024
	N$'000	N$'000
Key Management	**5,635**	4,026

22. EMPLOYEE BENEFIT PROVISIONS *(continued)*

Expected maturity analysis of the post-retirement medical benefits:

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Within one year	**8,857**	9,455	**8,857**	9,455
Between 1 - 5 years	**28,553**	40,581	**28,553**	40,581
More than 5 years	**285,126**	189,870	**285,126**	189,870
Total	**322,537**	239,906	**322,537**	239,906

22.1.3 Expense recognised in profit or loss

Current service costs	**4,522**	3,552	**4,522**	3,552
Past service costs	**-**	33,263	**-**	33,263
Interest cost	**31,896**	26,593	**31,896**	26,593
	36,418	63,408	**36,418**	63,408

The expense is included in the administrative expenses in profit or loss.

22.2 Severance pay liability

Present value of net obligations	**38,785**	43,052	**38,785**	43,052
Present value of unfunded obligations	**38,785**	43,052	**38,785**	43,052
Recognised liability for defined benefit obligations	**38,785**	43,052	**38,785**	43,052

Severance pay liability is recognised for employees retiring on reaching the age of 65 years or dying while in employment.

Severance pay is defined as follows in accordance with the Namibian Labour Act:

The employer must pay severance pay to an employee who has completed 12 months of continuous service, if the employee:

- is retrenched;
- dies while employed; or
- resigns or retires on reaching the age of 65 years.

Severance pay must be an amount equal to at least one week's remuneration for each year of continuous service with the employer. Allowing for retrenchments is very company dependent and therefore not provided for in the valuation.

The Group expects to pay N$2.7 million (2025: N$8.3 million) in contributions to this plan in 2026.

22. EMPLOYEE BENEFIT PROVISIONS *(continued)*

Membership data

The table below provides a summary of details for the members.

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Current employees	**1,145**	1,136	**1,145**	1,136
Average annual salary (N$)	**649,400**	610,288	**649,400**	610,288
Salary weighted average past service (Years)	**14.70**	14.82	**14.70**	14.82

22.2.1 Liability for severance pay obligations

The following were the principal actuarial assumptions at the reporting date:

Discount rate at 30 June (%)	**9.32**	10.44	**9.32**	10.44
Salary inflation rate at 30 June (%)	**5.13**	6.38	**5.13**	6.38
Net effective discount rate	**3.98**	3.81	**3.98**	3.81

Discount rate

The nominal and real zero yield curves as at 30 June 2025, supplied by the Johannesburg Stock Exchange (JSE), were used to determine the discount rate and consumer price inflation. These yield curves were used because there is not a deep market in government bonds in Namibia. To determine the discount rate to use, the implied duration obtained was used to match it with a point on the yield curve.

The implied duration used was calculated to be 6.09 (2024: 5.69) years.
The net effective discount rate is based on the relationship between the (yield curve based) discount rate for the relevant duration and the (yield curve based) salary inflation for the relevant duration.

Salary inflation

The underlying future rate of consumer price index inflation (CPI inflation) was derived from the point on the yield curve which matches the implied duration of the liability. The assumed rate of salary inflation was set as the calculated value of CPI plus 1%.

Mortality rates

Mortality before retirement has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry.

The current longevities underlying the values of the severance pay liability at the reporting date were as follows:

	Longevity (years) at age 65	Longevity (years) at age 60
Males	**11.2**	**15.3**
Females	**16.1**	**19.1**

22. EMPLOYEE BENEFIT PROVISIONS *(continued)*

The sensitivity of the severance pay obligation to changes in the weighted principal assumption is:

Discount rate	-1% discount rate		+1% discount rate	
	2025	2024	2025	2024
Severance pay obligation	**41,017**	45,339	**36,749**	40,963
Service cost	**1,556**	1,652	**1,367**	1,460
Interest cost	**3,374**	4,070	**3,736**	4,421

Normal salary inflation	-1% normal salary		+1% normal salary inflation	
	2025	2024	2025	2024
Severance pay obligation	**36,653**	40,867	**41,087**	45,407
Service cost	**1,362**	1,456	**1,559**	1,655
Interest cost	**3,364**	4,025	**3,787**	4,509

Mortality rate	-20% mortality rate		+20% mortality rate	
	2025	2024	2025	2024
Severance pay obligation	**37,050**	41,529	**40,488**	44,546
Service cost	**1,336**	1,444	**1,573**	1,654
Interest cost	**3,413**	4,107	**3,719**	4,405

The severance pay liability is 100% unfunded. No dedicated assets had been set aside to meet this liability in the future.

Risk exposure

The Group is exposed to a number of risks, the most significant of which are detailed below:

Discount rate

The cost of the long service awards is dependent on the rate at which the future benefit payments are discounted at. This discount rate therefore has a direct effect on the level of the liabilities.

Normal salary inflation

The cost of the long service awards is dependent on the increase in the annual salaries paid to employees. The rate at which salaries increase will thus have a direct effect on the liability.

Mortality rate

Deviations from the assumed level of mortality experience of the current employees will have a large impact on the actual cost to the Group. If the actual rate of mortality turns out higher than the rates assumed in the valuation basis, the cost to the Group will reduce and vice versa.

22. EMPLOYEE BENEFIT PROVISIONS *(continued)*

22.2.2 Movements in the net liability for defined benefit obligations recognised in the Group and Company statements of financial position

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Net liability for defined obligations as at 1 July	**43,051**	42,027	**43,051**	42,027
Interest cost	**4,258**	4,466	**4,258**	4,466
Current service costs	**1,550**	1,539	**1,550**	1,539
Benefits paid	**(8,970)**	(2,732)	**(8,970)**	(2,732)
Actuarial gain on obligation:	**-**	-	**-**	-
- Financial assumptions	**(378)**	(689)	**(378)**	(689)
- Gain from experience	**(727)**	(1,560)	**(727)**	(1,560)
Net liability for defined obligations as at 30 June	**38,784**	43,051	**38,784**	43,051

The main reasons for the actuarial gain can be attributed to the following factors:

Changes in economic variables – Over the past year interest rates, bond yields and inflation figures changed significantly; this caused the net effective discount rate to increase. The net result was a higher net effective discount rate than expected and hence an overall decrease in the liability of around N$377.5 thousand.

Changes in membership data and other smaller assumptions – Over the past year, there were some members who received retirement severance payments earlier than expected. This, together with other smaller experience items, resulted in a decrease in the liability of approximately N$726.6 thousand.

The impact of salary inflation over the course of the year did not have a material impact on the reserves, as the actual increase in average salary levels (6.41%) was very close to the expected salary inflation used in last year's valuation (6.38%). The impact of the difference in salary inflation is therefore included within the other smaller experience items noted above.

Expected maturity analysis of the severance pay liability:

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Within one year	**2,250**	6,075	**2,250**	6,075
Between 1 - 5 years	**12,434**	15,304	**12,434**	15,304
More than 5 years	**39,155**	21,673	**39,155**	21,673
Total	**53,839**	43,052	**53,839**	43,052

22. EMPLOYEE BENEFIT PROVISIONS *(continued)*

22.2.3 Expense recognised in the Group and Company statements of profit or loss

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Current service costs	**1,550**	1,539	**1,550**	1,539
Interest on obligation	**4,258**	4,466	**4,258**	4,466
	5,808	6,005	**5,808**	6,005

The expense is included in the administrative expenses in profit or loss

22.3 Actuarial loss/(gain) recognised in other comprehensive income

Remeasurements of post-retirement medical benefits - actuarial loss/(gain)	**(17,906)**	(15,428)	**(17,906)**	(15,428)

22.4 Actuarial gain recognised in profit or loss

Remeasurements of severance pay liability - actuarial gain	**(1,104)**	(2,249)	**(1,104)**	(2,249)

23. CAPITAL COMMITMENTS

Projects for Capital Expenditure

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Approved by Board of Directors	**12,896,305**	12,670,876	**12,896,305**	12,670,876
Less: Expenditure to 30 June	**(4,690,619)**	(3,238,570)	**(4,690,619)**	(3,238,570)
Amount still to be expended	**8,205,686**	9,432,306	**8,205,686**	9,432,306
Amounts contracted for year end	**325,599**	61,029	**325,599**	61,029
	325,599	61,029	**325,599**	61,029

The capital expenditure will be financed by internally generated funds and non-refundable capital contributions by customers, the Government of the Republic of Namibia and providers of debt.

The contractual commitments relate to property, plant and equipment.

24. NET FINANCING INCOME

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
Recognised in profit or loss	N$'000	N$'000	N$'000	N$'000
Interest income on:	**805,373**	864,539	**805,373**	864,539
- Financial assets at amortised cost	**566,551**	577,421	**566,551**	577,421
- Financial assets at fair value through profit or loss	**238,822**	287,118	**238,822**	287,118
Interest costs on:	**(23,988)**	(31,194)	**(23,988)**	(31,194)
- Financial liabilities at amortised cost	**(23,988)**	(31,194)	**(23,988)**	(31,194)
	781,385	833,345	**781,385**	833,345

25. REVENUE AND OTHER INCOME

The Group derives its revenue from Power Supply Agreements with customers for the consumption of electricity and other services over time and at a point in time. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (see note 34).

Disaggregation of revenue - Per performance obligation

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Revenue Comprises				
Over time				
- Sales of electricity	**4,948,739**	4,819,502	**4,948,739**	4,819,502
- Services	**37,160**	36,404	**37,160**	36,404
- SAPP market sales	**958,353**	695,156	**958,353**	695,156
- Transfer of assets from customers - Capital contributions by customers	**70,461**	75,551	**70,461**	75,551
- Maximum demand	**1,031,342**	1,050,133	**1,031,342**	1,050,133
- Network charges	**924,912**	902,430	**924,912**	902,430
- Reliability charges	**388,940**	372,860	**388,940**	372,860
- Losses charges	**484,566**	468,275	**484,566**	468,275
- Other	**261,172**	139,338	**261,172**	139,338
	9,105,645	8,559,649	**9,105,645**	8,559,649
Per customer type - Revenue Comprises				
Transmission customers				
- Sales of electricity	**4,443,240**	4,348,740	**4,443,240**	4,348,740
- Sales of electricity - prepaid	**46,362**	-	**46,362**	-
- Services	**15,339**	14,887	**15,339**	14,887
- Maximum demand	**837,613**	862,042	**837,613**	862,042
- Network charges	**924,912**	902,430	**924,912**	902,430
- Reliability charges	**388,940**	372,860	**388,940**	372,860
- Losses charges	**484,566**	468,275	**484,566**	468,275
- Other charges	**107,838**	97,283	**107,838**	97,283
- Transfer of assets from customers - Capital contributions by customers	**70,461**	75,551	**70,461**	75,551
	7,319,271	7,142,068	**7,319,271**	7,142,068
Distribution and MSB customers				
- Sales of electricity	**446,493**	459,494	**446,493**	459,494
- Sales of electricity - prepaid	**12,644**	11,268	**12,644**	11,268
- Services	**21,821**	21,517	**21,821**	21,517
- Maximum demand	**193,729**	188,091	**193,729**	188,091
- SAPP market sales	**958,353**	695,156	**958,353**	695,156
- Other charges	**153,334**	42,055	**153,334**	42,055
	1,786,374	1,417,581	**1,786,374**	1,417,581
	9,105,645	8,559,649	**9,105,645**	8,559,649

25. REVENUE AND OTHER INCOME *(continued)*

Units sold at cents/kWh and income derived from the monthly basic charge payable by all power users.
SAPP market sales: Electricity sales on the short-term energy market to other Southern African Power Pool (SAPP) utilities.
Contributions made by customers towards the costs to be incurred to make a power supply available to the customer.
As a practical expedient, the Group will not disclose the information as required by paragraph 120 of IFRS 15 for a performance obligation since either of the following conditions is met for all revenue streams except for capital contributions by customers:

a) the performance obligation is part of a contract that has an original expected duration of one year or less; or
b) the entity recognises revenue from the satisfaction of the performance obligation in accordance with paragraph B16 of IFRS 15.

Judgements

The Group acts as Principal in the arrangement whereby Eskom directly supplies electricity to customers on the banks of the Orange River. The Group is primarily responsible for fulfilling the contract for the supply of electricity to customers on the banks of the Orange River.
The key judgements are as follows:
Customers on the banks of the Orange River are customers of NamPower, therefore the Group can be seen as subcontracting Eskom to supply electricity to these customers on the Group's behalf.
The performance obligation for the supply of electricity lies with the Group.

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
Other income comprises of:	N$'000	N$'000	N$'000	N$'000
- Government grant and subsidies	**273,647**	222,866	**273,647**	222,866
- Other grant funding	**208**	5,654	**208**	5,654
- Fibre optic lease revenue	**20,206**	14,280	**20,206**	14,280
- Dividends received	**90**	1,118	**90**	1,118
- Gain on disposal of property, plant and equipment	**4,763**	15,357	**4,763**	15,357
- Rental income	**3,386**	3,203	**3,386**	3,203
- Sundry income	**39,157**	41,537	**39,157**	41,537
	341,457	304,015	**341,457**	304,015

** Items of other income previously disclosed under Note 26(a) – Profit Before Tax – have been reclassified and are now presented under Note 25 – Revenue and Other Income – to enhance the clarity of disclosures. Note 25 has been itemised to ensure compliance with IAS 1 by separately disclosing items that require individual presentation.*

Government grant comprises of N$ 17.3 million (2024: N$ 22.9 million) accrued in respect of generation assets and subsidies of N$256 million received from the Government for tariff support (2024: N$200 million – from the LRMC in respect of fuel cost of Van Eck and Anixas Power Stations).

Fibre optic lease revenue comprises revenue received from fibre optic leasing arrangements with reference to the service level agreements with the counterparties in respect of managed services and dark fibre leases.

Sundry income includes rent received, scrap sales and license renewal of electrical contractors.

26. PROFIT BEFORE TAXATION

* Profit before taxation is stated after charging/(crediting):

		CONSOLIDATED		COMPANY	
		2025	2024	2025	2024
		N$'000	N$'000	N$'000	N$'000
(a)	**Cost of Electricity**	**6,043,531**	4,879,859	**6,043,531**	4,879,859
	- Imports	**5,317,727**	4,257,500	**5,317,727**	4,257,500
	- Local	**181,378**	100,793	**181,378**	100,793
	- REFIT IPPs and Other IPPs	**544,425**	521,567	**544,425**	521,567
(b)	**Depreciation and amortisation**	**2,402,921**	1,851,365	**2,402,921**	1,851,365
(c)	**Movement in expected credit losses**	**(48,461)**	157,776	**(48,461)**	157,776
	- Loans and receivables	**4**	2	**4**	2
	- Investments	**1,381**	694	**1,381**	694
	- Trade receivables	**(49,847)**	157,080	**(49,847)**	157,080
(d)	**Employee cost**	**1,232,895**	1,216,389	**1,232,895**	1,216,389
	Salaries and wages	**1,103,079**	1,094,414	**1,103,079**	1,094,414
	Company contribution: Provident Fund	**129,816**	121,975	**129,816**	121,975
(e)	**Other expenses**	**472,796**	740,700	**472,796**	740,700
	Directors' emoluments paid by Company for services as directors	**7,392**	6,789	**7,392**	6,789
	- paid to non-executive directors	**2,152**	1,910	**2,152**	1,910
	- paid to executive directors	**5,240**	4,879	**5,240**	4,879
	Auditors' remuneration	**5,246**	3,522	**5,246**	3,522
	- audit services	**5,000**	3,457	**5,000**	3,457
	- other services	**246**	65	**246**	65
	Consultancy fees	**9,277**	19,995	**9,277**	19,995
	- managerial services	**3,275**	-	**3,275**	-
	- technical services	**2,082**	19,173	**2,082**	19,173
	- other professional services	**3,920**	822	**3,920**	822
	Maintenance and repairs	**244,837**	233,068	**244,837**	233,068
	Eskom 400kV Connection	**-**	247,630	**-**	247,630
	Travel and accommodation	**46,049**	36,362	**46,049**	36,362
	Municipal levies	**18,381**	17,558	**18,381**	17,558
	Social responsibility	**27,368**	24,351	**27,368**	24,351
	Insurance cost	**25,143**	22,487	**25,143**	22,487
	Sundry expenses	**7,237**	20,649	**7,237**	20,649
	Fines and penalties	**212**	14	**212**	14
	Post- Retirement Benefit	**53,517**	78,451	**53,517**	78,451
	Administrative expenses	**8,457**	9,805	**8,457**	9,805
	Fair value adjustment on investment properties	**4,372**	4,186	**4,372**	4,186
	Other expenses	**15,306**	15,833	**15,306**	15,833

** Items of other income previously disclosed under Note 26(a) – Profit Before Tax – have been reclassified and are now presented under Note 25 – Revenue and Other Income – to enhance the clarity of disclosures.*

26. PROFIT BEFORE TAXATION *(continued)*

Financial income and expenses - Recognised in profit or loss

		CONSOLIDATED		COMPANY	
		2025	2024	2025	2024
		N$'000	N$'000	N$'000	N$'000
(f)	**Net fair value and foreign exchange (gain)/loss on financial instruments**	**(616,235)**	(1,099,098)	**(616,235)**	(1,099,098)
	Foreign exchange loss on financial assets and liabilities	**129,022**	229,713	**129,022**	229,713
	IFRS 9 Fair value adjustments	**(745,257)**	(1,328,810)	**(745,257)**	(1,328,810)
	- Unrealised (gain)/loss on embedded derivative Power Purchase Agreement (PPA)	**(725,224)**	(1,331,119)	**(725,224)**	(1,331,119)
	- Fair value (profit)/loss on firm commitments	**(20,033)**	2,309	**(20,033)**	2,309

27. RELATED PARTIES

Identity of related parties
The Group has related party relationships with its subsidiaries (see note 7.1), associates (see note 7.2) and key management personnel. Key management personnel comprise directors and executive management.

The Government of the Republic of Namibia is the sole shareholder and ultimate controlling party.

Transactions with key management personnel
The key management personnel compensations are as follows:

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Short-term employee benefits	**21,013**	19,039	**21,013**	19,039
Post-retirement employment benefits	**1,208**	1,137	**1,208**	1,137
Other long-term employment benefits	**3,062**	3,371	**3,062**	3,371
	25,283	23,547	**25,283**	23,547

Total remuneration is included in 'staff costs' (see note 26)
Directors' emoluments are disclosed in note 26.

During the year the Company, in the ordinary course of business, entered into various sale and purchase transactions with its Shareholder, associates, fellow government owned entities and subsidiaries.

27. RELATED PARTIES *(continued)*

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Sales				
Investments				
Erongo RED (Pty) Ltd	**1,122,337**	1,083,489	**1,122,337**	1,083,489
- Electricity sales	**1,102,742**	1,071,293	**1,102,742**	1,071,293
- Service level agreement and technical support	**-**	35	**-**	35
- Capital contribution received	**8,422**	-	**8,422**	-
- Municipal services	**173**	124	**173**	124
- Guarantees received	**11,000**	11,000	**11,000**	11,000

** Alten Solar Power (Hardap) Pty Ltd was incorrectly disclosed as a related party in the prior year and has since been removed.*
Electricity sales amounting to N$2.3 million and electricity purchases amounting to N$125.7 million were erroneously disclosed as related party transactions in this regard.

Associates				
CENORED (Pty) Ltd	**585,742**	590,694	**585,742**	590,694
- Electricity sales	**585,742**	590,569	**585,742**	590,569
- Service level agreement and technical support	**-**	125	**-**	125
NORED Electricity (Pty) Ltd	**999,148**	971,487	**999,148**	971,487
- Electricity sales	**999,148**	971,405	**999,148**	971,405
- Rental income	**-**	57	**-**	57
- Service level agreement and technical support	**-**	25	**-**	25
Municipal services from related parties	**9,604**	4,018	**9,604**	4,018
- NORED Electricity (Pty) Ltd	**5,032**	3,323	**5,032**	3,323
- CENORED (Pty) Ltd	**4,572**	695	**4,572**	695

Fellow government owned entities
The individually significant sales transactions with fellow government owned entities are listed below:

Electricity Sales	**2,307,108**	2,274,003	**2,307,108**	2,274,002
- Namibia Water Corporation	**178,903**	158,542	**178,903**	158,542
- City of Windhoek	**1,751,479**	1,747,953	**1,751,479**	1,747,953
- Namdeb Diamond Corporation (Pty) Ltd	**245,298**	236,441	**245,298**	236,441
- Rehoboth Municipality	**75,893**	73,608	**75,893**	73,608
- Mariental Municipality	**55,535**	57,459	**55,535**	57,459

27. RELATED PARTIES *(continued)*

Related party balances from electricity sales and other purchases
Due from / (due to)

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Investments	**119,429**	106,581	**119,429**	106,580
- Erongo RED (Pty) Ltd	**119,454**	106,591	**119,454**	106,591
- Erongo RED (Pty) Ltd	**(25)**	(10)	**(25)**	(10)
Associates	**231,654**	383,534	**231,654**	383,534
- CENORED (Pty) Ltd	**53,643**	61,585	**53,643**	61,585
- CENORED (Pty) Ltd	**(3,940)**	(51)	**(3,940)**	(51)
- NORED Electricity (Pty) Ltd	**182,463**	322,449	**182,463**	322,449
- NORED Electricity (Pty) Ltd	**(512)**	(449)	**(512)**	(449)
Fellow government owned entities	**708,133**	652,860	**708,133**	652,860
- Namdeb Diamond Corporation (Pty) Ltd	**29,470**	31,429	**29,470**	31,429
- City of Windhoek	**182,398**	175,656	**182,398**	175,656
- Namibia Water Corporation (Pty) Ltd	**61,527**	51,386	**61,527**	51,386
- Rehoboth Municipality	**218,838**	222,719	**218,838**	222,719
- Mariental Municipality	**215,900**	171,670	**215,900**	171,670
Guarantees received	**43,877**	41,316	**43,877**	41,316
- CENORED (Pty) Ltd	**3,029**	2,849	**3,029**	2,849
- NORED Electricity (Pty) Ltd	**6,205**	6,205	**6,205**	6,205
- Namdeb Diamond Corporation (Pty) Ltd	**4,041**	4,041	**4,041**	4,041
- Namibia Water Corporation (Pty) Ltd	**28,241**	28,221	**28,241**	28,221
- Rehoboth Municipality	**2,361**	-	**2,361**	-

For terms and conditions relating to balances from electricity sales and other purchases, refer to note 3 (g) and note 3 (h) of the accounting policies.

28. NAMPOWER PROVIDENT FUND

Retirement benefits

The policy of the Group is to provide retirement benefits for its employees.

The NamPower Provident Fund is a defined contribution fund governed by the Pension Fund Act and is for all its employees except for those who do not qualify in terms of the rules of the fund. Of the employees, 97% are members of the fund. The fund is administered by RFS Fund Administrators (Pty) Ltd and is valued annually. The last valuation of the fund was performed as at 30 June 2024, which indicated that the fund is in a sound financial position.

Contributions to the fund are based on a percentage of salaries and are expensed in the period in which they are paid. The Company's contribution to the Fund amounted to N$130 million (2024: N$122 million).

The Company's contribution paid to the Fund for the key management amounted to N$3.1 million (2024: N$3.4 million).

29. FINANCIAL INSTRUMENTS

Classes and categories of financial instruments and their fair values
The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

29. FINANCIAL INSTRUMENTS *(continued)*

The fair values of the financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

29.1 Consolidated and Company

		Carrying value								
		Financial assets					Financial liabilities			
	Reference notes	FVTPL – designated	FVTPL – mandatorily measured	FVTOCI	FVTOCI – designated	Amortised cost	FVTPL – designated	FVTPL – mandatorily measured	Amortised cost	Total
2025										
in thousands of Namibia Dollar										
Financial assets										
Listed equity	11	-	-	-	2,239	-	-	-	-	2,239
Collective investment schemes	11	-	1,998,277	-	-	-	-	-	-	1,998,277
Derivative financial assets	21.1	-	683,576	-	-	-	-	-	-	683,576
Loans and receivables	10	-	-	-	-	25,254	-	-	-	25,254
Inflation linked bonds	11	-	-	-	123,751	-	-	-	-	123,751
Unlisted equity	11	-	-	-	60,761	-	-	-	-	60,761
Debt instruments	11	-	-	-	-	738,292	-	-	-	738,292
Fixed deposits	11	-	-	-	-	3,701,781	-	-	-	3,701,781
Treasury bills	11	-	-	-	-	-	-	-	-	-
Money market funds	11	-	1,074,313	-	-	-	-	-	-	1,074,313
Cash and cash equivalents	14	-	-	-	-	2,778,901	-	-	-	2,778,901
Trade and other receivables[1]	13	-	-	-	-	1,428,730	-	-	-	1,428,730
		-	3,756,166	-	186,751	8,672,958	-	-	-	12,615,875
Financial liabilities										
Derivative financial liabilities	21.2	-	-	-	-	-	-	(41,655)	-	(41,655)
Interest bearing loans and borrowings	17	-	-	-	-	-	-	-	(1,012,826)	(1,012,826)
Trade and other payables[2]	20.1	-	-	-	-	-	-	-	(1,576,263)	(1,576,263)
Non-current retention creditors	20.4	-	-	-	-	-	-	-	(76,982)	(76,982)
		-	-	-	-	-	-	(41,655)	(2,666,070)	(2,707,725)

Financial instruments at amortised cost approximate fair value as the terms of the instruments are either short term or market related, excluding loans and receivables. As such, the related fair values have not been disclosed in accordance with the IFRS 7. 29 (a) exemption. The fair value of the loans and receivables are disclosed in note 10.

There have been no transfers between the fair value hierarchy levels (2024: no transfers).

[1] *Project and other advances and prepayments of N$819.5 million (2024: N$169.6 million) that are not financial assets are not included.*
[2] *Accrued expenses of N$372.1 million (2024: N$348.3 million) that are not financial liabilities are not included.*

The table above analyses financial instruments carried at fair value as the amounts are a reasonable approximation of fair value.

Fair value			
Level			
1	2	3	Total
2,239	-	-	2,239
-	-	1,998,277	1,998,277
-	-	683,576	683,576
-	-	-	-
-	54,853	-	54,853
-	-	60,761	60,761
-	-	-	-
-	-	-	-
-	-	-	-
-	1,074,313	-	1,074,313
-	-	-	-
-	-	-	-
2,239	1,129,166	2,742,614	3,874,019
-	(15,651)	(26,004)	(41,655)
-	-	-	-
-	-	-	-
-	-	-	-
-	(15,651)	(26,004)	(41,655)

29. FINANCIAL INSTRUMENTS *(continued)*

29.1 Consolidated and Company *(continued)*

Carrying value

		Financial assets					Financial liabilities				
	Reference notes	FVTPL – designated	FVTPL – mandatorily measured	FVTOCI	FVTOCI – designated	Amortised cost	FVTPL – designated	FVTPL – mandatorily measured	Amortised cost	Total	
2024											
in thousands of Namibia Dollar											
Financial assets											
Listed equity	11	-	-	-	2,043	-	-	-	-	2,043	
Collective investment schemes	11	-	1,787,612	-	-	-	-	-	-	1,787,612	
Derivative financial assets **	21.1	-	204,195	-	-	-	-	-	-	204,195	
Loans and receivables	10	-	-	-	-	22,818	-	-	-	22,818	
Inflation linked bonds	11	-	-	-	88,916	-	-	-	-	88,916	
Unlisted equity	11	-	-	-	134,940	-	-	-	-	134,940	
Debt instruments	11	-	-	-	-	1,072,292	-	-	-	1,072,292	
Fixed deposits	11	-	-	-	-	3,062,483	-	-	-	3,062,483	
Treasury bills	11	-	-	-	-	71,854	-	-	-	71,854	
Money market funds	11	-	1,800,146	-	-	-	-	-	-	1,800,146	
Cash and cash equivalents	14	-	-	-	-	2,218,641	-	-	-	2,218,641	
Trade and other receivables[1]	13	-	-	-	-	1,103,156	-	-	-	1,103,156	
		-	**3,791,953**	**-**	**225,899**	**7,551,244**	**-**	**-**	**-**	**11,569,096**	
Financial liabilities											
Derivative financial liabilities **	21.2	-	-	-	-	-	-	(266,519)	-	(266,519)	
Interest bearing loans and borrowings	17	-	-	-	-	-	-	-	(345,829)	(345,829)	
Trade and other payables[2] *	20.1	-	-	-	-	-	-	-	(1,018,221)	(1,018,221)	
Non-current retention creditors	20.4	-	-	-	-	-	-	-	(139,167)	(139,167)	
		-	**-**	**-**	**-**	**-**	**-**	**(266,519)**	**(1,503,217)**	**(1,769,736)**	

** Certain amounts disclosed here do not correspond to the 2024 financial statements due to a classification error and reflect corrections made. Rrefer to note 31.*
*** Certain amounts disclosed here do not correspond to the 2024 financial statements due to a classification error relating to fair value hierarchies and reflect corrections made.*

Financial instruments at amortised cost approximate fair value as the terms of the instruments are either short term or market related excluding loans and receivables. As such, the related fair values have not been disclosed in accordance with the IFRS 7. 29 (a) exemption. The fair value of the loans and receivables are disclosed in note 10.

There have been no transfers between the fair value hierarchy levels (2023: no transfers).

The table above analyses financial instruments carried at fair value as the amounts are a reasonable approximation of fair value.

[1] Project and other advances and prepayments of N$169.6 million (2023: N$479.9 million) that are not financial assets are not included.
[2] Accrued expenses of N$348.3 million (2023: N$161.3 million) that are not financial liabilities are not included.

Fair value			
Level			
1	2	3	Total
2,043	-	-	2,043
-	1,787,612	-	1,787,612
-	-	204,195	204,195
-	-	-	-
-	86,734	-	86,734
-	-	134,940	134,940
-	-	-	-
-	-	-	-
-	-	-	-
-	1,800,146	-	1,800,146
-	-	-	-
-	-	-	-
2,043	**3,674,492**	**339,135**	**4,015,670**
-	(14,706)	(251,813)	(266,519)
-	-	-	-
-	-	-	-
-	-	-	-
-	**(14,706)**	**(251,813)**	**(266,519)**

29. FINANCIAL INSTRUMENTS *(continued)*

A reconciliation has been performed for fair value measurements in Level 3 of the fair value hierarchy as follows:	CONSOLIDATED AND COMPANY	
	2025	2024
	N$'000	N$'000
Embedded derivative assets		
Carrying value at beginning of the year	**204,151**	-
Net fair value unrealised loss on embedded derivatives recognised in profit or loss	**479,425**	204,151
Carrying value at end of the year	**683,576**	204,151
Embedded derivative liabilities		
Carrying value at beginning of the year	**251,813**	1,378,782
Net fair value unrealised loss on embedded derivatives recognised in profit or loss	**(245,798)**	(1,126,969)
Carrying value at end of the year	**6,015**	251,813
Unlisted equity		
Carrying value at beginning of the year	**134,940**	57,771
Net fair value gain on unlisted equities through OCI	**(74,179)**	77,169
Carrying value at end of the year	**60,761**	134,940

Refer to note 29.6.3 and note 11 for a sensitivity analysis disclosing the effect of fair value changes that would result if one or more of the inputs were to change.

29. FINANCIAL INSTRUMENTS *(continued)*

The following table gives information about how the fair values of the financial assets and financial liabilities categorised into Level 2 and Level 3 of the fair value hierarchy were determined:

Financial assets/financial liabilities	Fair value hierarchy	Valuation technique(s) and key input(s)	Relationship of unobservable inputs to fair value
Collective investment schemes	Level 2	The valuation model is based on the Net Asset Values (NAV) of the individual funds as quoted in the active markets. i.e. quoted prices.	Not applicable
Money market funds	Level 2	The valuation model is based on the interest rates as quoted in the active markets of the individual funds as derived from the fair market values and interest rates of the underlying instruments within the funds. i.e. quoted interest rates.	Not applicable
Derivative financial assets and derivative financial liabilities	Level 2 & Level 3	Discounted cash flow: The valuation model considers the present value of expected future cash flows discounted using a risk adjusted discount rate for both ZAR and USD. The expected cash flows are determined by considering the possible scenario of forecast revenue. i.e. interest rates, inflation rates and exchange rates.	The estimated fair value of the purchase agreements will increase/(decrease) with an indirect correlation of the above-mentioned sensitivities, while there is a direct correlation in the fair value of the sales agreement with an increase/(decrease) of the sensitivities.
Inflation link bonds	Level 2	The valuation model considers the rate of inflation to adjust the fixed income security.	Not applicable
Unlisted equity	Level 3	Discounted cash flow method: This approach utilises forecasts and budgets prepared by management.	A significant increase in the revenues would result in a significant increase in fair value, and vice versa. A significant increase in the expenses would result in a significant decrease in fair value, and vice versa. The higher the cost of equity, the lower the fair value and vice versa. The higher the small stock premium, the higher the cost of equity and consequently the lower the fair value and vice versa. The higher the specific risk premium, the higher the cost of equity and consequently the lower the fair value and vice versa.

The fair values are based on current market movements at year end.

29. FINANCIAL INSTRUMENTS *(continued)*

29.2 Financial risk management

Overview

The Group and Company have exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group and Company's management of capital. Further quantitative disclosures are included throughout the Group and Company financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established an Audit and Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's Risk Management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit and Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit and Risk Management Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Management Committee.

29.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Counterparty risk is the risk that a counterparty is unable to meet its financial and/or contractual obligations during the period of a transaction. Delivery or settlement risk is the risk that a counterparty does not deliver on its contractual commitment on maturity date (including the settlement of money and delivery of securities).

The recoverability of a financial asset which is neither past due nor impaired is assessed, taking into account its financial position, past experience and other factors. The Group believes that the amounts of instruments held at 30 June 2025 are still recoverable.

The carrying amount of financial assets represents the maximum credit exposure. The potential concentration of credit risk consists mainly of loans and receivables, trade and other receivables and the investment portfolio.

29.3.1 Management of credit risk

Financial instruments are managed by the treasury function. Processes are in place to identify, measure, monitor, control and report credit risk. The objective of NamPower's credit risk management framework is firstly to protect cash and investments and, secondly, to protect and maximise the rate of return of financial market instruments.

Responsibility and governance

The Asset and Liability Committee (ALCO), manages counterparty credit risk which arises from the treasury activities in the financial markets. This committee is chaired by the Managing Director and reports on a quarterly basis to the Investment Committee. The activities of the ALCO committee are guided by the terms of reference that are updated and approved by the Investment Committee.

The terms of reference set out the minimum acceptable standards to be adhered to by those responsible for credit-related transactions within the treasury section. The terms of reference are aligned to the Exco credit risk governance standards and are supplemented by appropriate policies and procedures.

The ALCO committee:

- assesses the credit quality of counterparties and types of instruments used;
- recommends credit limits to the Investment Committee;
- ensures that transactions with counterparties are supported by trading agreements, where applicable; and
- approves methodologies used for the management of counterparty exposure.

29. FINANCIAL INSTRUMENTS *(continued)*

The management of credit risk is governed by the following policies:

Trading in financial instruments is conducted and entered into with selected counterparties after credit limits have been authorised. Individual risk limits are set based on internal and external ratings in line with limits set by the Board. All credit limits are approved by the Investment Committee. The use of credit limits is regularly monitored.

Minimum credit-rating requirements for financial institutions are maintained to assess the risk categories by rating class and to ascertain the probability of default inherent in each rating class. Approved concentration risk parameters are in place.

Concentration of credit risk is managed by setting credit risk limits at a counterparty-specific level. Concentration credit risk limits are used as second tier limits in relation to counterparty credit limits.

There has been no change to the manner in which the Group's credit risks are managed and measured.

29.4. Exposure to credit risk

The Group limits its counterparty exposures from its loans and receivables, trade and other receivables and investment portfolio by only dealing with individuals and corporate entities of a high-quality credit standing. Therefore, management does not expect any counterparty to fail to meet its obligations.

The maximum exposure to credit risk at the reporting date was:

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
Inflation linked bonds	**123,751**	88,916	**123,751**	88,916
Unlisted equity	**60,761**	134,940	**60,761**	134,940
Listed equity: Sanlam shares	**2,239**	2,043	**2,239**	2,043
Collective investment schemes	**1,998,277**	1,787,612	**1,998,277**	1,787,612
Debt instruments	**738,292**	1,072,292	**738,292**	1,072,292
Fixed deposits	**3,701,781**	3,062,483	**3,701,781**	3,062,483
Treasury bills	**-**	71,854	**-**	71,854
Money market funds	**1,074,313**	1,800,146	**1,074,313**	1,800,146
Loans receivables	**25,298**	22,818	**25,298**	22,818
Trade and other receivables	**1,428,730**	1,103,156	**1,428,730**	1,103,156
Cash and cash equivalents	**2,778,901**	2,218,641	**2,778,901**	2,218,641
Forward exchange contract assets and firm commitments	**-**	44	**-**	44
	11,932,343	11,364,945	**11,932,343**	11,364,945

29. FINANCIAL INSTRUMENTS *(continued)*

The tables below detail the credit quality of the Group's financial assets:

Company internal credit rating as at 30 June 2025	External credit rating	12-month or lifetime	Expected credit loss rate	Gross carrying amount
				N$'000
High	AAA	12-months ECL	0.000%	-
	AA	12-months ECL	0.000%	2,239
	AA	-	0.000%	-
	A	12-months ECL	0.011%	2,523,451
Moderate	BB	12-months ECL	0.042%	371,350
	B	12-months ECL	0.643%	7,520,515
	N/A	12-months ECL	0.154%	25,298
	N/A	N/A	0.000%	60,761
Low	CCC	-	-	-
	CC	-	-	-
	C	-	-	-
Credit Impaired	D	-	-	-
Not rated	N/A	N/A	N/A	1,428,730
				11,932,343

Company internal credit rating as at 30 June 2024	External credit rating	12-month or lifetime	Expected credit loss rate	Gross carrying amount
			N$'000	N$'000
High	AAA	12-months ECL	0.000%	2,043
	AA	12-months ECL	0.000%	-
	AA	-	0.000%	-
	A	12-months ECL	0.011%	2,594,416
Moderate	BB	12-month ECL	0.044%	721,184
	B	12-month ECL	0.650%	6,786,344
	N/A	N/A	0.159%	22,857
	N/A	N/A	0.000%	134,984
Low	CCC	-	-	-
	CC	-	-	-
	C	-	-	-
Credit Impaired	D	-	-	-
				10,261,828

* Refer to note 13 for the trade receivables risk profile disclosure.

29. FINANCIAL INSTRUMENTS *(continued)*

29.4.1 Guarantees

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. As at 30 June 2025, no guarantee was outstanding.

NamPower employee home loans

Suretyship for N$54.2 million (2024: N$54.2 million) to four local banks (Bank Windhoek Limited, First National Bank Namibia and Standard Bank Namibia) TT Portfolio Investments for all employees who are on the Company's housing scheme and have attained financing from the aforementioned financial institutions. The Group collects the monthly instalments of the employee home loans and settles it directly with the financial institutions. Such suretyship is limited to the original loan amount attained by each employee and excludes any additional financing for improvements or upgrades. The Group assesses the risk of the suretyship annually.

The financial guarantee is insignificant.

29.4.2 Trade and other receivables

(a) Trade receivables

Credit risk with respect to trade and other receivables is high due to the large number of customers comprising the Group's customer base and their spread across different industries and geographical areas. The main classes of electricity receivables are cross border, large power users and small power users. Key large power users comprise mainly Namibian municipalities, town councils, village councils, regional councils, mining customers and regional electricity distributors (REDs).

The Audit and Risk Management Committee has established a credit policy under which each electricity customer's payment terms and conditions are offered.

The Group requires a security deposit equivalent to three (3) months estimated consumption in respect of all new customers before they are energised and the electricity is supplied, with an exception to the Regional Distributors, Local Authorities, Regional Councils, Government Departments, Namibia Water Corporation transmission supply points and transmission customers on whose premises a prepayment meter has been installed, whereby they have to provide a security deposit to cover the fixed charges for three (3) months.

Electricity supply agreements are entered into with cross border customers which comprise utility companies of neighbouring countries. These customers are required to provide a security deposit equivalent to the value of three month's estimated consumption.

The level of security is reviewed when a customer defaults on their payment obligation or requires additional electricity supply capacity, in which case they are required to either provide security or increase their existing security to an amount equivalent to three months of estimated future consumption before supply will commence.

Customer account balances are adjusted to reflect the value of any security deposits held for the purpose of estimating the expected credit losses.

Payment terms vary between customer classes as per the Group's credit policy. Interest is charged at a market related rate on balances in arrears.

The Group has well-established credit control procedures that monitor activity on customer accounts and allow for remedial action should the customer not comply with payment terms. These procedures include an internal collection process, follow up with the customer either telephonically or in person, negotiations of mutually acceptable payment arrangements and the issue of letters of demand and notice of disconnection of supply.

The Group writes off a trade receivable when there is no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. Progress on the collection process is reviewed on a regular basis and if it is evident that the amount will not be recovered, it is recommended for write-off in terms of the Group's policy and delegation of authority. The process of recovery continues unless it is confirmed that there is no prospect of recovery or the costs of such action will exceed the benefits to be derived. Amounts written off are determined after taking into account the value of the security held. Trade receivables written off at 30 June 2025 amounted to N$25.2 million (2024: Nil). The Group continues to actively pursue recovery of the outstanding amounts.

The total cumulative expected credit losses for electricity receivables at 30 June 2025 was N$760.4 million (2024: N$835.4 million) (refer to note 29.4.3). The enhancement of credit control strategies and monitoring of payment levels of all trade receivables continues to receive management attention.

29. FINANCIAL INSTRUMENTS *(continued)*

The maximum exposure to credit risk for trade receivables at the reporting date by geographic area:

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
	Carrying amount	Carrying amount	Carrying amount	Carrying amount
Domestic - Namibia	**1,223,769**	1,031,257	**1,223,769**	1,031,257
Regional Exports/Cross border customers	**204,961**	71,899	**204,961**	71,899
	1,428,730	1,103,156	**1,428,730**	1,103,156
***The maximum exposure to credit risk for trade and other receivables at the reporting date by customer category was:**				
Category A	**895,247**	815,555	**895,247**	815,555
Category B	**204,961**	67,059	**204,961**	67,059
Category C	**50,354**	58,068	**50,354**	58,068
Category D	**82,166**	87,513	**82,166**	87,513
Category E	**196,002**	74,962	**196,002**	74,962
	1,428,730	1,103,156	**1,428,730**	1,103,156
***Concentration of credit risk that arises from the Group's receivables in relation to categories of the customers by percentage of total receivables from customers is:**				
	%	%	**%**	%
Category A	**63**	74	**63**	74
Category B	**14**	6	**14**	6
Category C	**4**	5	**4**	5
Category D	**6**	8	**6**	8
Category E	**14**	7	**14**	7
	100	100	**100**	100

** The maximum exposure to credit risk for trade and other receivables, previously categorised by customer type, has been revised to align with the internal customer categorisation for consistency. Refer to Note 13 for details of the categories.*

29. FINANCIAL INSTRUMENTS *(continued)*

	CONSOLIDATED AND COMPANY	
	2025	2024
	N$'000	N$'000
	Carrying amount	Carrying amount
Security relating to trade receivables		
The security held against trade receivables for the Group and Company comprises bank guarantees and cash deposits. The estimate of the fair value of the security is:		
(a) Cash deposits		
Electricity receivables security deposit - Cash		
Category A	**14,650**	8,415
Category B	**771**	756
Category C	**27,751**	26,807
Category D	**11,457**	11,023
	54,629	47,001
(b) Bank Guarantees		
Category A	**442,130**	393,211
Category B	**35**	35
Category C	**49,353**	45,202
Category D	**24,652**	24,411
Guarantees - Eskom	**908**	908
	517,078	463,767

29.4.3 Expected credit losses

	2025	2025	2024	2024
	N$'000	N$'000	N$'000	N$'000
	Gross	Expected credit losses	Gross	Expected credit losses
CONSOLIDATED AND COMPANY				
Not past due	**990,864**	36,042	**835,499**	53,855
30 days past due	**168,123**	39,825	**54,450**	23,228
60 days past due	**109,077**	20,856	**72,772**	27,150
90 days past due	**921,028**	663,639	**975,840**	731,171
	2,189,092	760,362	**1,938,561**	835,404

Refer to note 13 for a reconciliation of the expected credit losses for the trade receivables.

29. FINANCIAL INSTRUMENTS *(continued)*

Expected credit losses of N$46.7 million (2024: N$38.5 million) relate to Rede Nacional De Transporte De Electricidade (RNT), the Angolan electricity distributor. Rede Nacional De Transporte De Electricidade (RNT), the Angolan electricity transmitter, Category B continues to fall into arrears during the financial year under review as a result of the adverse market conditions in Angola.

Expected credit losses of N$537.4 million (2024: N$454.9 million) relates to the Municipality of Rehoboth, Municipality of Mariental, Municipality of Gobabis, Karasburg Town Council, Lüderitz Town Council, Aranos Town Council and Maltahöhe Village Council. These municipalities and town councils continue to fall into arrears during the financial year under review. These municipalities and town council accounts are monitored on an ongoing basis and remain a high priority focus area. The Group has entered into payment arrangements with the REDs, municipalities and town councils and work closely with the stakeholders to resolve the challenges that have given rise to these REDs, municipalities' and town councils' debt. To curb the debt from escalating, NamPower implemented the pre-payment system on the Bulk power supply metering. Rehoboth Town Council was moved from post-paid to the new prepayment system effective 01 May 2024.

The expected credit loss related to the Northern Regional Electricity Distribution (Pty) Ltd (NORED) decreased significantly from N$192.9 million in 2024 to N$16.7 million in 2025, primarily due to the settlement of the arrears during the year. This materially contributed to the reversal of expected credit loss in the current financial period.

The remainder of the movement in expected credit losses at 30 June 2025 is attributable to the general increase in trade and other receivables.

Valuation assumptions

The Group assesses its trade and other receivables' probability of default and loss given default at each balance sheet date, based on historical data using a provision matrix for Category A to D customers and loss rate approach for Category E customers.

The Group applies the simplified approach in measuring the loss allowance which uses a lifetime expected loss allowance. The Group recognises an impairment gain or loss in profit or loss for its trade and other receivables with a corresponding adjustment to other comprehensive income.

29.4.4 Impairment of financial assets

For the purposes of impairment assessment:

- Cash and cash equivalents are considered to have low probability of default as the counterparties to these investments have an Investment grade rating.
- Loans receivables are considered to have low probability of default. Alten is considered low risk as NamPower signed a power purchase agreement with the company.
- The bonds, fixed deposits, treasury bills and money markets are considered to have low probability of default as the counterparties to these investments have an Investment grade rating.

Accordingly, for the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the expected credit losses for these assets, the Group assessed the exposure at default for each individual asset and applied a loss given default rate based on the Basel Framework. The probability of default for the financial institutions was derived from the Standard and Poor's (S&P) Annual Global Corporate Default and Rating Transition Study, while that for Namibia was obtained from the S&P Annual Sovereign Default and Rating Transition Study. This is following publicly available credit ratings of the various institutions that were obtained from the Bloomberg Financial Services software. For the loans receivables, the probability of default and loss given default of the Republic of Namibia was used. The Directors found the use of publicly available data to be fair and accurate as this is objective and easily verifiable.

Furthermore, the Group considered forward-looking information on macro-economic factors, by calibrating the probability of default on annual historical inflation and GDP growth rates using regression analysis. There are no statistically significant relationships between the macro-economic factors and the probability of default, and accordingly the default rates are not adjusted for forward-looking information.

There has been no change to the Group's estimation techniques or significant assumptions during the current reporting period in assessing the loss allowance for these financial assets.

29. FINANCIAL INSTRUMENTS *(continued)*

The following table shows the movement in expected credit losses that has been recognised for the respective financial assets:

	12-month expected credit losses						
	Stage 1						
	Bonds	Fixed deposits	Money market funds	Treasury bills	Subtotal	Alten Solar Power (Hardap) Pty Ltd	Total
	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000
Balance as at 1 July 2023	**2,505**	**2,570**	**212**	**70**	**5,357**	**37**	**5,394**
Increase in loss allowance arising from new financial assets recognised in the year	-	2,305	725	6	3,036	3	3,039
Decrease in loss allowance arising from derecognition of new financial assets in the year	(229)	(1,627)	(483)	(2)	(2,341)	-	(2,341)
Balance as at 30 June 2024	**2,276**	**3,248**	**454**	**74**	**6,052**	**40**	**6,092**
Increase in loss allowance arising from new financial assets recognised in the year	**-**	2,242	-	-	2,242	4	2,246
Decrease in loss allowance arising from derecognition of new financial assets in the year	(333)	-	(454)	(74)	(861)	-	(861)
Balance as at 30 June 2025	**1,943**	**5,490**	**-**	**-**	**7,433**	**44**	**7,477**

29.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The management of liquidity and funding risk is vested with the treasury section in accordance with practices and limits set by EXCO and the Board. The Group's liquidity and funding management process includes:

- projected cash flows and considering the cash required by the Group and optimising the short-term liquidity;
- monitoring financial liquidity ratios;
- maintaining a diverse range of funding sources with adequate back-up facilities, managing the concentration and profile of debt maturities and
- maintaining liquidity and funding contingency plans.

There has been no change to the Group's exposure to liquidity risks or the manner in which these risks are managed and measured.

29. FINANCIAL INSTRUMENTS *(continued)*

29.5.1 Contractual Cash Flows

The tables below indicate the contractual undiscounted cash flows of the Group and Company's financial liabilities on the basis of their earliest possible contractual maturity. The cash flows of the Group's and Company's financial liabilities are indicated on a gross undiscounted basis. The cash flows for derivatives are presented as net cash flows.

	Carrying amount	Total contractual cash flows	Less than 6 months	6 - 12 months	Contractual cash flows 1 - 5 years	Contractual cash flows 5 years and more
	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000
2025						
Consolidated and Company						
Non-derivative financial liabilities						
Secured long term loans:						
- ZAR denominated loans	**(259,934)**	**(1,488,139)**	**(81,046)**	**(78,651)**	**(690,358)**	**(638,084)**
- NAD denominated loans	**-**	**-**	**-**	**-**	**-**	**-**
Non-current retention creditors	**(76,982)**	**(76,982)**	**-**	**-**	**(76,982)**	**-**
Trade and other payables	**(1,576,262)**	**(1,576,262)**	**-**	**(1,576,262)**	**-**	**-**
Derivative financial liabilities						
Forward exchange contracts	**(15,651)**	**(15,651)**	**(19,171)**	**3,520**	**-**	**-**
Firm commitments	**-**	**-**	**-**	**-**	**-**	**-**
Embedded derivative - Power Purchase Agreement (PPA)	**(6,015)**	**(7,007)**	**(3,527)**	**(1,567)**	**(1,913)**	**-**
2024						
Non-derivative financial liabilities						
Secured long term loans:						
- ZAR denominated loans	(345,828)	(408,080)	(56,886)	(54,901)	(284,792)	(11,501)
- NAD denominated loans	-	-	-	-	-	-
Non-current retention creditors	(139,170)	(139,170)	-	-	(139,170)	-
Trade and other payables	(1,018,226)	(1,018,226)	-	(1,018,226)	-	-
Derivative financial liabilities						
Forward exchange contracts	(14,706)	(14,706)	(16,276)	1,570	-	-
Firm commitments	-	-	-	-	-	-
Embedded derivative - Power Purchase Agreement (PPA)	(251,813)	(281,847)	(41,601)	(36,032)	(204,214)	-

29. FINANCIAL INSTRUMENTS *(continued)*

29.5.2 Derivative financial instruments

Derivative financial instruments are used as a means of reducing exposure to fluctuations in foreign exchange rates. Whilst these financial instruments are subject to the risk of market rates changing subsequent to acquisition, such changes would generally be offset by opposite effects on the items being hedged.

Valuation assumptions

The fair value of forward exchange contracts is their quoted market price at the reporting date, being the present value of the quoted forward price.

The fair value of forward exchange contracts is based on their quoted price, if available. If a quoted price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The principal or contract amounts of derivative financial instruments were:

	CONSOLIDATED AND COMPANY	
	2025	2024
	N$'000	N$'000
Forward exchange contracts	**970,503**	1,546,059
	970,503	1,546,059

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

29.5.3 Primary sources of funding and unused facilities

The primary sources to meet the Group's liquidity requirements are revenue, cash inflows from maturing financial assets, funds committed by shareholder, Government of Republic of Namibia, local debt issued in the market as well as foreign debt. To supplement these liquidity sources under stress conditions, banking facilities with commercial banks are in place as indicated below:

	2025	2024
	N$'000	N$'000
General banking facilities	**406,592**	224,592
	406,592	224,592

29. FINANCIAL INSTRUMENTS *(continued)*

The Group holds the following pre-approved facilities at various financial institutions to facilitate the operations:

	CONSOLIDATED AND COMPANY	
	2025	2024
	N$'000	N$'000
SB VAF fleet cards	**2,500**	2,000
FEC	**-**	-
Derivative	**545,500**	350,000
	548,000	352,000

29.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

A significant part of the market risk encountered arises from financial instruments and equity that are managed within the treasury function of the Company or from contracts containing embedded derivatives.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

Financial instruments managed by the treasury function

The treasury section is responsible for managing market risk within the risk management framework approved by Exco and the Board. The overall authority for the management of market risks within the treasury section is vested in the Asset and Liability Committee (ALCO) which reports quarterly to the Investment Committee and the Audit and Risk Management Committee.

Embedded derivatives

The Company entered into a number of agreements for the purchase and supply of electricity, where the revenue or expenditure from these contracts is based on foreign currency rates (mainly USD) or foreign production price indices. This gives rise to embedded derivatives that require separation as a result of the different characteristics of the embedded derivative and the host contract. The contractual periods vary from 3 years up to a maximum of 10 years. Certain of these contracts are currently being renegotiated.

The net impact on profit or loss of changes in the fair value of the embedded derivatives for the Group and Company is a fair value gain of N$725 million (2024: N$1.3 billion gain). The net embedded derivative asset at 30 June 2025 was N$678 million (2024: N$48 million liability) for the Group and Company.

The valuation methods and inputs are discussed in note 4. Risks arising from these contracts are discussed under the relevant risk areas as follows:

- interest rate risk (refer to note 29.6.1)
- currency risk (refer to note 29.6.2)
- other price risk (refer to note 29.6.3)

Electricity purchases and sales contracts that contain embedded derivatives are considered for economic hedging. Economic hedging in respect of foreign currency exposure resulting from these embedded derivatives takes place on a short-term basis.

29.6.1 Interest rate risk

Interest rate risk is the risk that the Group's financial position may be adversely affected as a result of changes in interest rate levels, yield curves and spreads.

The Group's interest rate risk arises mainly from long-term borrowings and other financial assets. Long-term borrowings and debt securities are issued at both fixed rates and floating rates and expose the Group to fair value interest rate risk. The Group entered into new loan agreements and interest rates for two of these loans will only be confirmed at the drawdown dates. Drawdown dates are determined according to project implementation progress and loan drawdown conditions.

The Group generally adopts a policy that its exposure to interest rates is on a fixed rate basis and ensuring that its exposure to changes in interest rates on borrowings is hedged economically.

29. FINANCIAL INSTRUMENTS *(continued)*

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

		CONSOLIDATED		COMPANY	
	Reference	2025 Carrying amount	2024 Carrying amount	2025 Carrying amount	2024 Carrying amount
	note	N$'000	N$'000	N$'000	N$'000
Variable rate financial instruments					
Financial assets					
Collective investment schemes	11	**1,998,277**	1,787,612	**1,998,277**	1,787,612
		1,998,277	1,787,612	**1,998,277**	1,787,612
Fixed rate financial instruments					
Financial assets					
Loans and receivables	10	**25,254**	22,818	**25,254**	22,818
Non-current investments	11	**1,113,917**	1,327,470	**1,113,917**	1,327,470
Debt instruments	11	**738,292**	1,072,292	**738,292**	1,072,292
Fixed deposits	11	**3,701,781**	3,062,483	**3,701,781**	3,062,483
Treasury bills	11	**-**	71,854	**-**	71,854
Money market funds	11	**1,074,313**	1,800,146	**1,074,313**	1,800,146
Cash and cash equivalents	14	**2,778,901**	2,218,641	**2,778,901**	2,218,641
Trade and other receivables	13	**1,428,730**	1,103,156	**1,428,730**	1,103,156
Financial liabilities	17	**1,013**	345,829	**1,013**	345,829
		10,862,201	11,024,689	**10,862,201**	11,024,689

29. FINANCIAL INSTRUMENTS *(continued)*

Cash flow sensitivity analysis

The Group analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined interest rate shifts. For each simulation, the same interest rate shift is used for all currencies.

The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The calculation excludes borrowing costs capitalised in terms of the Group's accounting policy. The analysis is performed on the same basis as for 2024.

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss and equity by the amounts shown below:

Consolidated and Company	Equity 100 bp increase	Equity 100 bp decrease	Profit or (loss) 100 bp increase	Profit or (loss) 100 bp decrease
30 June 2025				
- DBN				
Fixed deposits	**-**	**-**	**1,416**	**(1,416)**
Variable rate notes	**-**	**-**	**-**	**-**
30 June 2024				
- DBN				
Fixed deposits	-	-	1,433	(1,433)
Variable rate notes	-	-	45	(45)

A change of 500 basis points in unit price at the reporting date would have increased/(decreased) profit or loss and equity by the amounts shown below:

Consolidated and Company	Equity 500 bp increase	Equity 500 bp decrease	Profit or (loss) 500 bp increase	Profit or (loss) 500 bp decrease
30 June 2025				
Collective Investment Schemes	**-**	**-**	**98,866**	**(98,866)**
30 June 2024				
Collective Investment Schemes	-	-	88,286	(88,286)

29. FINANCIAL INSTRUMENTS *(continued)*

29.6.2 Currency risk

The Group is exposed to currency risk as a result of the following transactions which are denominated in a currency other than Namibia Dollar: purchases of equipment, consulting fees and borrowings. The currencies which primarily give rise to currency risk are GBP, USD and EURO.

For transactions denominated in currencies other than the Namibia Dollar and/or the South African Rand, the Group generally adopts a policy to hedge its foreign currency commitments where possible. The Group is also exposed to foreign currency movements with regards to certain regional Power Purchase Agreements (PPAs) which are hedged for the duration of the agreement and reviewed on a continuous basis.

The Group is exposed to foreign currency risk arising from the new loan agreements entered into.

Recognised assets and liabilities

Changes in the fair value of forward exchange contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting can be applied are recognised in profit or loss.

29. FINANCIAL INSTRUMENTS *(continued)*

Consolidated
The currency position at 30 June 2025 is set below

In thousands of Namibia Dollar	Reference notes	N$	ZAR	US$	Euro	GBP	Total
Assets							
Derivative assets	21.1	-	-	683,576	-	-	683,576
Loans receivable	10	25,254	-	-	-	-	25,254
Trade and other receivables	13	1,220,594	-	208,136	-	-	1,428,730
Investments	11	7,691,993	-	-	-	-	7,691,993
Cash and cash equivalents	14	746,379	1,854,351	178,135	19	16	2,778,900
		9,684,219	1,854,351	1,069,847	19	16	12,608,453
Liabilities							
Interest bearing loans and borrowings	17	-	(259,934)	-	-	-	(259,934)
Derivative liabilities	21.2	-	-	(41,655)	-	-	(41,655)
Trade and other payables	20.1	(776,201)	(511,689)	(294,957)	6,595	-	(1,576,262)
Non-current retention creditors	20.4	(76,982)	-	-	-	-	(76,982)
		(853,183)	(771,623)	(336,612)	6,595	-	(1,954,823)
Gross statement of financial position exposure		8,831,036	1,082,728	733,235	6,614	16	10,653,630
Next year's forecast sales		(8,413,559)	-	-	-	-	(8,413,559)
Next year's forecast purchases		877,248	2,870,897	2,753,028	-	-	6,501,173
Gross exposure		1,294,725	3,953,625	3,486,263	6,614	16	8,741,243
Foreign exchange contracts [1]		-	-	(15,651)	-	-	(15,651)
Net exposure		1,294,725	3,953,625	3,470,612	6,614	16	8,725,592

The estimated sales and purchases include transactions for the next 12 months.

[1] The Group had forward exchange contracts outstanding at 30 June 2025 to the value of NAD133 million at an average rate of USD/NAD 17.8.

Currency translation rates:	30 June 2025
1 SA Rand	N$1.0
1 US Dollar	N$17.8
1 Euro	N$20.8
1 GBP	N$24.4

29. FINANCIAL INSTRUMENTS *(continued)*

Consolidated
The currency position at 30 June 2024 is set below

In thousands of Namibia Dollar	Reference notes	N$	ZAR	US$	Euro	GBP	Total
Assets							
Derivative assets	21.1	-	-	204,165	30	-	204,195
Loans receivable	10	22,818	-	-	-	-	22,818
Trade and other receivables	13	1,001,489	-	101,667	-	-	1,103,156
Investments	11	5,074,010	2,368,989	571,237	-	-	8,014,237
Cash and cash equivalents	14	780,746	1,335,974	101,848	64	10	2,218,642
		6,879,063	3,704,963	978,917	94	10	11,563,048
Liabilities							
Interest bearing loans and borrowings	17	-	(345,828)	-	-	-	(345,828)
Derivative liabilities	21.2	-	-	(266,519)	-	-	(266,519)
Trade and other payables *	20.1	(794,119)	-	(223,574)	(533)	-	(1,018,226)
Non-current retention creditors	20.4	(139,170)	-	-	-	-	(139,170)
		(933,289)	(345,828)	(490,093)	(533)	-	(1,769,743)
Gross statement of financial position exposure		5,945,774	3,359,135	488,824	(439)	10	9,793,305
Next year's forecast sales		(7,936,743)	-	-	-	-	(7,936,743)
Next year's forecast purchases		695,765	1,868,070	3,456,320	-	-	6,020,155
Gross exposure		(1,295,204)	5,227,205	3,945,144	(439)	10	7,876,717
Foreign exchange contracts [1]		-	-	(14,706)	-	-	(14,706)
Net exposure		(1,295,204)	5,227,205	3,930,438	(439)	10	7,862,011

** Certain amounts disclosed here do not correspond to the 2024 financial statements due to a classification error and reflect corrections made. Refer to note 31.*

The estimated sales and purchases include transactions for the next 12 months.

[1] The Group had forward exchange contracts outstanding at 30 June 2024 to the value of NAD83 million at an average rate of USD/NAD 18.5.

Currency translation rates:	30 June 2025
1 SA Rand	N$1.0
1 US Dollar	N$18.4
1 Euro	N$19.7
1 GBP	N$23.3

29. FINANCIAL INSTRUMENTS *(continued)*

Company
The currency position at 30 June 2025 is set below

In thousands of Namibia Dollar	Reference notes	N$	ZAR	US$	Euro	GBP	Total
Assets							
Derivative assets	21.1	-	-	683,576	-	-	683,576
Loans receivable	10	25,254	-	-	-	-	25,254
Trade and other receivables	13	1,220,594	-	208,136	-	-	1,428,730
Investments	11	7,691,993	-	-	-	-	7,691,993
Cash and cash equivalents	14	746,379	1,854,351	178,135	19	16	2,778,900
		9,684,219	1,854,351	1,069,847	19	16	12,608,453
Liabilities							
Interest bearing loans and borrowings	17	-	(259,934)	-	-	-	(259,934)
Derivative liabilities	21.2	-	-	(41,655)	-	-	(41,655)
Trade and other payables	20.1	(776,211)	(511,689)	(294,957)	6,595	-	(1,576,262)
Non-current retention creditors	20.4	(76,982)	-	-	-	-	(76,982)
		(853,193)	(771,623)	(336,612)	6,595	-	(1,954,833)
Gross statement of financial position exposure		8,831,026	1,082,728	733,235	6,614	16	10,653,620
Next year's forecast sales		(8,413,559)	-	-	-	-	(8,413,559)
Next year's forecast purchases		877,248	2,870,897	2,753,028	-	-	6,501,173
Gross exposure		1,294,715	3,953,625	3,486,263	6,614	16	8,741,233
Foreign exchange contracts [1]		-	-	(15,651)	-	-	(15,651)
Net exposure		1,294,715	3,953,625	3,470,612	6,614	16	8,725,582

The estimated sales and purchases include transactions for the next 12 months.

[1] The Group had forward exchange contracts outstanding at 30 June 2025 to the value of NAD133 million at an average rate of USD/NAD 17.8.

Currency translation rates:	30 June 2025
1 SA Rand	N$1.0
1 US Dollar	N$17.8
1 Euro	N$20.8
1 GBP	N$24.4

29. FINANCIAL INSTRUMENTS *(continued)*

Company
The currency position at 30 June 2024 is set below

In thousands of Namibia Dollar	Reference notes	N$	ZAR	US$	Euro	GBP	Total
Assets							
Derivative assets	21.1	-	-	204,165	30	-	204,195
Loans receivable	10	22,818	-	-	-	-	22,818
Trade and other receivables	13	1,001,489	-	101,667	-	-	1,103,156
Investments	11	5,074,010	2,368,989	571,237	-	-	8,014,237
Cash and cash equivalents	14	780,746	1,335,974	101,848	64	10	2,218,642
		6,879,063	3,704,963	978,917	94	10	11,563,048
Liabilities							
Interest bearing loans and borrowings	17	-	(345,828)	-	-	-	(345,828)
Derivative liabilities	21.2	-	-	(266,519)	-	-	(266,519)
Trade and other payables *	20.1	(794,119)	-	(223,574)	(533)	-	(1,018,226)
Non-current retention creditors	20.4	(139,170)	-	-	-	-	(139,170)
		(933,289)	(345,828)	(490,093)	(533)	-	(1,769,743)
Gross statement of financial position exposure		5,945,774	3,359,135	488,824	(439)	10	9,793,305
Next year's forecast sales		(7,936,743)	-	-	-	-	(7,936,743)
Next year's forecast purchases		695,765	1,868,070	3,456,320	-	-	6,020,155
Gross exposure		(1,295,204)	5,227,205	3,945,144	(439)	10	7,876,717
Foreign exchange contracts [1]		-	-	(14,706)	-	-	(14,706)
Net exposure		(1,295,204)	5,227,205	3,930,438	(439)	10	7,862,011

* Certain amounts disclosed here do not correspond to the 2024 financial statements due to a classification error and reflect corrections made. Refer to note 31.

The estimated sales and purchases include transactions for the next 12 months.

[1] The Group had forward exchange contracts outstanding at 30 June 2024 to the value of NAD83 million at an average rate of USD/NAD 18.5.

Currency translation rates:	30 June 2025
1 SA Rand	N$1.0
1 US Dollar	N$18.4
1 Euro	N$19.7
1 GBP	N$23.3

29. FINANCIAL INSTRUMENTS *(continued)*

Sensitivity analysis

A strengthening of the N$ against the following currencies at 30 June 2025 would have increased/(decreased) profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as for 2024.

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
US Dollar (10 percent strengthening)	**585,818**	954,641	**585,818**	954,641
Euro (10 percent strengthening)	**661**	6	**661**	6
GBP (10 percent strengthening)	**2**	(52)	**2**	(52)

A weakening of the N$ against the following currencies at 30 June 2025 would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2024.

US Dollar (10 percent strengthening)	**(585,818)**	(954,641)	**(585,818)**	(954,641)
Euro (10 percent strengthening)	**(661)**	(6)	**(661)**	(6)
GBP (10 percent strengthening)	**(2)**	52	**(2)**	52

29.6.3 Other price risk

Inflation price risk arises from embedded derivatives. The risk arises from movements in the United States production price index (PPI). The Group's exposure to equity securities price risk arises from the equity investment held by the Group and classified in the statement of financial position as at fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL designated). The Group's equity investment consists of Sanlam shares. The collective investment scheme at FVTPL is also exposed to price risk. The risk arises from movements in the share price of the equity investment and income fund.

ALCO is monitoring the exposure to price risk on a quarterly basis.

29. FINANCIAL INSTRUMENTS *(continued)*

The following is the sensitivity analysis of the change in the value of the embedded derivatives (relating to customised pricing agreements) as a result of changes in the United States PPI. This analysis has been performed on the same basis as the prior year. The analysis assumes that all other variables remain constant and the possible impact on profit or loss is:

	CONSOLIDATED AND COMPANY	
	2025	2024
	Profit or (Loss)	Profit or (Loss)
	N$'000	N$'000
United States PPI		
1% increase	**(118,727)**	(206,675)
1% decrease	**119,090**	214,870

The following is the sensitivity analysis of the change in the value of the collective investment schemes as a result of changes in the unit prices. This analysis has been performed on the same basis as the prior year. The analysis assumes that all other variables remain constant and the possible impact on profit or loss is:

Unit price		
5% increase	**98,866**	88,286
5% decrease	**(98,866)**	(88,286)

The following is the sensitivity analysis of the change in the value of the Sanlam shares as a result of changes in share price. This analysis has been performed on the same basis as the prior year. The analysis assumes that all other variables remain constant and the possible impact on equity and on profit or loss is:

	2025	2024	2025	2024
	Equity	Equity	Profit or (Loss)	Profit or (Loss)
	N$'000	N$'000	N$'000	N$'000
Share price				
5% increase	**76**	69	**112**	102
5% decrease	**(76)**	(69)	**(112)**	(102)

29. FINANCIAL INSTRUMENTS *(continued)*

29.7 Capital management

The Group manages the total shareholders' equity and debt as capital. Capital consists of ordinary share capital, development fund, reserve fund and debt. The Group manages capital with due care, skill, prudence and diligence with the objective of ensuring capital preservation and providing liquidity in order to meet financial obligations. The group's investments are diversified to minimise risks through an asset allocation strategy. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and the level of dividends to ordinary shareholders.

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N$'000	N$'000	N$'000	N$'000
The Group manages the following as capital:				
Ordinary share capital	**1,065,000**	1,065,000	**1,065,000**	1,065,000
Reserve fund	**1,891,733**	1,822,619	**1,891,733**	1,822,619
Development fund	**8,443,305**	7,078,495	**8,443,305**	7,078,495
Debt	**5,600,994**	4,484,369	**5,600,994**	4,484,369
	17,001,032	14,450,483	**17,001,032**	14,450,483

The major items that impact the capital include:

- the revenue received from electricity sales, which is a function of price and sales volumes and the cost of funding the business;
- the cost of operating the electricity business;
- the cost of expanding the business to ensure that capacity growth is in line with electricity sales demand (funding and additional depreciation);
- interest paid;
- taxation and
- dividends.

The Board has the responsibility to ensure that the Group is adequately capitalised through debt and equity management.

The NamPower treasury section within the Finance Business Unit is tasked with the duties of managing the Group's short-term and long-term capital requirements. The treasury section fulfils these functions within the framework that has been approved by the NamPower Board of Directors consisting of and not limited to an overall hedging policy and investment policy.

Under NamPower's current debt portfolio consisting of local/ZAR denominated loans, certain covenants are imposed on NamPower's capital requirements. These covenants being a minimum debt service cover ratio of above 1.4 in any one (1) year, debt to EBITDA of below 4 and a maximum debt equity ratio of 65:35. The Company maintained the required covenants for the year under review as follows: debt service cover ratio of 17.8 (2024: 20.5), debt to EBITDA of -5.3 (2024: -5.5) and a debt equity ratio of 2.4% (2024: 0.9%). These covenants are used for forecasted financial planning to ensure and manage the loan conditions set. The Group also maintains a credit rating as affirmed by Fitch for foreign currency long-term as BB- and national long-term rating AA(zaf).

29. FINANCIAL INSTRUMENTS *(continued)*

The tariff increases for the electricity business are subject to the process laid down by the Electricity Control Board (ECB). The current regulatory framework applicable to the Group is based on historical cost and depreciated replacement cost for Generation and Transmission assets respectively.

The electricity business is currently in a major expansion phase. There is national consensus that the capital expansion programme continues. The funding related to new generating, transmitting and other capacity is envisaged to be obtained from cash generated by the business, shareholder support and funds borrowed on the local and international markets. The adequacy of price increases allowed by the regulator and the level and timing of shareholder support are key factors in the sustainability of the Group.

There were no changes to the Group's approach to capital management during the financial year under review.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements. The column 'net amount' shows the impact on the Group's statement of financial position if the set-off rights were exercised.

	Effects of offsetting on the statement of financial position		
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet
CONSOLIDATED AND COMPANY	N$'000	N$'000	N$'000
2025			
Financial liabilities			
Interest bearing loans and borrowings	**(1,012,826)**	**-**	**(1,012,826)**
Total	**(1,012,826)**	**-**	**(1,012,826)**
2024			
Financial liabilities			
Interest bearing loans and borrowings	(345,829)	-	(345,829)
Total	(345,829)	-	(345,829)

30. NOTES TO THE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

		NOTES	CONSOLIDATED		COMPANY	
			2025	2024	2025	2024
			N$'000	N$'000	N$'000	N$'000
				*Restated		*Restated
30 (a)	**CASH (UTILISED)/GENERATED BY OPERATIONS**					
	Profit/(Loss) before net finance income		**(40,345)**	1,116,671	**(40,345)**	1,116,671
	Adjustments for:					
	- Dividends received		**(90)**	(1,118)	**(90)**	(1,118)
	- Gain on disposal of property, plant and equipment		**-**	(15,357)	**-**	(15,357)
	- Fair value movements on investment properties		**4,372**	4,186	**4,372**	4,186
	- Effect of exchange rate fluctuations on cash held		**21,158**	13,842	**21,158**	13,842
	- Coal valuation	12.	**(7,452)**	8,739	**(7,452)**	8,739
	- Depreciation on property, plant and equipment	6.	**2,396,797**	1,844,927	**2,396,797**	1,844,927
	- Amortisation on intangible assets	9.	**6,123**	6,438	**6,123**	6,438
	- Movement in expected credit losses	26 (c)	**(48,461)**	157,776	**(48,461)**	157,776
	- Fair value (gain)/loss on firm commitments	26 (f)	**20,033**	(2,309)	**20,033**	2,309
	- Fair value movements on embedded derivative - Power Purchase Agreement (PPA)	26 (f)	**(725,224)**	(1,331,119)	**(725,224)**	(1,331,119)
	- Fair value movements on investments		**2,033**	(19,697)	**2,033**	(19,697)
	- Deferred revenue recognised in income	18.	**(82,709)**	(297,476)	**(82,709)**	(297,476)
	Cash flows generated from operations		**1,546,235**	1,485,503	**1,546,235**	1,485,503
	Changes in working capital:					
	Fair value movements on forward exchange contracts	21.2	**945**	64,739	**945**	64,739
	Movement in non-current retention creditors	20.4	**(62,192)**	82,718	**(62,192)**	82,718
	Movement in deferred revenue liability	30 (f)	**82,524**	125,014	**82,524**	125,014
	Movement in employee benefit obligations	22.				
	- Employee benefits paid - defined benefit obligation	22.1.2 & 22.2.2	**8,970**	2,732	**8,970**	2,732
	- Movement in employee benefits	22.1.2 & 22.2.2	**14,270**	53,981	**14,270**	53,981
	Movement in inventories	12.	**(27,532)**	9,158	**(27,532)**	9,158
	Movement in trade and other receivables	30 (e)	**(188,236)**	(42,242)	**(188,236)**	(42,242)
	Movement in trade payables *	30 (g)	**509,397**	(59,298)	**509,397**	(59,298)
			1,884,381	1,722,305	**1,884,381**	1,722,305

30. NOTES TO THE STATEMENTS OF CASH FLOWS *(continued)*

		NOTES	CONSOLIDATED		COMPANY	
			2025	2024	2025	2024
			N$'000	N$'000	N$'000	N$'000
				*Restated		*Restated
30 (b)	**TAXATION PAID**					
	Amount (due)/from to the Receiver of Revenue at beginning of year		**(250,033)**	33,780	**(250,033)**	33,780
	Current taxation		**(40,694)**	(283,813)	**(40,694)**	(283,813)
	Taxation paid *		**435,812**	-	**435,812**	-
	Amount due to the Receiver of Revenue at end of year *		**145,085**	(250,033)	**145,085**	(250,033)
30 (c)	**INTEREST RECEIVED FROM OPERATING AND INVESTING ACTIVITIES**					
	Interest received from operations and customers		**50,632**	130,779	**50,632**	130,779
	Interest received from investments		**420,174**	380,166	**420,174**	380,166
	Reinvested interest		**266,982**	293,077	**266,982**	293,077
	Accrued interest		**67,584**	60,517	**67,584**	60,517
	Finance income	24.	**805,373**	864,539	**805,373**	864,539
30 (d)	**INTEREST PAID**					
	Interest paid		**(20,759)**	(35,222)	**(20,759)**	(35,222)
	Accrued interest		**(3,230)**	4,028	**(3,230)**	4,028
	Finance cost	24.	**(23,988)**	(31,194)	**(23,988)**	(31,194)
30 (e)	**TRADE AND OTHER RECEIVABLES**					
	Movement in trade and other receivables		**975,494**	9,793	**975,494**	9,793
	Impairment loss on trade and other receivables		**(49,845)**	157,079	**(49,845)**	157,079
			925,649	166,872	**925,649**	166,872
	Movement in trade and other receivables relating to investing activities		**(737,413)**	(124,629)	**(737,413)**	(124,629)
	Movement in trade and other receivables relating to operating activities		**188,236**	42,242	**188,236**	42,242
30 (f)	**DEFERRED REVENUE LIABILITY**					
	Movement in deferred revenue liability		**433,306**	(129,979)	**433,306**	(129,979)
	Additions: assets from customers		**-**	(44,566)	**-**	(44,566)
	Interest rate subsidy - EIB Loan III		**1,749**	2,083	**1,749**	2,083
	Grant received – BESS		**(77,444)**	-	**(77,444)**	-
	Grants received		**(357,795)**	-	**(357,795)**	-
	Deferred revenue recognised in income		**82,709**	297,476	**82,709**	297,476
			82,524	125,013	**82,524**	125,014

30. NOTES TO THE STATEMENTS OF CASH FLOWS *(continued)*

		NOTES	CONSOLIDATED		COMPANY	
			2025	2024	2025	2024
			N$'000	N$'000	N$'000	N$'000
				*Restated		*Restated
30 (g)	**TRADE AND OTHER PAYABLES**					
	Trade and other payables at 30 June *		**1,948,340**	1,366,492	**1,948,340**	1,366,492
	Trade and other payables at 1 July		**(1,366,492)**	(1,087,851)	**(1,366,492)**	(1,087,851)
	Movement in trade and other payables *		**581,848**	278,641	**581,848**	278,641
	Movement in trade and other payables relating to investing activities		**(72,451)**	(337,939)	**(72,451)**	(337,939)
	Movement in trade and other payables relating to operating activities		**509,397**	(59,298)	**509,397**	(59,298)
30 (h)	**CASH RECEIPTS FROM CUSTOMERS**					
	Electricity sales		**9,105,645**	8,559,649	**9,105,645**	8,559,649
	Movement in gross trade receivables		**(250,532)**	(135,661)	**(250,532)**	(135,661)
			8,855,113	8,423,988	**8,855,113**	8,423,988
30 (i)	**INTEREST BEARING LOANS AND BORROWINGS**					
	Balance at 1 July		**345,828**	437,615	**345,828**	437,615
	Proceeds from borrowings		**745,774**	-	**745,774**	-
	Repayments		**(83,755)**	(89,841)	**(83,755)**	(89,841)
	Interest capitalised on loan		**-**	198	**-**	198
	Accrued interest		**4,979**	(2,144)	**4,979**	(2,144)
	Balance at 30 June		**1,012,826**	345,828	**1,012,826**	345,828
30 (j)	**LOANS RECEIVABLE**					
	Repayment of loans receivable		**(761)**	(984)	**(761)**	(984)
	Loans given		**282**	1,011	**282**	1,011
	Interest capitalised		**2,919**	2,616	**2,919**	2,616
	Movement in impairment loss on trade and loans receivable		**(4)**	(3)	**(4)**	(3)
	Movement in loans receivable		**2,436**	2,640	**2,436**	2,640
30 (k)	**EXTENSION AND REPLACEMENT OF PROPERTY, PLANT AND EQUIPMENT TO MAINTAIN OPERATIONS**					
	Additions for the year	6	**(2,315,763)**	(1,540,120)	**(2,315,763)**	(1,540,120)
	Additions - non cash		**77,444**	-	**77,444**	-
	Movement in trade and other payables relating to investing activities		**72,451**	337,935	**72,451**	337,935
	Movement in trade and other receivables relating to investing activities		**(737,413)**	(124,629)	**(737,413)**	(124,629)
			(2,903,281)	(1,326,814)	**(2,903,281)**	(1,326,814)

30. NOTES TO THE STATEMENTS OF CASH FLOWS *(continued)*

30 (l) The Group held cash and cash equivalents of N$2.8 billion at 30 June 2024 (2024: N$2.2 billion). The cash and cash equivalents are held with banks and financial institution counterparties which are rated A to BB-, based on Fitch ratings.

** Certain amounts disclosed here do not correspond to the 2024 financial statements due to a errors and reflect corrections made. Rrefer to note 31.*

31. PRIOR PERIOD RESTATEMENT

During 2025, the Group identified the following errors in the prior financial year:

i. The second provisional current income tax payment, made on 01 July 2025, was erroneously disclosed as a taxation paid cash outflow within cash flows from operating activities. This error resulted in a material overstatement of taxation paid and a corresponding understatement of cash outflows to suppliers and employees.
The error also affected the presentation of trade and other payables and current tax payable under non-current liabilities. The current tax payable was incorrectly classified as trade and other payables, leading to a material overstatement of trade and other payables and a corresponding understatement of current tax payable.

ii. Advance payments relating to capital projects were incorrectly included under working capital movements related to operating activities, as opposed to cash outflows from investing activities. This error resulted in a material understatement of cash outflows for the extension and replacement of property, plant, and equipment to maintain operations, a corresponding overstatement of cash outflows for payments to suppliers and employees, and a corresponding understatement of cash generated from operations.

iii. Non-cash additions were incorrectly included as cash outflows from investing activities. This error resulted in a material overstatement of cash outflows for the extension and replacement of property, plant and equipment to maintain operations, a corresponding understatement of cash outflows for payments to suppliers and employees, and a corresponding overstatement of cash generated from operations.

iv. The combined effect of the prior year errors noted above on cash generated/ (utilised) from operations resulted in a prior period overstatement of the debt service coverage ratio.

31. PRIOR PERIOD RESTATEMENT *(continued)*

The errors have been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

31.1 Statement of financial position at 30 June 2024 (extract)

		CONSOLIDATED AND COMPANY		
		Previously reported	Impact of change	Restated
	Reference	N$'000	N$'000	N$'000
Total current liabilities				
Trade and other payables	(i)	1,578,568	(212,076)	1,366,492
Current tax payable	(i)	71,737	212,076	283,813

31.2 Statement of cash flows for the year ended 30 June 2024 (extract)

		CONSOLIDATED AND COMPANY		
		Previously reported	Impact of change	Restated
	Reference	N$'000	N$'000	N$'000
Cash flows from operating activities				
Cash receipts from customers		8,423,988	-	8,423,988
Cash paid to suppliers and employees	(i), (ii), (iii)	(6,276,301)	(425,382)	(6,701,683)
Taxation paid	(i)	-	(212,076)	-
Movement in trade and other payables relating to investing activities	(iii)	-	(337,935)	-
Movement in trade and other receivables relating to investing activities	(ii)	-	124,629	-
Cash generated by operations	31.1.1	2,147,687	(425,382)	1,722,305
Interest received		130,779	-	130,779
Taxation paid	(i)	(212,076)	212,076	-
Net cash inflow from operating activities		**2,066,390**	**(213,306)**	**1,853,084**
Cash flows from investing activities				
Proceeds from the sale of property, plant and equipment		18,399	-	18,399
Acquisitions of intangible assets		(845)	-	(845)
Extension and replacement of property, plant and equipment to maintain operations		(1,540,120)	213,306	(1,326,814)
Movement in trade and other payables relating to investing activities	(iii)	-	337,935	-
Movement in trade and other receivables relating to investing activities	(ii)	-	(124,629)	-
Interest received		380,166	-	380,166
Dividend received		1,118	-	1,118
Proceeds from collective investment schemes		195,902	-	195,902
Proceeds from fixed deposits and treasury bills		2,862,684	-	2,862,684
Proceeds from money market funds		100,000	-	100,000
Payments for collective investment schemes		(100,000)	-	(100,000)
Payments for fixed deposits and treasury bills		(3,044,489)	-	(3,044,489)
Proceeds from loans receivable		984	-	984
Payments for loans advanced		(1,011)	-	(1,011)
Net cash inflow from investing activities		**(1,127,211)**	**213,306**	**(913,906)**

31. PRIOR PERIOD RESTATEMENT *(continued)*

31.2.1 Notes to statement of cash flows

Cash generated from operations

		CONSOLIDATED AND COMPANY		
		Previously reported	Impact of change	Restated
	Reference	N$'000	N$'000	N$'000
(Loss)/profit before net finance income		1,116,671	-	1,116,671
Adjustments for:				-
- Dividend received from listed and unlisted investment		(1,118)	-	(1,118)
- Government grant income		-	-	-
- Gain on disposal of property, plant and equipment		(15,357)	-	(15,357)
- Fair value movements on investment properties		4,186	-	4,186
- Effect of exchange rate fluctuations on cash held		13,842	-	13,842
- Coal valuation		8,739	-	8,739
- Depreciation on property, plant and equipment		1,844,927	-	1,844,927
- Impairment on property, plant and equipment		-	-	-
- Amortisation on intangible assets		6,438	-	6,438
- Movement in expected credit losses		157,776	-	157,776
- Fair value (gain)/loss on firm commitments		(2,309)	-	(2,309)
- Fair value movements on embedded derivative - Power Purchase Agreement (PPA)		(1,331,119)	-	(1,331,119)
- Fair value movements on investments		(19,697)	-	(19,697)
- Deferred revenue recognised in income		(297,476)	-	(297,476)
Operating profit before working capital changes		1,485,503	-	1,485,503
Changes in working capital:				-
Fair value movements on forward exchange contracts		64,739	-	64,739
Movement in non-current retention creditors		82,718	-	82,718
Movement in deferred revenue liability		125,014	-	125,014
Movement in employee benefit obligations:		-	-	-
- Employee benefits paid - defined benefit obligation		2,732	-	2,732
- Movement in employee benefits		53,981	-	53,981
Movement in inventories		9,158	-	9,158
Movement in trade and other receivables	(ii)	(166,872)	124,629	(42,242)
Movement in trade payables	(i), (ii)	490,714	(550,012)	(59,298)
		2,147,687	(425,382)	1,722,305

31. PRIOR PERIOD RESTATEMENT *(continued)*

31.3 Interest bearing borrowings

	Reference	CONSOLIDATED AND COMPANY		
		Previously reported	Impact of change	Restated
		N$'000	N$'000	N$'000
Debt covenants				
Ratios				
Debt Service Coverage (12 months)	(iv)	22.24	(1.76)	20.48

32. CONTINGENT LIABILITY

Litigation is in process against the Group relating to a dispute with a customer which is suing the Group for a breach of contract. The Group's lawyers have advised that they do not consider that the claim has merit and there are reasonable to good prospects of success in having the claim dismissed. The possible total loss has been estimated at N$53.0 million.

No provision has been made in the period under review as the Group does not consider that there is any probable loss.

33. EVENTS AFTER THE REPORTING PERIOD

No adjustments were made to the current financial statements regarding events that occurred after the reporting period.

34. SEGMENT REPORTING

Business unit segments

Reportable segments are determined based on the internal management reports provided quarterly to the Executive Committee (EXCO). The Group has three reportable segments, as described below, which are the Group's core business units. The core business units offer different services and are managed separately because they require different expertise and marketing strategies.

The measure of profit/(loss) used by EXCO is profit/(loss) before tax.
The following summary describes the operations in each of the Group's reportable segments:

Generation: Supply of energy

Transmission: Transmission of energy

Support Services, including Energy Trading and Power Systems Development:

Energy Trading is responsible for the short-, medium- and long-term planning and management of energy.
Power Systems Development is responsible for the development of supply sources of energy.
Other support services include Distribution of Energy, Corporate Services, Finance and the Office of the Managing Director.

34. SEGMENT REPORTING *(continued)*

34.1 Information about reportable business units

Amounts in N$'000	Generation		Transmission		Support Services		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Total revenues	**473,018**	617,662	**8,414,122**	8,224,026	**7,392,248**	6,888,359	**16,279,388**	15,730,047
Intersegment revenue	**(473,018)**	(617,662)	**(1,094,852)**	(1,081,956)	**(5,605,873)**	(5,470,779)	**(7,173,743)**	(7,170,396)
Revenue from external customers	**-**	-	**7,319,271**	7,142,069	**1,786,374**	1,417,580	**9,105,645**	8,559,650
Cost of electricity	**(181,378)**	(100,793)	**-**	-	**(5,862,153)**	(4,779,067)	**(6,043,531)**	(4,879,860)
Interest income	**-**	-	**-**	-	**805,373**	864,539	**805,373**	864,539
Interest expense	**-**	-	**(23,988)**	(31,194)	**-**	-	**(23,988)**	(31,194)
Depreciation & amortisation	**(1,206,191)**	(786,029)	**(1,005,992)**	(858,695)	**(190,737)**	(206,641)	**(2,402,921)**	(1,851,365)
Impairment loss on property, plant and equipment	**-**	-	**-**	-	**-**	-	**-**	-
Staff costs	**(268,425)**	(258,910)	**(478,412)**	(456,516)	**(486,058)**	(500,963)	**(1,232,896)**	(1,216,389)
Post-retirement medical benefit (interest cost)	**(6,812)**	(5,639)	**(14,297)**	(11,834)	**(15,309)**	(12,672)	**(36,418)**	(30,145)
Foreign exchange gains on trade payables/receivables, bank balances and loans payable	**-**	-	**-**	-	**240,551**	199,915	**240,551**	199,915
Foreign exchange losses on trade payables/receivables, bank balances and loans payable	**-**	-	**-**	-	**(329,508)**	(434,245)	**(329,508)**	(434,245)
Share of profit of associates, net of taxation	**-**	-	**-**	-	**46,920**	8,326	**46,920**	8,326
Segment result (before tax)	**1,698,926**	944,064	**(5,680,023)**	(5,335,262)	**4,769,057**	6,349,539	**787,960**	1,958,341
Taxation	**-**	-	**-**	-	**680,531**	(566,345)	**680,531**	(566,345)

34.2 Geographical information on the Group's revenue from customers by geographical area are:

	CONSOLIDATED AND COMPANY	
	2025 N$'000	2024 N$'000
Domestic - Namibia	**8,057,087**	7,734,162
Regional Exports/Cross border customers		
Angola	**28,206**	72,025
Botswana	**48,561**	44,556
South Africa	**13,438**	13,749
SAPP Market	**958,353**	695,156
	9,105,645	8,559,648

34.3 Information about major customers

Included in total segment revenue arising from the sale of electricity, extension charges, SAPP market sales and contribution by customers of N$9.1 billion (2024: N$8.6 billion) (see note 34.1 above) are revenues of approximately N$3.9 billion (2024: N$3.8 billion) which arose from electricity sales to the Group's three largest customers. No other single customers contributed 10% or more to the Group's revenue for both 2025 and 2024 financial years.

35. WORLD BANK FINANCING

a) Financial support received

NamPower has received financial support from the World Bank's International Development Association (IDA) under the Energy Sector Management Assistance Program (ESMAP). This support was provided through the grant TFOC2512, with the objective of enabling renewable energy development in Namibia.

b) Grants

NamPower has received a total grant of USD 300 000 under the programme financed by ESMAP. This grant was provided through the fund TFOC2512.

c) Credit funds

NamPower has not received any credit funds under these programmes. Credit funds typically refer to interest-bearing loans that are required to be repaid and are usually reflected in the current and non-current liabilities when drawn down. In this case, no such credit arrangements have been made under the ESMAP programme.

d) Use of the proceeds

The proceeds of the World Bank grants and credits have been utilised in accordance with their intended purpose as specified in their respective agreements.

A summary of the transactions that took place during the year is as follows:

	2025	For eight (8) months 2024	2025	For eight (8) months 2024
	N$'000	N$'000	US$'000	US$'000
Designated Account				
Opening Balance	**5,335**	5,654	**290**	300
Receipts: Interest	**195**	155	**11**	8
IBRD TF	**208**	-	**11**	-
Expenditure	**(1,402)**	(350)	**(78)**	(19)
Unrealised foreign exchange loss	**(187)**	(124)	**-**	-
Balance at 30 June	**4,149**	5,335	**234**	290
Grants				
TFOC2512	**5,738**	5,809	**311**	308
Expenditure	**(1,589)**	(473)	**(78)**	(19)
Balance at 30 June	**4,149**	5,335	**234**	290
Credit Funds IDA TFOC2512				
Opening Balance	**-**	-	**-**	-
Principal repayments	**-**	-	**-**	-
Balance at 30 June	**-**	-	**-**	-

35. WORLD BANK FINANCING *(continued)*

e) Project financial report

	2025	For eight (8) months 2024	2025	For eight (8) months 2024
	N$'000	N$'000	US$'000	US$'000
Balance at 1 July	**5,335**	5,654	**290**	300
Source of Funds				
TFOC2512	**5,738**	5,809	**311**	308
Total source of funds	**5,738**	5,809	**311**	308
Total available	**5,738**	5,809	**311**	308
Use of Funds				
	872	-	**48**	-
Component 1: Preparatory studies to support procurement of renewable energy projects	**718**	473	**29**	19
Component 2: Advisory and capacity building to support procurement of renewable energy projects				
	1,589	473	**78**	19
Net difference	**4,149**	5,335	**234**	290
Closing balance	**4,149**	5,335	**234**	290

ABBREVIATIONS

ARMC	Audit and Risk Management Committee
CNG	Compressed Natural Gas
CSI	Corporate Social Investment
DSCR	Debt-service Coverage Ratio
DSN	Disability Sports Namibia
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECB	Electricity Control Board
ECC	Environmental Clearance Certificates
EDRMS	Electronic Document and Records Management System
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EPC	Engineering, Procurement and Construction
ESG	Environmental, Social and Governance
ESI	Electricity Supply Industry
ESMP	Environmental and Social Management Plan
ETD	Education, Training and Development
ExCo	Executive Management Committee
GWh	Gigawatt-hour
HSE	Health, Safety and Environment
IAF	Internal Audit Function
ICT	Information and Communication Technology
IMF	International Monetary Fund
IPP	Independent Power Producers
ISBP	Integrated Strategic Business Plan
ISP	Integrated System Plan
KPI	Key Performance Indicator
kV	Kilovolt
kWh	Kilowatt-hour
LRMC	Long-run Marginal Cost
LTIR	Lost-time Injury Rate
MAWLR	Ministry of Agriculture, Water and Land Reform
MDMS	Meter Data Management System
MIME	Ministry of Industries, Mines and Energy
MSB	Modified Single Buyer
MW	Megawatt
NCCP	National Climate Change Policy
NDCs	Nationally Determined Contributions
NDP	National Development Plan
NEEEP	NamPower Equitable Economic Empowerment Policy
NIRP	National Integrated Resource Plan
NSX	Namibian Stock Exchange
OEM	Original Equipment Manufacturer
O&M	Operations and Maintenance
PDN	Previously Disadvantaged Namibian
PPA	Power Purchase Agreement
PV	Photovoltaic
QMS	Quality Management System
RED	Regional Electricity Distributor
RMF	Risk Management Framework
RONA	Return on Net Assets
SACU	Southern African Customs Union
SAPP	South African Power Pool
SAQA	South African Qualifications Authority
SDG	Sustainable Development Goal
SHEW	Safety, Health, Environment and Wellness
TRIFR	Total Recordable Injury Frequency Rate



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