

NamPower Update

April 2025



AGENDA

- Corporate Strategy
- Financial Performance
- *Supply and Demand Outlook (Optional)*
- Projects Update
- Financial Forecast

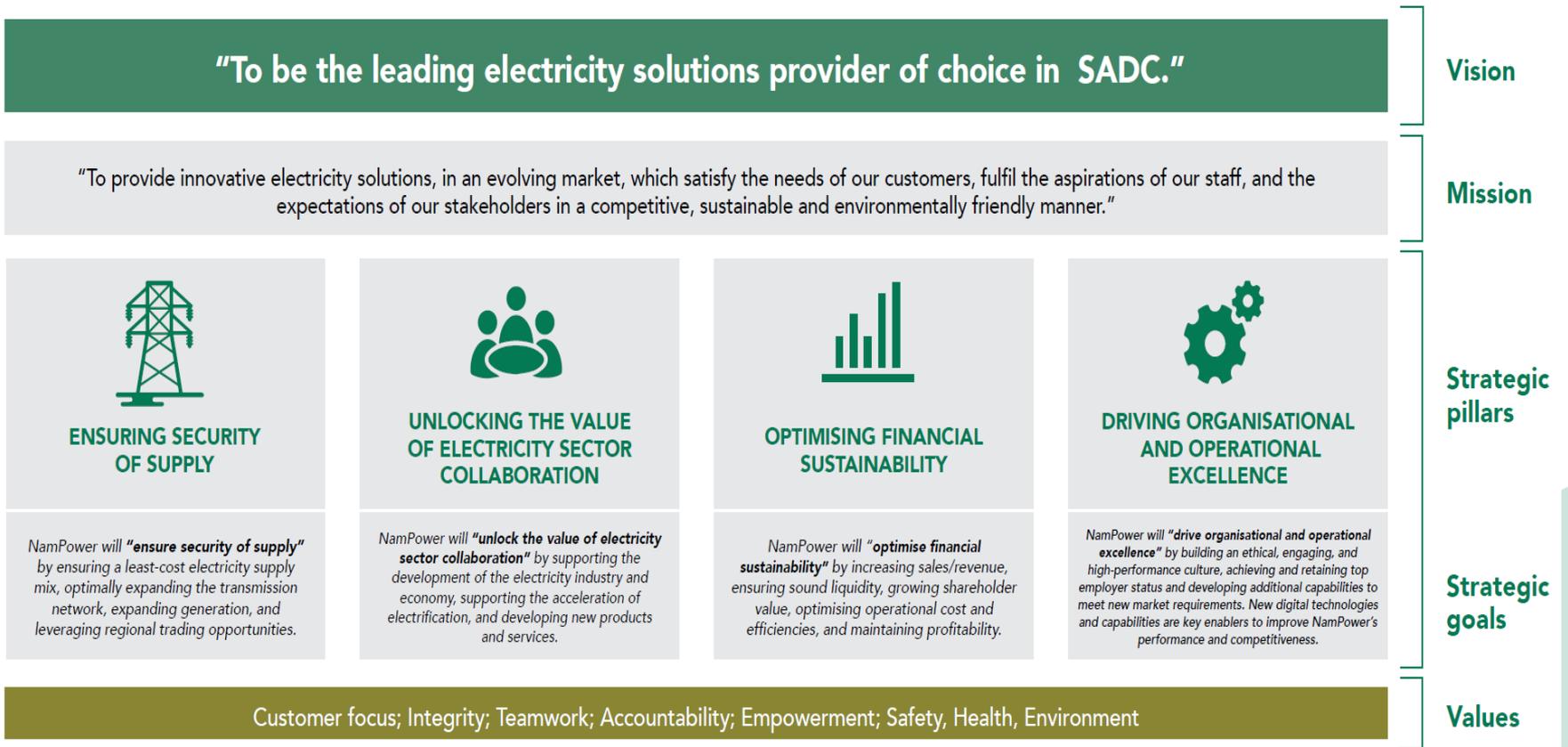
Corporate Strategy



Our Four Strategic Pillars 2020-2025



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 (NIRP) for the electricity sector.'



Currently under revision

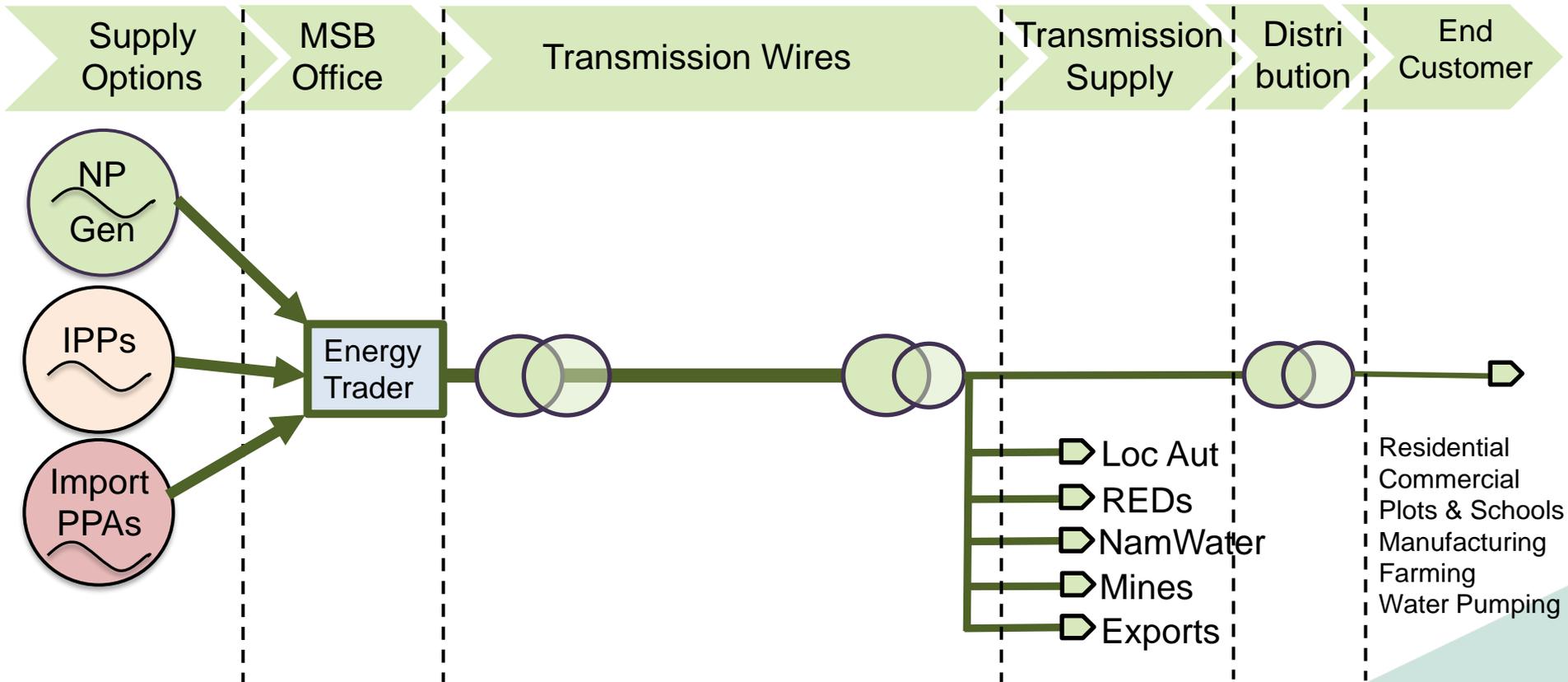
National Policy and Guidance



- ❑ NamPower's operating environment is rapidly changing, and the company's strategy requires more agility:
 - Electricity Act 2007
 - National Energy Policy (NEP)
 - Independent Power Producer's Framework (IPP)
 - Renewable Energy Policy (REP)
 - Modified Single Buyer Model (MSBM)
 - National Integrated Resource Plan (NIRP)
 - Disruptive technologies (i.e. GH2/ BESS/ etc.)

- ❑ Continues updates in more aggressive environmental commitments:
 - Paris Agreement at COP21 (limit global warming to below 2 °C)
 - Intended Nationally Determined Contributions (INDC 2015)
 - Updated NDC 2021 (updated BAU base case)
 - Updated NDC 2022 for COP 27 held in November 2022

Supply Chain of Energy



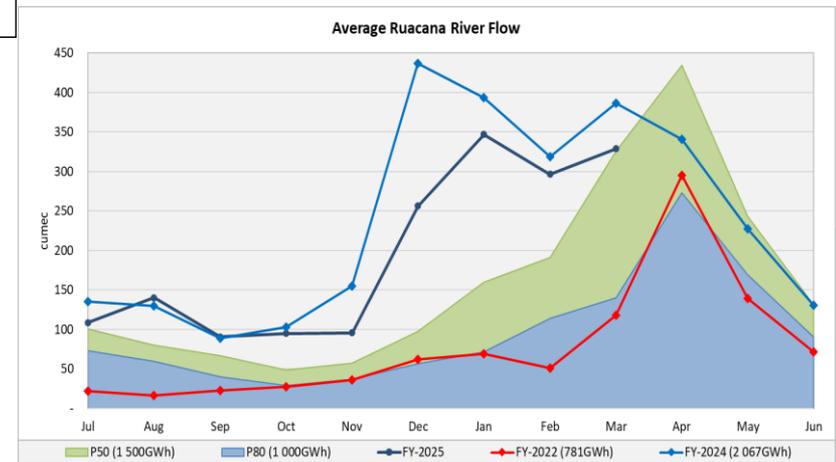
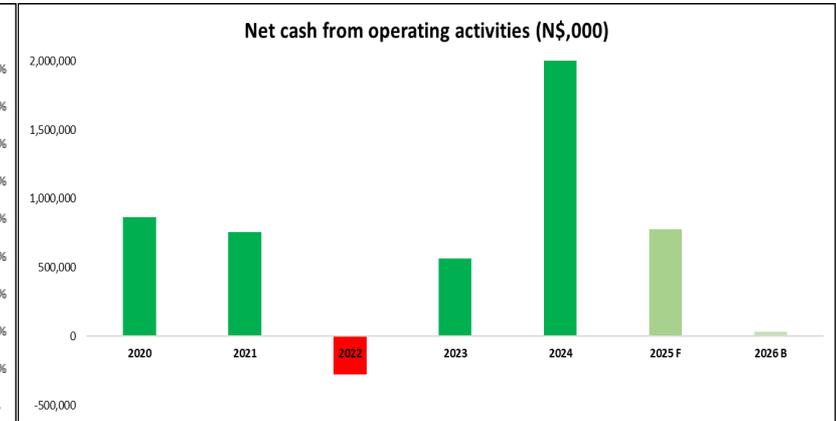
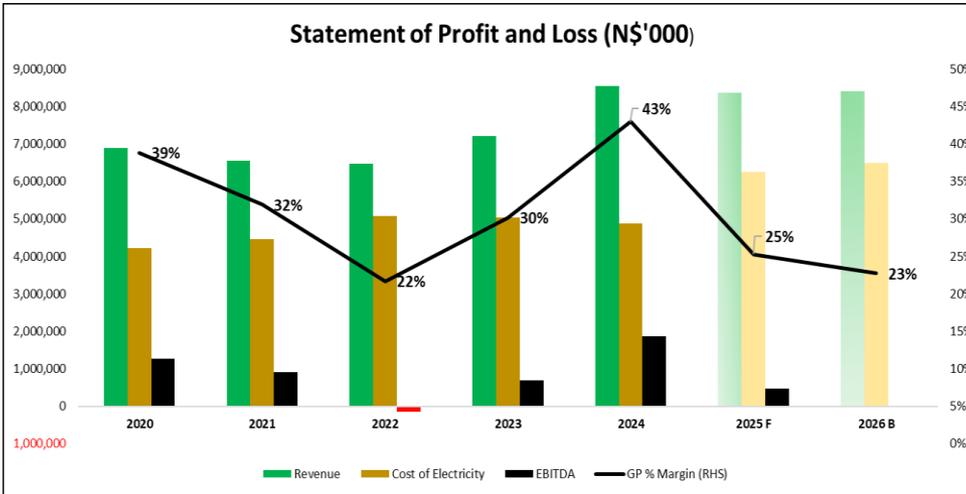
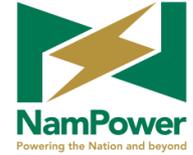
NamPower business is highly sensitive to cost of supply and tariffs

Financial Performance



Historical Financial Performance

Financial Highlights



Remarks:

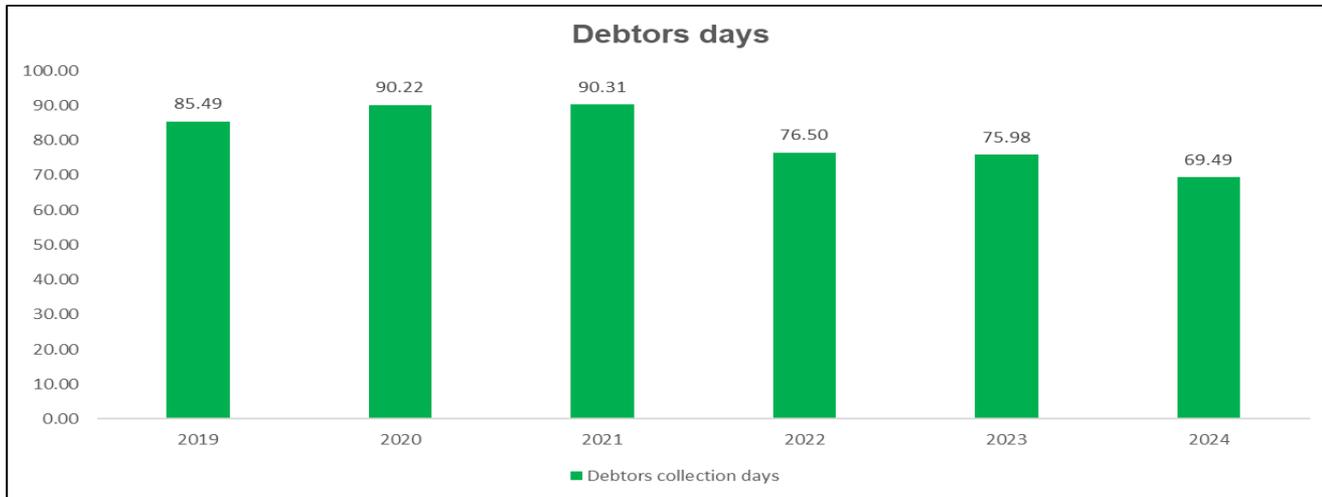
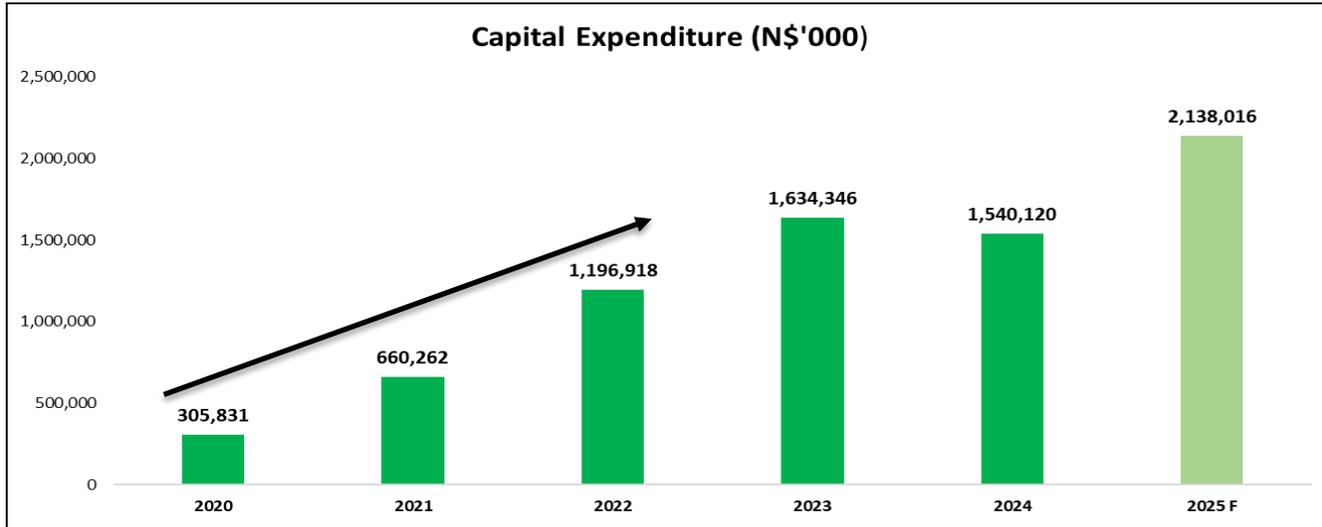
- NamPower's financial performance, is highly sensitive to cost of supply and approved tariffs.
- Cost of supply is impacted by the Kunene river flow at our Ruacana Hydropower Station.
- ZESCO replaced with Eskom supply.
- Exceptional FY24 Ruacana > 2000GWh.
- The company is profit-making.

https://www.nampower.com.na/public/docs/annual-reports/NamPower_Integrated_Annual_Report_2024.pdf

Historical Financial Performance (Cont.)



Financial Performance



Unaudited Income Statement 3QFY2025

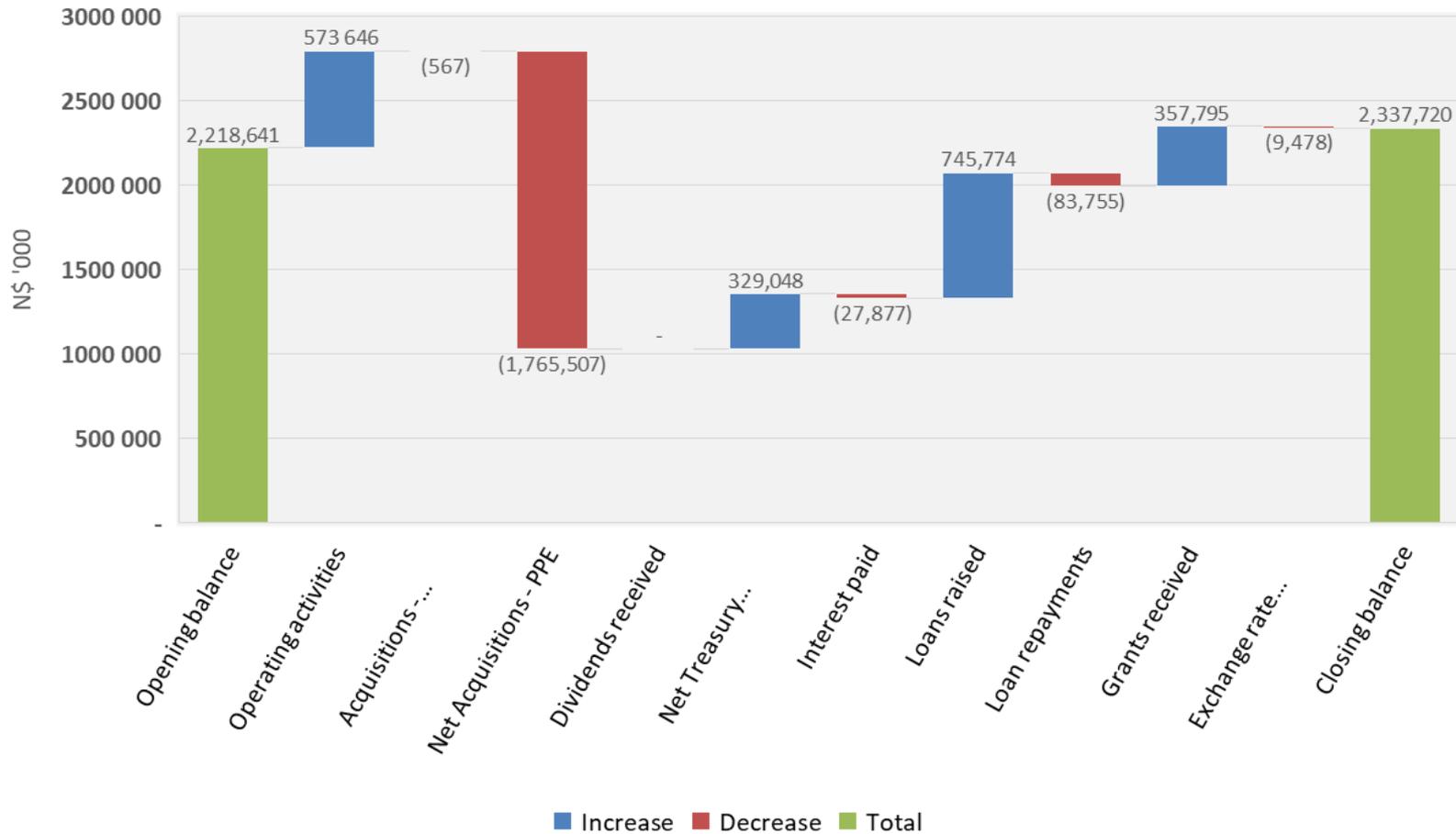


IFRS Income Statement	Year-to-Date						
	Budget Mar-2025	Actual Mar-2025	Variance	% Variance	Actual Mar-2024	% Change	Variance
	NAD '000						
Electricity Sales	5,917,261	6,843,054	925,793	15.6 %	6,361,698	7.6 %	481,356
Cost of Electricity	(4,487,345)	(4,744,159)	(256,814)	5.7 %	(3,837,266)	23.6 %	(906,893)
Gross Profit	1,429,916	2,098,895	668,979	46.8 %	2,524,432	(16.9%)	(425,537)
Other Income	229,366	244,315	14,949	6.5 %	69,490	251.6 %	174,824
Operating Expenses	(1,111,463)	(1,139,976)	(28,513)	2.6 %	(1,105,094)	3.2 %	(34,882)
Operating Projects	(270,286)	(49,612)	220,674	(81.6%)	(293,786)	(83.1%)	244,174
Profit/(Loss) before Depreciation	277,533	1,153,621	876,088	315.7 %	1,195,043	(3.5%)	(41,421)
Depreciation & Amortization	(1,371,993)	(1,775,118)	(403,126)	29.4 %	(1,376,934)	28.9 %	(398,184)
Profit/(Loss) after Depreciation	(1,094,460)	(621,497)	472,963	(43.2%)	(181,891)	241.7 %	(439,606)
Treasury Valuations	-	(43,814)	(43,814)	0.0 %	25,616	(271.0%)	(69,430)
Interest Paid	(20,715)	(29,797)	(9,082)	43.8 %	(23,773)	25.3 %	(6,024)
Investment Income	446,120	613,349	167,230	37.5 %	643,496	(4.7%)	(30,147)
Profit/(Loss) before Tax	(669,056)	(81,758)	587,297	(87.8%)	463,448	(117.6%)	(545,207)
Tax	-	-	-	0.0 %	-	0.0 %	-
TOTAL PROFIT/(LOSS)	(669,056)	(81,758)	587,297	(87.8%)	463,448	(117.6%)	(545,207)

Cash Flow Statements 3QFY2025



Cashflow Analysis Year to Date Mar-25

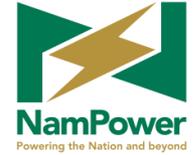


Projects Outlook

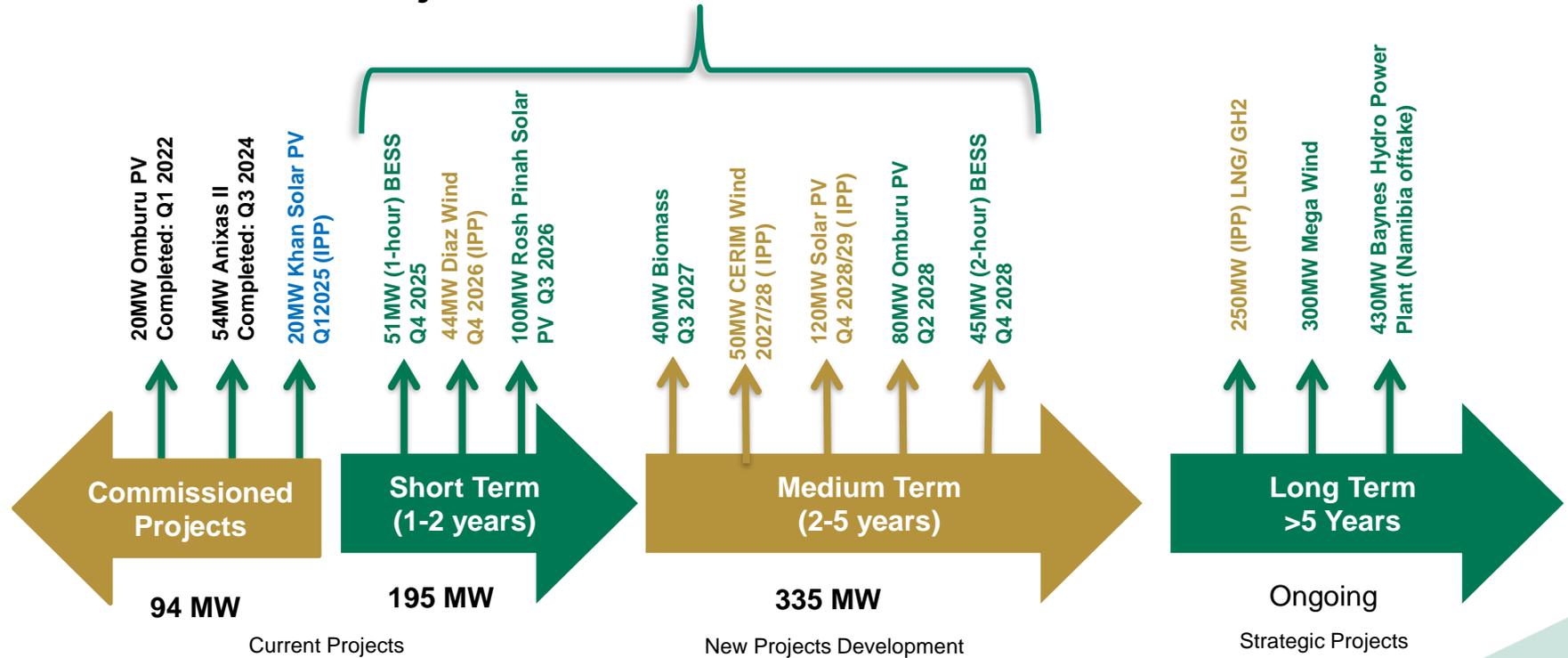


PROJECTS

Generation Projects



Projected 2025-2029 ±N\$ 6.8 billion



Ministerial Determination:

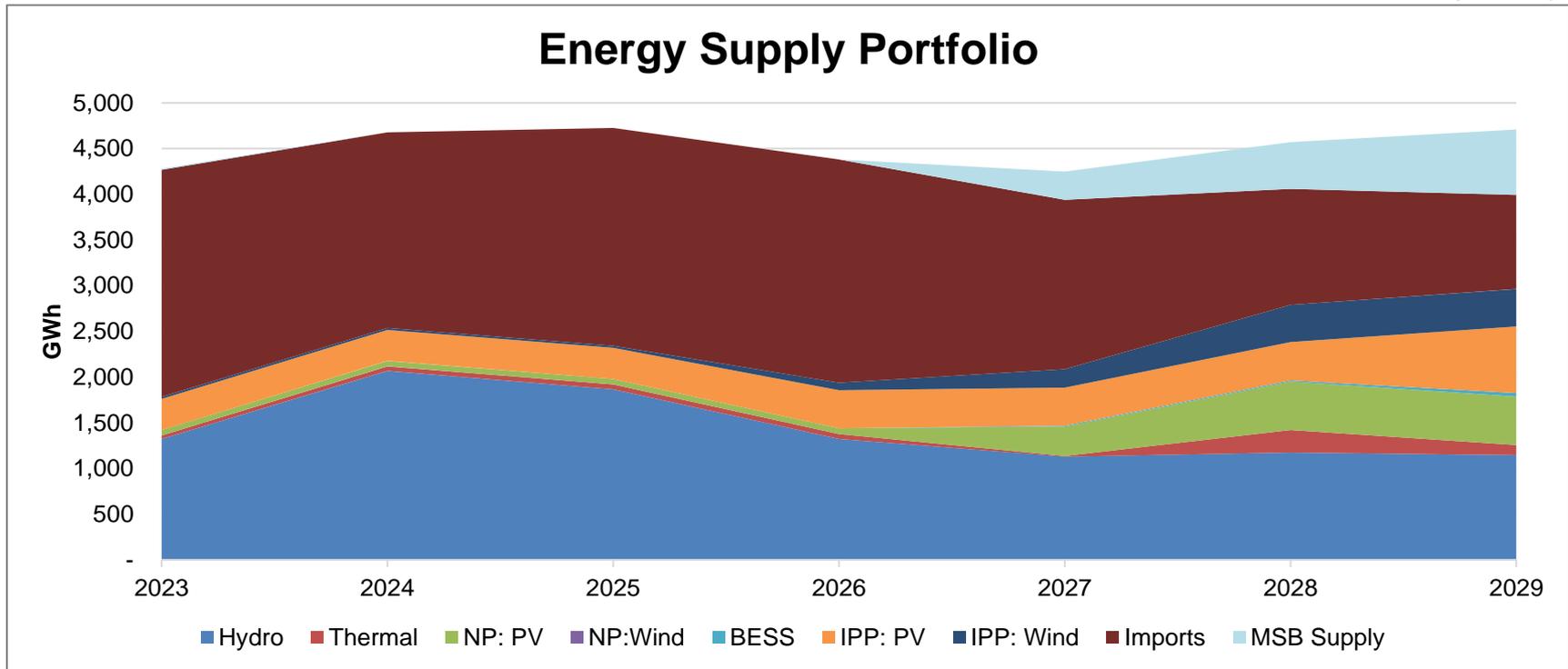
- IPP PV: 120MW
- Rosh Pinah PV : 100MW
- Omburu PV : 80MW
- Skorpion PV 100MW ??



Implementation Plan not finalised, to be informed by:

- NamPower Integrated System Plan
- NamPower Transmission Master Plan
- Variable Renewable Energy (VRE) Study
- NamPower Funding Plan

Supply Forecast

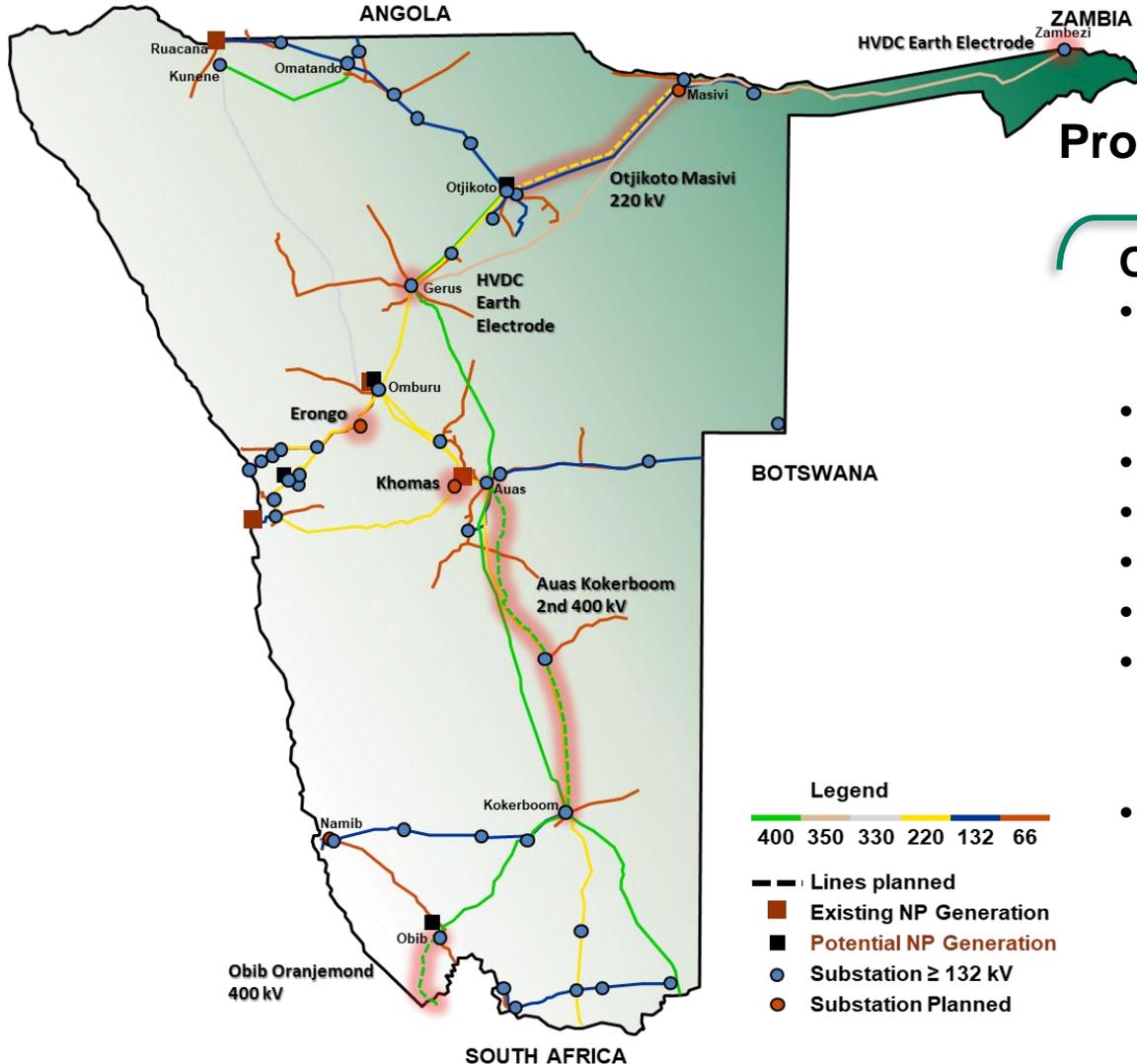


- ❑ Imports: Continue signing new Import PPAs.
- ❑ 80% Self –Sufficiency by 2028.
- ❑ Renewables: Build new local renewable generation between NamPower and IPPs , 70% Renewable Energy by 2030.
- ❑ Reality will be a combination of the above. Sufficient to meet demand and maintain reserve capacity (Anixas & Van Eck).

PROJECTS (Continued...)

Transmission Projects (Base Case)

Recent and Ongoing Backbone Expansion



Projected 2025-2029 ±N\$ 6.9 billion

Ongoing

- 400kV Obib–Oranjemond (Interconnector with RSA)
- 400kV Auas–Kokerboom
- 220kV Otjikoto–Masivi Line
- New Erongo Substation
- New Khomas Substation
- HVDC Earth Electrodes
- Various grid strengthening and Substation upgrades in the north

Excluding Master Plan Updates:

- ANNA (Angola - Namibia)
- 400kV Otjikoto-Omatando
- Baynes Integration

Financial Forecast



Capex on Balance Sheet (FY2025-2029)



Capital Expenditure N\$ million

Generation Projects	6,795
Transmission Projects	6,849
Other Capital Projects	958
Total	14,602

Funding Plan

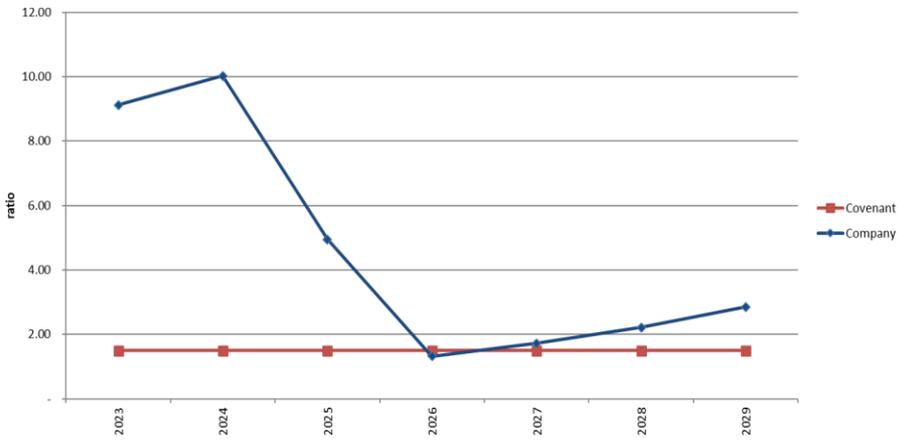
Cash Reserves	7,206
Government Equity	400
Grants	706
Debt	6,290
Total	14,602

Funding Plan

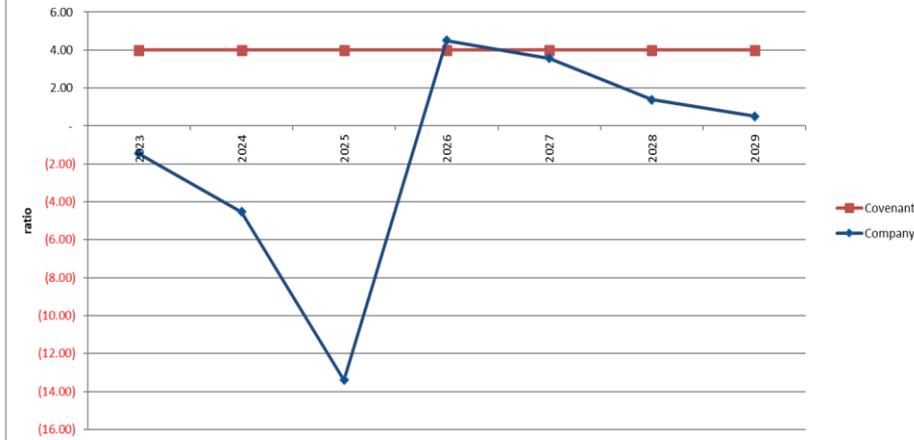
- ±60% of CAPEX in procurement (in the market)
- Cash Reserves ±N\$ 7.2b
- GRN N\$ 400m (Biomass)
- Grants N\$ 732m
- Current Debt under consideration ±N\$ 5.2 billion
 - KfW N\$ 1.3b
 - AFD N\$ 2.0b
 - World Bank N\$ 1.9 - 2.3b
- Funding Gap for **new Debt ±N\$ 350 million (max ±N\$ 1billion)**
 - Approach investors for new debt
 - Listing a new Bond Program (NSX)

Key Outputs

DSCR - Operating



Net Debt / EBITDA



Revenue, variable costs, gross margin



Cash, reserve, investment balances



Conclusion



- ❑ Capex capped to be below N\$ 15 billion up to FY-2029.
- ❑ Accelerate own generation to optimise cost of supply.
- ❑ Critical to generate cash from operations and manage working capital.
- ❑ Potential new debt N\$ 500 million to max N\$ 1 billion.
- ❑ Tariff increase needs to reflect increases in supply cost.

Thank you