

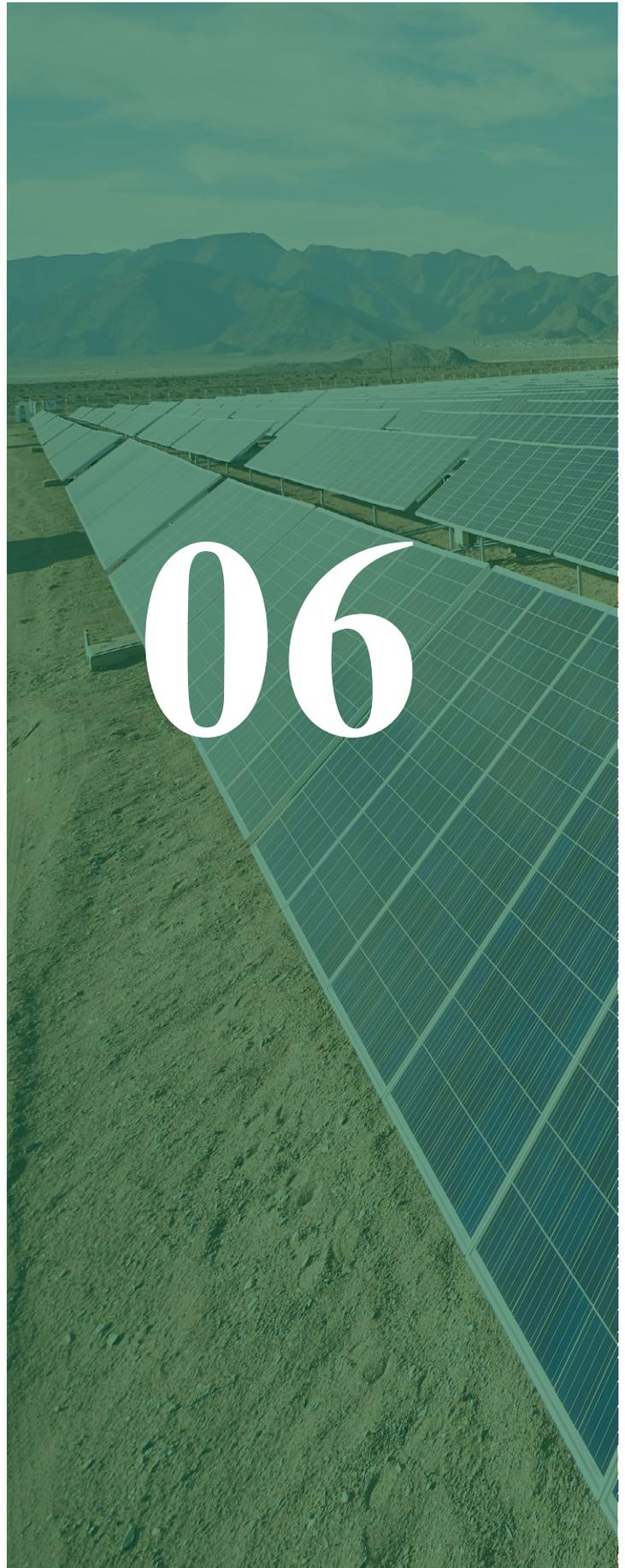
# ANNUAL FINANCIAL STATEMENTS 2025





## ANNUAL FINANCIAL STATEMENTS

**NAMPOWER**, plays a crucial role in providing electricity and energy services to the people of Namibia. Sustaining the “needs of the present while preserving the ability of future generations to meet their own needs” is a fundamental principle of sustainable development.



# 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 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<sup>®</sup> 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	%
<b>VALUE ADDED</b>				
Turnover	<b>9,105,645</b>		8,559,649	
Less: Cost of primary energy, materials and services	<b>6,596,888</b>		6,008,047	
Value added by operations	<b>2,508,757</b>	<b>68.63</b>	2,551,602	68.59
Interest and sundry income	<b>1,146,830</b>	<b>31.37</b>	1,168,554	31.41
	<b>3,655,587</b>	<b>100.00</b>	3,720,156	100.00
<b>VALUE DISTRIBUTED</b>				
To remunerate employees	<b>1,232,895</b>	<b>33.73</b>	1,216,389	32.70
To providers of debt	<b>23,988</b>	<b>0.66</b>	31,194	0.84
	<b>1,256,883</b>	<b>34.37</b>	1,247,583	33.55
<b>VALUE RETAINED</b>				
To maintain and develop operations	<b>2,398,704</b>	<b>65.63</b>	2,472,573	66.45
	<b>3,655,587</b>	<b>100.00</b>	3,720,156	100.00



# 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 10 to 142 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.

PricewaterhouseCoopers, Registered Auditors  
Unit No. 156, Maerua Mall, Centaurus Street, Windhoek, Khomas  
Region, Republic of Namibia  
P O Box 1571, Windhoek, Khomas Region, Republic of Namibia  
T: + 264 (61) 284 1000, F: +264 (61) 284 1001

Country Senior Partner: Chantell N Husselmann  
The Firm's principal place of business is at Unit No. 156, Maerua Mall, Centaurus Street, Windhoek,  
Khomas Region, Republic of Namibia  
Partners: Willem A Burger (Partner in charge: Coast), Gerrit Esterhuysen, Samuel N Ndahangwapo,  
Hans F Hashagen, Nina A Coetzer, Audrey C van Antwerpen  
Practice Number 9406, VAT reg no. 00203281-015



## 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 Annual Financial Statements 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 evidence regarding 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*

PricewaterhouseCoopers  
Registered Accountants and Auditors  
Chartered Accountants (Namibia)  
Per: Samuel N Ndahangwapo  
Partner  
Windhoek, Namibia  
Date: 15 December 2025

## **DIRECTORS' REPORT**

The directors have 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
<b>Total units into system</b>	<b>4,856</b>	<b>4,677</b>
To customers in Namibia	3,708	3,618
Exports	539	540
Orange River ^	128	130
<b>Total units sold</b>	<b>4,375</b>	<b>4,288</b>

^ 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%
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### 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

- Luderitz 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 143.

## **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 AS AT 30 JUNE 2025

	NOTE	CONSOLIDATED		COMPANY	
		2025 N\$'000	2024 N\$'000 *Restated	2025 N\$'000	2024 N\$'000 *Restated
<b>Assets</b>					
<b>Total non-current assets</b>		<b>47,042,533</b>	<b>44,580,982</b>	<b>45,883,789</b>	<b>43,618,272</b>
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
<b>Total current assets</b>		<b>11,981,376</b>	<b>10,331,013</b>	<b>11,981,376</b>	<b>10,331,013</b>
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
<b>Total assets</b>		<b>59,023,909</b>	<b>54,911,995</b>	<b>57,865,165</b>	<b>53,949,285</b>
<b>Equity</b>					
<b>Total equity attributable to equity holders</b>		<b>41,081,550</b>	<b>38,037,949</b>	<b>39,926,298</b>	<b>37,078,732</b>
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
<b>Total equity</b>		<b>41,081,550</b>	<b>38,037,949</b>	<b>39,926,298</b>	<b>37,078,732</b>
<b>Liabilities</b>					
<b>Total non-current liabilities</b>		<b>15,615,367</b>	<b>14,790,270</b>	<b>15,611,865</b>	<b>14,786,768</b>
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
<b>Total current liabilities</b>		<b>2,326,992</b>	<b>2,083,776</b>	<b>2,327,002</b>	<b>2,083,785</b>
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
<b>Total liabilities</b>		<b>17,942,359</b>	<b>16,874,046</b>	<b>17,938,867</b>	<b>16,870,553</b>
<b>Total equity and liabilities</b>		<b>59,023,909</b>	<b>54,911,995</b>	<b>57,865,165</b>	<b>53,949,285</b>

\* Certain amounts disclosed here do not correspond to the 2024 financial statements due to errors and reflect correction made, refer to note 31.

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2025**

	NOTE	CONSOLIDATED		COMPANY	
		2025 N\$'000	2024 N\$'000	2025 N\$'000	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
<b>(Loss)/profit before net finance income</b>		<b>(40,345)</b>	<b>1,116,670</b>	<b>(40,345)</b>	<b>1,116,671</b>
<b>Finance income – net</b>		<b>781,385</b>	<b>833,345</b>	<b>781,385</b>	<b>833,345</b>
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	-	-
<b>Profit before taxation</b>		<b>787,960</b>	<b>1,958,341</b>	<b>741,040</b>	<b>1,950,016</b>
Taxation	15	680,531	(566,345)	680,531	(566,345)
<b>Profit for the year</b>		<b>1,468,491</b>	<b>1,391,996</b>	<b>1,421,569</b>	<b>1,383,671</b>
<b>Other comprehensive income</b>					
<b>Items that may not be subsequently reclassified to profit or loss</b>					
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
<b>Items that may be subsequently reclassified to profit or loss</b>					
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
<b>Other comprehensive income for the year, net of taxation</b>		<b>1,575,112</b>	<b>3,249,244</b>	<b>1,425,998</b>	<b>3,065,083</b>
<b>Total comprehensive income for the year</b>		<b>3,043,603</b>	<b>4,641,241</b>	<b>2,847,567</b>	<b>4,448,754</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2025**

		Issued Share Capital	Share Premium	Reserve Fund	Development Fund	Capital Revaluation Reserve	Strategic Inventory Revaluation Reserve	Investment Valuation Reserve	Retained Earnings	Total Equity
	Note	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
<b>CONSOLIDATED</b>										
<b>Balance at 1 July 2024</b>	16	165,000	900,000	1,822,619	7,238,318	27,681,535	111,572	118,905	-	38,037,948
<b>Total comprehensive income for the year</b>										
Profit for the year		-	-	-	-	-	-	-	1,468,491	1,468,491
<b>Other comprehensive income</b>										
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, 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
<b>Allocation from retained income</b>				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)	-
<b>Balance at 30 June 2025</b>		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)**

		Issued Share Capital	Share Premium	Reserve Fund	Development Fund	Capital Revaluation Reserve	Strategic Inventory Revaluation Reserve	Investment Valuation Reserve	Retained Earnings	Total Equity
	Note	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
<b>CONSOLIDATED</b>										
<b>Balance at 1 July 2023</b>	<b>16</b>	<b>165,000</b>	<b>900,000</b>	<b>1,752,080</b>	<b>5,906,630</b>	<b>24,523,165</b>	<b>59,733</b>	<b>90,100</b>	<b>-</b>	<b>33,396,708</b>
<b>Total comprehensive income for the year</b>										
Profit for the year		-	-	-	-	-	-	-	1,391,996	1,391,996
Revaluation of property plant and equipment, net of taxation	<b>15</b>	-	-	-	-	2,973,948	-	-	-	2,973,948
Revaluation of strategic inventory	<b>15</b>	-	-	-	-	-	51,839	-	-	51,839
Net changes in fair value of listed, unlisted equity and debt instruments	<b>15</b>	-	-	-	-	-	-	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	<b>15</b>	-	-	-	-	-	-	-	10,492	10,492
Total other comprehensive income		-	-	-	-	<b>3,158,370</b>	<b>51,839</b>	<b>28,805</b>	<b>10,231</b>	<b>3,249,245</b>
Total comprehensive income for the year		-	-	-	-	<b>3,158,370</b>	<b>51,839</b>	<b>28,805</b>	<b>1,402,227</b>	<b>4,641,241</b>
<b>Allocation from retained income</b>		-	-	<b>70,539</b>	<b>1,331,688</b>	-	-	-	<b>(1,402,227)</b>	-
Transfer to reserve fund	<b>16.4</b>	-	-	70,539	-	-	-	-	(70,539)	-
Funds for capital expenditure requirements	<b>16.5</b>	-	-	-	1,331,688	-	-	-	(1,331,688)	-
<b>Balance at 30 June 2024</b>		<b>165,000</b>	<b>900,000</b>	<b>1,822,619</b>	<b>7,238,318</b>	<b>27,681,535</b>	<b>111,572</b>	<b>118,905</b>	<b>-</b>	<b>38,037,949</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

		Issued Share Capital	Share Premium	Reserve Fund	Development Fund	Capital Revaluation Reserve	Strategic Inventory Revaluation Reserve	Investment Valuation Reserve	Retained Earnings	Total Equity
	Note	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
<b>COMPANY</b>										
<b>Balance at 1 July 2024</b>	16	165,000	900,000	1,822,619	7,078,495	26,882,142	111,572	118,905	-	37,078,732
<b>Total comprehensive income for the year</b>										
Profit for the year		-	-	-	-	-	-	-	1,421,569	1,421,569
<b>Other comprehensive income</b>										
Revaluation of property plant and equipment, net of tax	15	-	-	-	-	1,430,132	-	-	-	1,430,132
Revaluation of strategic inventory	15	-	-	-	-	-	54,999	-	-	54,999
Net changes in fair value of listed , 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
<b>Allocation from retained income</b>										
Transfer to reserve fund	16.4	-	-	69,114	-	-	-	-	(69,114)	-
Funds for capital expenditure requirements	16.5	-	-	-	1,364,810	-	-	-	(1,364,810)	-
<b>Balance at 30 June 2025</b>		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)**

		Issued Share Capital	Share Premium	Reserve Fund	Development Fund	Capital Revaluation Reserve	Strategic Inventory Revaluation Reserve	Investment Valuation Reserve	Retained Earnings	Total Equity
COMPANY	Note	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
<b>Balance at 1 July 2023</b>		165,000	900,000	1,752,080	5,754,872	23,908,194	59,733	90,100	-	32,629,978
<b>Total comprehensive income for the year</b>										
Profit for the year		-	-	-	-	-	-	-	1,383,673	1,383,673
<b>Other comprehensive income</b>										
Revaluation of property plant and equipment, net of tax	15	-	-	-	-	2,973,948	-	-	-	2,973,948
Revaluation of strategic inventory	15	-	-	-	-	-	51,839	-	-	51,839
Net changes in fair value of listed, 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	1,394,164	4,448,757
<b>Allocation from retained income</b>		-	-	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)	-
<b>Balance at 30 June 2024</b>		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**

	Note	CONSOLIDATED		COMPANY	
		2025 N\$'000	2024 N\$'000 *Restated	2025 N\$'000	2024 N\$'000 *Restated
<b>Cash flows from operating activities</b>					
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)	-
<b>Net cash inflow from operating activities</b>		<b>1,499,201</b>	<b>1,853,084</b>	<b>1,499,201</b>	<b>1,853,084</b>
<b>Cash flows from investing activities</b>					
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		3,262,917	2,862,684	3,262,917	2,862,684
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)
<b>Net cash outflow from investing activities</b>		<b>(1,559,043)</b>	<b>(913,905)</b>	<b>(1,559,043)</b>	<b>(913,905)</b>
<b>Cash flows from financing activities</b>					
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	-
<b>Net cash inflow/outflow from financing activities</b>		<b>641,260</b>	<b>(125,063)</b>	<b>641,260</b>	<b>(125,063)</b>
Net increase in cash and cash equivalents		581,418	814,117	581,418	814,117
<b>Cash and cash equivalents at 1 July</b>		<b>2,218,641</b>	<b>1,418,366</b>	<b>2,218,641</b>	<b>1,418,366</b>
Effect of exchange rate fluctuations on cash held		(21,158)	(13,842)	(21,158)	(13,842)
<b>Cash and cash equivalents at 30 June</b>	14.	<b>2,778,901</b>	<b>2,218,641</b>	<b>2,778,901</b>	<b>2,218,641</b>

\* 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 is 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 it 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, 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.

#### **(e) Measurement of fair values (continued)**

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, which 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.

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 expenses that 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 measures 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 exist, the carrying amount of the interest in associate 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 valuers 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 recognized 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.

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.

#### **(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 are 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 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 assets.

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.

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.

**(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). 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 effect on underlying assets and their credit rating. The Group considers available reasonable and supportive forwarding-looking information.

Especially the following indicators 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 its 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 and thereby ensuring compliance with 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.

The Group considers a financial asset to have low probability of default when the asset has 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 is 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.

#### ***(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 investments 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.

### **(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.

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 LRMC 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.

#### **(v) Financing component**

Income recognised as capital contribution are 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.

### **(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 customer 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 contribution 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 represents 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**

Energy sold through energy trading markets. Energy is sold via 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, the operations and maintenance on the distribution network. The Group is required to be in a position to supply anytime the notified maximum demand to the 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 covers 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 recovers 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 recovers the cost of being the supplier of last resort previously part of electricity sales. These includes 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 expense on borrowings, interest and fees payable on debt securities, interest resulting from derivatives held for risk management and interest from the unwinding of discount 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 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 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 are 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 a 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.

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 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

### 5.2 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
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, but can be early adopted subject to local endorsement where required.

<p>Annual improvements to IFRS – Volume 11</p>	<p>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:</p> <p>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.</p>	<p>The Group is currently assessing the impact of the standard.</p>	<p>Annual periods beginning on or after 1 January 2026 with earlier application permitted.</p>
<p>IFRS 18, 'Presentation and Disclosure in Financial Statements'</p>	<p>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.</p> <p>Key Takeaways:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>4. Aggregation and Disaggregation:  Offers enhanced guidance on grouping items based on shared characteristics, influencing both primarily financial statements and notes.</p> <p>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.</p>	<p>The Group is currently assessing the impact of the standard.</p>	<p>Annual periods beginning on or after 1 January 2027</p>
<p>IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'</p>	<p>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.</p> <p>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.</p>	<p>Assessed to have no material impact on the Group.</p>	<p>Annual periods beginning on or after 1 January 2027. Earlier application is permitted.</p>

## 6. PROPERTY, PLANT AND EQUIPMENT

	Cost/ Valuation	Accumulate d depreciation	Carrying amount
CONSOLIDATED AND COMPANY	N\$'000	N\$'000	N\$'000
<b>2025</b>			
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
<b>Total</b>	<b>49,830,029</b>	<b>(5,947,596)</b>	<b>43,882,434</b>
<b>2024</b>			
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
<b>Total</b>	<b>45,372,654</b>	<b>(3,561,682)</b>	<b>41,810,972</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Note	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
<b>CONSOLIDATED AND COMPANY</b>											
<b>2025</b>											
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)	-	-
Transfer from assets under construction	-	-	-	-	-	-	-	-	-	-	-
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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Note	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
<b>CONSOLIDATED AND COMPANY</b>											
<b>2024</b>											
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	-	-	-	-	-	-	-	-	-	-	-
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

	Power Stations	Transmission and Distribution systems	Machinery and equipment	Land and buildings	Total
	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
<b>2025</b>					
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
<b>2024</b>					
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 revaluation of land and buildings were performed externally effective 30 June 2025 by independent valuer, Eehamba Property Consultants CC. Eehamba Property Consultants CC are not connected to the Group.

The valuations were performed on the basis of one of the methods mentioned below:

- Income Capitalization 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. The valuers 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 valuers 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 valuers 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 6.8 Reconciliation of the revaluation surplus

2025	Consolidated	Company	Consolidated	Company
	Capital Revaluation Reserve (net of tax)	Capital Revaluation Reserve (net of tax)	Strategic Inventory Revaluation Reserve	Strategic Inventory Revaluation Reserve
	N\$'000	N\$'000	N\$'000	N\$'000
<b>Opening balance at 1 July 2024</b>	<b>(27,158,373)</b>	<b>(26,933,987)</b>	<b>(111,572)</b>	<b>(111,572)</b>
<i>Change for the period</i>	(1,430,132)	(1,430,132)	(54,999)	(54,999)
Revaluation	(1,430,132)	(1,430,132)	(54,999)	(54,999)
<b>Closing balance at 30 June 2025</b>	<b>(28,588,505)</b>	<b>(28,364,119)</b>	<b>(166,571)</b>	<b>(166,571)</b>

2024	Consolidated	Company	Consolidated	Company
	Capital Revaluation	Capital Revaluation	Strategic Inventory	Strategic Inventory
	N\$'000	N\$'000	N\$'000	N\$'000
Opening balance at 1 July 2023	(24,184,425)	(23,960,039)	(59,733)	(59,733)
<i>Change for the period</i>	(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 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.

Consolidated and Company	2025 N\$'000	2024 N\$'000
<b>Power stations, transmission and distribution systems and strategic inventory</b>		
<b>Opening balance 1 July</b>	<b>37,714,697</b>	<b>34,979,880</b>
Additions and transfers from property, plant and equipment	2,482,012	102,603
Depreciation	(2,310,472)	(1,770,359)
<b>Loss included in other comprehensive income</b>		
- Changes in fair value (unrealised)	2,137,132	4,402,573
<b>Closing balance 30 June</b>	<b>40,023,369</b>	<b>37,714,697</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### (ii) Level 3 fair values (continued)

	2025 N\$'000	2024 N\$'000
<b>Land and buildings</b>		
<b>Opening balance 1 July</b>	<b>432,917</b>	<b>410,581</b>
Additions and transfers from property, plant and equipment	-	1,667
Depreciation	(19,429)	(15,191)
<b>Loss included in other comprehensive income</b>		
- Changes in fair value (unrealised)	(1,530)	35,861
<b>Closing balance 30 June</b>	<b>411,958</b>	<b>432,917</b>

### (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.

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant inputs used.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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	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 Capitalization 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	2	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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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

\* Sensitivity analysis was updated to include Omburu PV station.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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

#### 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. INTERESTS IN SUBSIDIARIES AND ASSOCIATES (continued)

### 7.2 Associates

#### Carrying amount of associates

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N\$'000	N\$'000	N\$'000	N\$'000
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)	-	-
	<b>1,380,023</b>	<b>1,183,989</b>	<b>221,279</b>	<b>221,279</b>

#### 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	457,178	457,178		
	<b>1,380,023</b>	<b>1,183,989</b>		

### 7.3 The summarised unaudited financial statements of Nored Electricity (Pty) Ltd are as follows:

	CONSOLIDATED	
	2025	2024
	N\$'000	N\$'000
<b>Statement of financial position</b>		
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)
	<b>1,654,080</b>	<b>1,686,356</b>
<b>Statement of comprehensive income</b>		
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)	<b>100,085</b>	<b>146,378</b>

\* 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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
<b>Statement of financial position</b>		
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)
	<b>472,228</b>	<b>517,288</b>
<b>Statement of comprehensive income</b>		
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	<b>22,796</b>	<b>45,017</b>

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 is 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 principle 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 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 obligation 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.

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N\$'000	N\$'000	N\$'000	N\$'000
Opening balance	18,392	22,578	18,392	22,578
<b>Loss included in other expenses</b>				
- Changes in fair value (unrealised)	(4,372)	(4,186)	(4,372)	(4,186)
Closing balance	14,020	18,392	14,020	18,392

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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
<p><b>Income Capitalisation Method:</b></p> <p>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.</p>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>Capitalisation/Discount rate: 1.1% (2024: 10%)</li> <li>Vacancy rate: 0% (2024: 10%)</li> <li>Expenses: 25% (2024: 15%)</li> </ul>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> <li>The capitalisation rate was lower (higher)</li> <li>The vacancy rate was lower (higher)</li> <li>Expenses were lower (higher)</li> </ul>	<p>A slight increase in the capitalisation rate used would result a significant decrease in fair value, and vice versa.</p>
<p><b>Direct Sales Comparison Method:</b></p> <p>This valuation technique was used in determining the fair values of the vacant plots which are classified as investment property.</p> <p>The method calculates the market value by comparing the property's characteristics with those of comparable properties which have recently sold in similar transactions.</p>	<ul style="list-style-type: none"> <li>Market prices</li> </ul>	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
<b>Computer software - purchased</b>				
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	-
Transfer to property, plant and equipment				
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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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 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
<b>Non-current investments</b>	<b>1,113,917</b>	<b>1,327,470</b>	<b>1,113,917</b>	<b>1,327,470</b>
<b>Financial assets at amortised cost:</b>				
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)
<b>Financial assets at fair value through other comprehensive income:</b>				
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
- Erongored (Pty) Ltd	33,570	103,891	33,570	103,891
- Alten Solar Power (Hardap) Pty Ltd	27,191	31,049	27,191	31,049
<b>Current investments</b>	<b>6,578,076</b>	<b>6,686,766</b>	<b>6,578,076</b>	<b>6,686,766</b>
<b>Financial assets at amortised cost:</b>				
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)
<b>Financial assets at fair value through other comprehensive income:</b>				
Listed equity: Sanlam shares	2,239	2,043	2,239	2,043
Inflation linked bonds	68,898	2,182	68,898	2,182
<b>Financial assets at fair value through profit or loss:</b>				
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)
<b>Total investments</b>	<b>7,691,993</b>	<b>8,014,236</b>	<b>7,691,993</b>	<b>8,014,237</b>

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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
<b>As at 30 June 2025</b>				
<b>Financial assets at fair value through profit or loss</b>				
Collective Investment Schemes	-	1,998,277	-	1,998,277
Money market funds	-	1,074,313	-	1,074,313
	-	-	-	-
<b>Financial assets at fair value through other comprehensive income:</b>				
Inflation linked bonds	-	123,751	-	123,751
Listed equity: Sanlam shares	2,239	-	-	2,239
Investment in unlisted equities:				
- Erongored (Pty) Ltd	-	-	33,570	33,570
- Alten Solar Power (Hardap) Pty Ltd	-	-	27,191	27,191
	-	-	-	-
<b>Financial Assets for which the fair value is disclosed</b>				
Financial Assets at Amortised Cost:				
- Debt instruments	-	813,886	-	813,886
- Fixed deposits	-	3,665,362	-	3,665,362
- Treasury bills	-	-	-	-
<b>Total investments</b>	<b>2,239</b>	<b>7,675,589</b>	<b>60,761</b>	<b>7,738,589</b>

	CONSOLIDATED AND COMPANY			
	Level 1	Level 2	Level 3	Total
	N\$'000	N\$'000	N\$'000	N\$'000
<b>As at 30 June 2024</b>				
<b>Financial assets at fair value through profit or loss</b>				
Collective investment schemes	-	1,787,612	-	1,787,612
Money market funds	-	1,800,146	-	1,800,146
<b>Financial assets at fair value through other comprehensive income:</b>				
Inflation linked bonds	-	88,916	-	88,916
Listed equity: Sanlam shares	2,043	-	-	2,043
Investment in unlisted equities:				
- Erongored (Pty) Ltd	-	-	103,891	103,891
- Alten Solar Power (Hardap) Pty Ltd	-	-	31,049	31,049
<b>Financial Assets for which the fair value is disclosed</b>				
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
<b>Total investments</b>	<b>2,043</b>	<b>7,953,607</b>	<b>134,940</b>	<b>8,090,590</b>

There were no transfers between fair value levels during the year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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 like 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

### (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
<b>Balance at 1 July 2024</b>	134,940
Total gains or losses:	
– in other comprehensive income	(74,179)
<b>Balance at 30 June 2025</b>	<u>60,761</u>

There were no disposals for the year under review.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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.

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.

Sensitivity analysis	CONSOLIDATED AND COMPANY		CONSOLIDATED AND COMPANY	
	2025		2024	
	Increase	Decrease	Increase	Decrease
	N\$'000	N\$'000	N\$'000	N\$'000
<i>Erongored (Pty) Ltd:</i>				
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
<i>Alten Solar Power (Hardap) Pty Ltd:</i>				
1% change in free cash flows	27,463	26,919	31,360	30,739
1% change in cost of equity	25,359	29,169	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	<b>28,183</b>	25,952	<b>28,183</b>	25,952
Fuel and coal	<b>125,818</b>	93,065	<b>125,818</b>	93,065
	<b>154,001</b>	119,017	<b>154,001</b>	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
<b>Financial instruments:</b>				
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)
<b>Non-financial instruments:</b>				
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
<b>Total trade and other receivables</b>	<b>2,248,258</b>	<b>1,272,764</b>	<b>2,248,258</b>	<b>1,272,764</b>
<b>Categorisation of trade and other receivables</b>				
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
	<b>2,248,258</b>	<b>1,272,764</b>	<b>2,248,258</b>	<b>1,272,764</b>

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 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 monitors 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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.

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 includes 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 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 is 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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

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 based on the individual customer history.

### 13. Trade and other receivables (continued)

30 June 2025

**Collectively assessed for impairment: Category A Customers - Electricity transmission customers <sup>1</sup>**

Expected credit loss rate (%)

Net carrying amount at default <sup>2</sup>

Loss allowance

**Individually assessed for impairment: Category A Customers - Electricity transmission customers**

Expected credit loss rate (%)

Net carrying amount at default <sup>2</sup>

Loss allowance

**Collectively assessed for impairment: Certain regional and local authorities, government agencies and NORED - Category A and D Customers - Electricity transmission customers <sup>1</sup>**

Expected credit loss rate (%)

Net carrying amount at default <sup>2</sup>

Loss allowance

**Collectively assessed for impairment: Category B Customers - Electricity cross border customers**

Expected credit loss rate (%)

Net carrying amount at default <sup>2</sup>

Loss allowance

**Collectively assessed for impairment: Category C Customers - Electricity distribution customers**

Expected credit loss rate (%)

Net carrying amount at default <sup>2</sup>

Loss allowance

**Individually assessed for impairment: Category C Customers - Electricity distribution customers**

Expected credit loss rate (%)

Net carrying amount at default <sup>2</sup>

Loss allowance

**Collectively assessed for impairment: Category D Customers - Government departments/ agents electricity customers**

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

3.05%	24.69%	52.11%	72.68%	
471,494	74,648	6,804	427	553,373
14,360	18,428	3,546	311	36,645
-	-	-	100.00%	
-	-	-	21,135	21,135
-	-	-	21,135	21,135
49.53%	76.17%	85.03%	94.55%	
38,428	24,559	17,671	615,619	696,277
19,034	18,706	15,027	582,052	634,819
32.39%	43.37%	72.80%	76.92%	
7,245	4,556	3,130	56,473	71,404
2,346	1,976	2,279	43,438	50,039
0.99%	23.37%	49.36%	73.45%	
15,810	1,107	2	3,171	20,090
157	259	1	2,329	2,746
-	-	-	100.00%	
-	-	-	3,771	3,771
-	-	-	3,771	3,771

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Expected credit loss rate (%)	0.66%	8.01%	15.29%	47.28%	
Net carrying amount at default <sup>2</sup>	9,478	1,165	-	619	11,262
Loss allowance	62	93	-	293	448
<b>Individually assessed for impairment: Category E Customers - Sundry</b>					
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
<b>Total loss allowance</b>	<b>36,041</b>	<b>39,825</b>	<b>20,857</b>	<b>663,639</b>	<b>760,362</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

30 June 2024

**Collectively assessed for impairment: Category A Customers - Electricity transmission customers <sup>1</sup>**

Expected credit loss rate (%)

Net carrying amount at default <sup>2</sup>

Loss allowance

**Individually assessed for impairment: Category A Customers - Electricity transmission customers**

Expected credit loss rate (%)

Net carrying amount at default <sup>2</sup>

Loss allowance

**Collectively assessed for impairment: Certain regional and local authorities, government agencies and NORED - Category A and D Customers - Electricity transmission customers <sup>1</sup>**

Expected credit loss rate (%)

Net carrying amount at default <sup>2</sup>

Loss allowance

**Collectively assessed for impairment: Category B Customers - Electricity distribution customers**

Expected credit loss rate (%)

Net carrying amount at default <sup>2</sup>

Loss allowance

**Collectively assessed for impairment: Category C Customers - Electricity distribution customers**

Expected credit loss rate (%)

Net carrying amount at default <sup>2</sup>

Loss allowance

**Individually assessed for impairment: Category C Customers - Electricity distribution customers**

Expected credit loss rate (%)

Net carrying amount at default <sup>2</sup>

Loss allowance

**Collectively assessed for impairment: Category D Customers - Government departments/ agents electricity customers**

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

0.69% 21.74% 65.11% 98.97%

365,299 6,186 3,071 1,596 376,153

2,520 1,345 2,000 1,580 7,444

- - 1.00 100.00%

- - 381.64 45,949 46,330

- - 381.64 45,949 46,330

41.83% 65.71% 77.36% 90.73%

109,053 23,984 25,333 706,087 864,457

45,616 15,761 19,598 640,633 721,609

41.50% 57.44% 75.68% 75.96%

12,045 9,195 6,293 36,215 63,748

4,999 5,281 4,763 27,508 42,552

1.10% 20.24% 40.95% 67.51%

18,881.99 2,187.91 3 3,249 24,322

208.24 442.92 1 2,193 2,846

100.00% 100.00% 0.00% 100.00%

7 2 0 3,870 3,879

7 2 0 3,870 3,879

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Expected credit loss rate (%)	0.68%	9.50%	19.24%	54.30%	
Net carrying amount at default <sup>2</sup>	11,403	567	-	77	12,047
Loss allowance	78	54	-	42	174
<b>Individually assessed for impairment: Category E Customers - Sundry</b>					
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
<b>Total loss allowance</b>	<b>53,855</b>	<b>23,228</b>	<b>27,150</b>	<b>731,171</b>	<b>835,403</b>

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
81,660	554,115	10,313	5,632	15,425	11,179	678,324
(27,884)	167,494	32,238	1,092	(15,252)	(609)	157,079
<b>53,776</b>	<b>721,609</b>	<b>42,552</b>	<b>6,724</b>	<b>173</b>	<b>10,570</b>	<b>835,403</b>
29,200	(86,789)	7,487	(207)	275	189	(49,845)
(25,195)		-	-	-		(25,195)
<b>57,781</b>	<b>634,819</b>	<b>50,039</b>	<b>6,518</b>	<b>448</b>	<b>10,759</b>	<b>760,362</b>

The loss allowance for trade and other receivables reconciles to the opening loss allowance for that provision as follows:

### Reconciliation of movements in allowance for impairment

#### Opening loss allowance as at 01 July 2023

(Decrease)/increase in loss allowance recognised in profit loss during the year

#### Opening loss allowance as at 01 July 2024

Increase/(decrease) in loss allowance recognised in profit loss during the year

Receivables written off during the year as uncollectible

#### Closing loss allowance as at 30 June 2025

## 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 <sup>1</sup>	126,667	115,955	126,667	115,955
Bank balances	839,159	823,640	839,159	823,640
Short term deposits <sup>2</sup>	1,812,499	1,278,995	1,812,499	1,278,995
	<b>2,778,901</b>	<b>2,218,641</b>	<b>2,778,901</b>	<b>2,218,641</b>

<sup>1</sup> 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.

<sup>2</sup> 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
<b>Namibian company tax</b>				
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	<b>(7,616)</b>	<b>1,992,404</b>	<b>(7,616)</b>	<b>1,992,404</b>
<b>Tax rate reconciliation</b>	%	%	%	%
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
<i>Other Items not deductible for tax purposes</i>				
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	<b>(91.82)</b>	<b>29.04</b>	<b>(91.82)</b>	<b>29.04</b>

## 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
<b>2025</b>						
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)
	<b>(2,248,027)</b>	<b>672,916</b>	<b>(1,575,112)</b>	<b>(2,098,913)</b>	<b>672,916</b>	<b>(1,425,998)</b>
<b>2024</b>						
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)
	<b>(4,675,303)</b>	<b>1,426,060</b>	<b>(3,249,244)</b>	<b>(4,491,142)</b>	<b>1,426,060</b>	<b>(3,065,083)</b>

## 16. Share Capital and Reserves

CONSOLIDATED		COMPANY	
2025	2024	2025	2024
N\$'000	N\$'000	N\$'000	N\$'000

### 16.1 Authorised

365 000 000 ordinary shares at N\$1	<b>365,000</b>	365,000	<b>365,000</b>	365,000
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### 16.2 Issued and fully paid share capital

165 000 000 (2024: 165 000 000) ordinary shares at N\$1	<b>165,000</b>	165,000	<b>165,000</b>	165,000
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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	<b>900,000</b>	900,000	<b>900,000</b>	900,000
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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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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 Erongored (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:

17.1 Interest bearing borrowings	Currency	Coupon		Year of maturity	30 June 2025		30 June 2024	
		interest rate	Effective interest rate		Carrying amount	Face value	Carrying amount	Face value
					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	-	-
					<b>1,012,826</b>	<b>999,132</b>	345,828	337,114
Less: Instalments payable within one year transferred to current liabilities					<b>97,449</b>	<b>83,755</b>	92,470	83,755
					<b>915,377</b>	<b>915,377</b>	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

Debt Service Coverage (12 months)

Two-year average debt service coverage ratio

Debt to total debt and equity ratio

Net debt to EBITDA ratio

Agreement requirement	2025	2024
		*Restated
Above 1.3	17.81	20.48
Above 1.4	19.15	14.79
Below 65%	2.40%	0.90%
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
<b>Non-current liability</b>					
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	-
		<b>2,032,021</b>	<b>1,590,079</b>	<b>2,032,021</b>	<b>1,590,078</b>
<b>Current liability</b>					
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
		<b>200,876</b>	<b>209,512</b>	<b>200,876</b>	<b>209,512</b>

### 18.1 Deferred revenue - Government Grants

#### 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 Powerstation, 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 was no unfulfilled conditions and other contingencies attached to the Government grant.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 18.2 Interest rate subsidy - EIB Loan III

#### Reconciliation of deferred revenue - Interest rate subsidy

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 customer 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 contribution 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 remaining useful lives of the assets and the PSA.

### 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.

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	910,093	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).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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 fuel cost subsidy for the Van Eck and Anixas Powerstations.

Opening balance	<b>115,954</b>	290,259	<b>115,954</b>	290,259
Interest received	<b>10,711</b>	25,696	<b>10,711</b>	25,696
LRMC utilised - Van Eck and Anixas Powerstations fuel cost subsidy	-	(200,000)	-	(200,000)
Closing balance	<b>126,665</b>	115,955	<b>126,666</b>	115,954

### 18.6 Deferred revenue: Omburu PV plant

Opening balance	<b>311,442</b>	325,443	<b>311,442</b>	325,443
Recognised in profit or loss	<b>(8,417)</b>	(14,001)	<b>(8,417)</b>	(14,001)
Closing balance	<b>303,024</b>	311,442	<b>303,024</b>	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	<b>357,795</b>	-	<b>357,795</b>	-
Closing balance	<b>357,795</b>	-	<b>357,795</b>	-

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.

**18.8 Deferred Income: Omburu Battery Energy Storage System (BESS)**

Opening balance	-	-	-	-
Grants received	<b>77,444</b>	-	<b>77,444</b>	-
Closing balance	<b>77,444</b>	-	<b>77,444</b>	-

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 19. DEFERRED TAX LIABILITIES

	CONSOLIDATED		COMPANY	
	2025 N\$'000	2024 N\$'000	2025 N\$'000	2024 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	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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 19. DEFERRED TAX LIABILITIES (continued)

Movements - Deferred tax assets	Property, plant and equipment	Employee benefits	Embedded derivative	Provisions	Trade receivable	Other	Total
	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
<b>At 1 July 2023</b>	-	(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)
<b>At 1 July 2024</b>	-	(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
<b>At 30 June 2025</b>	-	(86,488)	-	(65,931)	(170,139)	154,003	(168,554)
<b>Movements - Deferred tax liabilities</b>							
<b>At 1 July 2023</b>	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
<b>At 1 July 2024</b>	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)
<b>At 30 June 2025</b>	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
		*Restated		*Restated
<b>Financial instruments:</b>				
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	-
<b>Non-financial instruments:</b>				
Leave and bonus accruals	372,078	348,266	372,078	348,266
<b>Total trade and other payables</b>	<b>1,948,330</b>	<b>1,366,483</b>	<b>1,948,340</b>	<b>1,366,492</b>

### 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
	<b>1,948,330</b>	<b>1,366,483</b>	<b>1,948,340</b>	<b>1,366,492</b>

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.

### 20.4 Retention creditors

Non-Current	76,982	139,170	76,982	139,170
Current (included in trade payables)	49,522	-	49,522	-
	<b>126,504</b>	<b>139,170</b>	<b>126,504</b>	<b>139,170</b>

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
<b>Non-current assets</b>				
Embedded derivative - Power Purchase Agreement (PPA)	606,521	204,151	606,521	204,151
	<b>606,521</b>	<b>204,151</b>	<b>606,521</b>	<b>204,151</b>

### Current assets

Embedded derivative - Power Purchase Agreement (PPA)	77,055	-	77,055	-
Valuation firm commitments	-	44	-	44
	<b>77,055</b>	<b>44</b>	<b>77,055</b>	<b>44</b>

### 21.2 Derivative liabilities

#### Non-current liabilities

Embedded derivative - Power Purchase Agreement (PPA)	1,077	177,247	1,077	177,247
	<b>1,077</b>	<b>177,247</b>	<b>1,077</b>	<b>177,247</b>

#### 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
	<b>40,578</b>	<b>89,272</b>	<b>40,578</b>	<b>89,272</b>

### 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 Medical Benefits	<b>249,507</b>	239,906	<b>249,507</b>	239,906
Severance pay liability	<b>38,785</b>	43,052	<b>38,785</b>	43,052
	<b>288,292</b>	282,958	<b>288,292</b>	282,958
Current	<b>39,757</b>	42,226	<b>39,757</b>	42,226
Non-current	<b>248,535</b>	240,732	<b>248,535</b>	240,732
	<b>288,292</b>	282,958	<b>288,292</b>	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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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
<b>Current (in service) employees</b>				
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
<b>Continuation members (pensioners)</b>				
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
<b>Liability for defined benefit obligations</b>				
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 have assumed that medical aid contribution inflation would outstrip general inflation by 1.5% per annum over the foreseeable future.

#### 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:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	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 were 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

#### Membership changes

	30-06-2025 Valuation	30-06-2024 Valuation	% Change
<i>Changes to in service membership as at the valuation dates:</i>			
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%

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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:

#### Discount rate

	-1% discount rate		+1% 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

#### 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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		COMPANY	
	2025	2024	2025	2024
	N\$'000	N\$'000	N\$'000	N\$'000
Key Management	5,635	4,026	5,635	4,026

### Expected maturity analysis of the post retirement medical benefits:

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
<b>Total</b>	<b>322,537</b>	<b>239,906</b>	<b>322,537</b>	<b>239,906</b>

### 22.1.3 Expense recognised in profit or loss

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N\$'000	N\$'000	N\$'000	N\$'000
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
	<b>36,418</b>	<b>63,408</b>	<b>36,418</b>	<b>63,408</b>

The expense is included in the administrative expenses in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 22.2 Severance pay liability

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N\$'000	N\$'000	N\$'000	N\$'000
Present value of net obligations	<b>38,785</b>	43,052	<b>38,785</b>	43,052
Present value of unfunded obligations	<b>38,785</b>	43,052	<b>38,785</b>	43,052
Recognised liability for defined benefit obligations	<b>38,785</b>	43,052	<b>38,785</b>	43,052

Severance pay liability is recognised for employees retiring on reaching the age of 65 years or die 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.

#### Membership data

The table below provides a summary of details for the members.

Current employees	<b>1,145</b>	1,136	<b>1,145</b>	1,136
Average annual salary (N\$)	<b>649,400</b>	610,288	<b>649,400</b>	610,288
Salary weighted average past service (Years)	<b>14.70</b>	14.82	<b>14.70</b>	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 (%)	<b>9.32</b>	10.44	<b>9.32</b>	10.44
Salary inflation rate at 30 June (%)	<b>5.13</b>	6.38	<b>5.13</b>	6.38
Net effective discount rate	<b>3.98</b>	3.81	<b>3.98</b>	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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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 longevity 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

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	
	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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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.

### 22.2.2 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
<b>Total</b>	<b>53,839</b>	<b>43,052</b>	<b>53,839</b>	<b>43,052</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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
	<b>5,808</b>	6,005	<b>5,808</b>	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)
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### 22.4 Actuarial gain recognised in profit or loss

Remeasurements of severance pay liability - actuarial gain	(1,104)	(2,249)	(1,104)	(2,249)
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## 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	<b>8,205,686</b>	9,432,306	<b>8,205,686</b>	9,432,306
Amounts contracted for year end	<b>325,599</b>	61,029	<b>325,599</b>	61,029
	<b>325,599</b>	61,029	<b>325,599</b>	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
	N\$'000	N\$'000	N\$'000	N\$'000
<b>Recognised in profit or loss</b>				
Interest income on:	<b>805,373</b>	864,539	<b>805,373</b>	864,539
- Financial assets at amortised cost	<b>566,551</b>	577,421	<b>566,551</b>	577,421
- Financial assets at fair value through profit or loss	<b>238,822</b>	287,118	<b>238,822</b>	287,118
Interest costs on:	<b>(23,988)</b>	(31,194)	<b>(23,988)</b>	(31,194)
- Financial liabilities at amortised cost	<b>(23,988)</b>	(31,194)	<b>(23,988)</b>	(31,194)
	<b>781,385</b>	833,345	<b>781,385</b>	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
<b>Revenue Comprises</b>				
<b>Over time</b>				
- 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
	<b>9,105,645</b>	<b>8,559,649</b>	<b>9,105,645</b>	<b>8,559,649</b>
<b>Per customer type - Revenue Comprises</b>				
<b>Transmission customers</b>				
- 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
	<b>7,319,271</b>	<b>7,142,068</b>	<b>7,319,271</b>	<b>7,142,068</b>
<b>Distribution and MSB customers</b>				
- 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
	<b>1,786,374</b>	<b>1,417,581</b>	<b>1,786,374</b>	<b>1,417,581</b>
	<b>9,105,645</b>	<b>8,559,649</b>	<b>9,105,645</b>	<b>8,559,649</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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:

- f) the performance obligation is part of a contract that has an original expected duration of one year or less; or
- g) 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
	N\$'000	N\$'000	N\$'000	N\$'000
<b>* Other income comprises of:</b>				
- 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
	<b>341,457</b>	<b>304,016</b>	<b>341,457</b>	<b>304,015</b>

\* 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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
<b>(a) Cost of Electricity</b>	<b>6,043,531</b>	4,879,859	<b>6,043,531</b>	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>(b) Depreciation and amortisation</b>	<b>2,402,921</b>	1,851,365	<b>2,402,921</b>	1,851,365
<b>(c) Movement in expected credit losses</b>	<b>(48,461)</b>	157,776	<b>(48,461)</b>	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
<b>(d) Employee cost</b>	<b>1,232,895</b>	1,216,389	<b>1,232,895</b>	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
<b>(e) Other expenses</b>	<b>472,796</b>	740,700	<b>472,796</b>	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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

**Financial income and expenses - Recognised in profit or loss**

	<b>CONSOLIDATED</b>		<b>COMPANY</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>N\$'000</b>	<b>N\$'000</b>	<b>N\$'000</b>	<b>N\$'000</b>
<b>(f) Net fair value and foreign exchange (gain)/loss on financial instruments</b>	<b>(616,235)</b>	<b>(1,099,098)</b>	<b>(616,235)</b>	<b>(1,099,098)</b>
Foreign exchange loss on financial assets and liabilities	<b>129,022</b>	229,713	<b>129,022</b>	229,713
IFRS 9 Fair value adjustments	<b>(745,257)</b>	(1,328,810)	<b>(745,257)</b>	(1,328,810)
- Unrealised (gain)/loss on embedded derivative Power Purchase Agreement (PPA)	<b>(725,224)</b>	(1,331,119)	<b>(725,224)</b>	(1,331,119)
- Fair value (profit)/loss on firm commitments	<b>(20,033)</b>	2,309	<b>(20,033)</b>	2,309

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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
	<b>25,283</b>	<b>23,547</b>	<b>25,283</b>	<b>23,547</b>

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.

#### Sales

##### Investments

Erongored (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
<b>Nored Electricity (Pty) Ltd</b>	<b>999,148</b>	<b>971,487</b>	<b>999,148</b>	<b>971,487</b>
- Electricity sales	999,148	971,405	999,148	971,405
- Rental income	-	57	-	57
- Service level agreement and technical support	-	25	-	25
<b>Municipal services from related parties</b>	<b>9,604</b>	<b>4,018</b>	<b>9,604</b>	<b>4,018</b>
- Nored Electricity (Pty) Ltd	5,032	3,323	5,032	3,323
- Cenored (Pty) Ltd	4,572	695	4,572	695

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### Fellow government owned entities

The individually significant sales transactions with fellow government owned entities are listed below:

Electricity Sales	<b>2,307,108</b>	2,274,003	<b>2,307,108</b>	2,274,002
- Namibia Water Corporation	<b>178,903</b>	158,542	<b>178,903</b>	158,542
- City of Windhoek	<b>1,751,479</b>	1,747,953	<b>1,751,479</b>	1,747,953
- Namdeb Diamond Corporation (Pty) Ltd	<b>245,298</b>	236,441	<b>245,298</b>	236,441
- Rehoboth Municipality	<b>75,893</b>	73,608	<b>75,893</b>	73,608
- Mariental Municipality	<b>55,535</b>	57,459	<b>55,535</b>	57,459

### 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
<b>Investments</b>	<b>119,429</b>	106,581	<b>119,429</b>	106,580
- Erongored (Pty) Ltd	<b>119,454</b>	106,591	<b>119,454</b>	106,591
- Erongored (Pty) Ltd	<b>(25)</b>	(10)	<b>(25)</b>	(10)
	<b>231,654</b>	383,534	<b>231,654</b>	383,534
<b>Associates</b>				
- Cenored (Pty) Ltd	<b>53,643</b>	61,585	<b>53,643</b>	61,585
- Cenored (Pty) Ltd	<b>(3,940)</b>	(51)	<b>(3,940)</b>	(51)
- Nored Electricity (Pty) Ltd	<b>182,463</b>	322,449	<b>182,463</b>	322,449
- Nored Electricity (Pty) Ltd	<b>(512)</b>	(449)	<b>(512)</b>	(449)
	<b>708,133</b>	652,860	<b>708,133</b>	652,860
<b>Fellow government owned entities</b>				
- Namdeb Diamond Corporation (Pty) Ltd	<b>29,470</b>	31,429	<b>29,470</b>	31,429
- City of Windhoek	<b>182,398</b>	175,656	<b>182,398</b>	175,656
- Namibia Water Corporation (Pty) Ltd	<b>61,527</b>	51,386	<b>61,527</b>	51,386
- Rehoboth Municipality	<b>218,838</b>	222,719	<b>218,838</b>	222,719
- Mariental Municipality	<b>215,900</b>	171,670	<b>215,900</b>	171,670
	<b>43,877</b>	41,316	<b>43,877</b>	41,316
<b>Guarantees received</b>				
- Cenored (Pty) Ltd	<b>3,029</b>	2,849	<b>3,029</b>	2,849
- Nored Electricity (Pty) Ltd	<b>6,205</b>	6,205	<b>6,205</b>	6,205
- Namdeb Diamond Corporation (Pty) Ltd	<b>4,041</b>	4,041	<b>4,041</b>	4,041
- Namibia Water Corporation (Pty) Ltd	<b>28,241</b>	28,221	<b>28,241</b>	28,221
- Rehoboth Municipality	<b>2,361</b>	-	<b>2,361</b>	-

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).

The fair values of the financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 29.1 CONSOLIDATED AND COMPANY

2025	Carrying value									Fair value				
	Reference notes	Financial assets					Financial liabilities			Total	Level			
		FVTPL – designated	FVTPL – mandatorily measured	FVTOCI	FVTOCI – designated	Amortised cost	FVTPL – designated	FVTPL – mandatorily measured	Amortised cost		1	2	3	Total
in thousands of Namibia Dollar														
<b>Financial assets</b>														
Listed equity	11	-	-	-	2,239	-	-	-	-	2,239	2,239	-	-	2,239
Collective investment schemes	11	-	1,998,277	-	-	-	-	-	-	1,998,277	-	-	1,998,277	1,998,277
Derivative financial assets	21.1	-	683,576	-	-	-	-	-	-	683,576	-	-	683,576	683,576
Loans and receivables	10	-	-	-	-	25,254	-	-	-	25,254	-	-	-	-
Inflation linked bonds	11	-	-	-	123,751	-	-	-	-	123,751	-	54,853	-	54,853
Unlisted equity	11	-	-	-	60,761	-	-	-	-	60,761	-	-	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	-	1,074,313	-	1,074,313
Cash and cash equivalents	14	-	-	-	-	2,778,901	-	-	-	2,778,901	-	-	-	-
Trade and other receivables <sup>1</sup>	13	-	-	-	-	1,428,730	-	-	-	1,428,730	-	-	-	-
		-	<b>3,756,166</b>	-	<b>186,751</b>	<b>8,672,958</b>	-	-	-	<b>12,615,875</b>	<b>2,239</b>	<b>1,129,166</b>	<b>2,742,614</b>	<b>3,874,019</b>
<b>Financial liabilities</b>														
Derivative financial liabilities	21.2	-	-	-	-	-	-	(41,655)	-	(41,655)	-	(15,651)	(26,004)	(41,655)
Interest bearing loans and borrowings	17	-	-	-	-	-	-	-	(1,012,826)	(1,012,826)	-	-	-	-
Trade and other payables <sup>2</sup>	20.1	-	-	-	-	-	-	-	(1,576,262)	(1,576,262)	-	-	-	-
Non-current retention creditors	20.4	-	-	-	-	-	-	-	(76,982)	(76,982)	-	-	-	-
		-	-	-	-	-	-	<b>(41,655)</b>	<b>(2,666,070)</b>	<b>(2,707,725)</b>	-	<b>(15,651)</b>	<b>(26,004)</b>	<b>(41,655)</b>

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).

<sup>1</sup> Project and other advances and prepayments of N\$ 819.5 million (2024: N\$ 169.6 million) that are not financial assets are not included.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

<sup>2</sup> 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.

2024	Carrying value									Fair value				
	Reference notes	Financial assets					Financial liabilities			Total	Level			
		FVTPL – designated	FVTPL – mandatorily measured	FVTOCI	FVTOCI – designated	Amortised cost	FVTPL – designated	FVTPL – mandatorily measured	Amortised cost		1	2	3	Total
in thousands of Namibia Dollar														
<b>Financial assets</b>														
Listed equity	11	-	-	-	2,043	-	-	-	-	2,043	2,043	-	-	2,043
Collective investment schemes	11	-	1,787,612	-	-	-	-	-	-	1,787,612	-	1,787,612	-	1,787,612
Derivative financial assets **	21.1	-	204,195	-	-	-	-	-	-	204,195	-	-	204,195	204,195
Loans and receivables	10	-	-	-	-	22,818	-	-	-	22,818	-	-	-	-
Inflation linked bonds	11	-	-	-	88,916	-	-	-	-	88,916	-	86,734	-	86,734
Unlisted equity	11	-	-	-	134,940	-	-	-	-	134,940	-	-	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	-	1,800,146	-	1,800,146
Cash and cash equivalents	14	-	-	-	-	2,218,641	-	-	-	2,218,641	-	-	-	-
Trade and other receivables <sup>1</sup>	13	-	-	-	-	1,103,156	-	-	-	1,103,156	-	-	-	-
		-	<b>3,791,953</b>	-	<b>225,899</b>	<b>7,551,244</b>	-	-	-	<b>11,569,096</b>	<b>2,043</b>	<b>3,674,492</b>	<b>339,135</b>	<b>4,015,670</b>
<b>Financial liabilities</b>														
Derivative financial liabilities **	21.2	-	-	-	-	-	-	(266,519)	-	(266,519)	-	(14,706)	(251,813)	(266,519)
Interest bearing loans and borrowings	17	-	-	-	-	-	-	-	(345,829)	(345,829)	-	-	-	-
Trade and other payables <sup>2</sup> *	20.1	-	-	-	-	-	-	-	(1,018,218)	(1,018,218)	-	-	-	-
Non-current retention creditors	20.4	-	-	-	-	-	-	-	(139,170)	(139,170)	-	-	-	-
		-	-	-	-	-	-	<b>(266,519)</b>	<b>(1,503,217)</b>	<b>(1,769,736)</b>	-	<b>(14,706)</b>	<b>(251,813)</b>	<b>(266,519)</b>

\* 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.

\*\* Certain amounts disclosed here do not correspond to the 2024 financial statements due to a classification error relating to fair value hierarchies and reflect correction 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).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The table above analyses financial instruments carried at fair value as the amounts are a reasonable approximation of fair value.

<sup>1</sup> Project and other advances and prepayments of N\$ 169.6 million (2023: N\$479.9 million) that are not financial assets are not included.

<sup>2</sup> Accrued expenses of N\$ 348.3 million (2023: N\$161.3 million) that are not financial liabilities are not included.

**A reconciliation has been performed for fair value measurements in level 3 of the fair value hierarchy as follows:**

### Embedded derivative assets

Carrying value at beginning of the year

Net fair value unrealised loss on embedded derivatives recognised in profit or loss

Carrying value at end of the year

### Embedded derivative liabilities

Carrying value at beginning of the year

Net fair value unrealised loss on embedded derivatives recognised in profit or loss

Carrying value at end of the year

### Unlisted equity

Carrying value at beginning of the year

Net fair value gain on unlisted equities through OCI

Carrying value at end of the year

CONSOLIDATED AND COMPANY	
2025	2024
N\$'000	N\$'000
204,151	-
479,425	204,151
<b>683,576</b>	<b>204,151</b>
251,813	1,378,782
(245,798)	(1,126,969)
<b>6,015</b>	<b>251,813</b>
134,940	57,771
(74,179)	77,169
<b>60,761</b>	<b>134,940</b>

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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 is 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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

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.
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The fair values are based on current market movements at year end.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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.

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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	<b>123,751</b>	88,916	<b>123,751</b>	88,916
Unlisted equity	<b>60,761</b>	134,940	<b>60,761</b>	134,940
Listed equity: Sanlam shares	<b>2,239</b>	2,043	<b>2,239</b>	2,043
Collective investment schemes	<b>1,998,277</b>	1,787,612	<b>1,998,277</b>	1,787,612
Debt instruments	<b>738,292</b>	1,072,292	<b>738,292</b>	1,072,292
Fixed deposits	<b>3,701,781</b>	3,062,483	<b>3,701,781</b>	3,062,483
Treasury bills	-	71,854	-	71,854
Money market funds	<b>1,074,313</b>	1,800,146	<b>1,074,313</b>	1,800,146
Loans receivables	<b>25,298</b>	22,818	<b>25,298</b>	22,818
Trade and other receivables	<b>1,428,730</b>	1,103,156	<b>1,428,730</b>	1,103,156
Cash and cash equivalents	<b>2,778,901</b>	2,218,641	<b>2,778,901</b>	2,218,641
Forward exchange contract assets and firm commitments	-	44	-	44
	<b>11,932,343</b>	11,364,945	<b>11,932,343</b>	11,364,945

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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 ECL	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
				<b>11,932,343</b>

Company internal credit rating as at 30 June 2024	External credit rating	12-month or lifetime ECL	Expected credit loss rate	Gross carrying amount
				N\$'000
				N\$'000
High	AAA	12-month ECL	0.000%	2,043
	AA	12-month ECL	0.000%	-
	AA	N/A	0.000%	-
	A	12-month ECL	0.015%	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	-	-	-
				<b>10,261,828</b>

\* Refer to note 13 for the trade receivables risk profile disclosure.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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 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 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: N\$ - million). 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 note 29.4.3). The enhancement of credit control strategies and monitoring of payment levels of all trade receivables continue to receive management attention.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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	<b>1,223,769</b>	1,031,257	<b>1,223,769</b>	1,031,257
Regional Exports/ Cross border customers	<b>204,961</b>	71,899	<b>204,961</b>	71,899
	<b>1,428,730</b>	1,103,156	<b>1,428,730</b>	1,103,156

\* The maximum exposure to credit risk for trade and other receivables at the reporting date by customer category was:

Category A	<b>895,247</b>	815,555	<b>895,247</b>	815,555
Category B	<b>204,961</b>	67,059	<b>204,961</b>	67,059
Category C	<b>50,354</b>	58,068	<b>50,354</b>	58,068
Category D	<b>82,166</b>	87,513	<b>82,166</b>	87,513
Category E	<b>196,002</b>	74,962	<b>196,002</b>	74,962
	<b>1,428,730</b>	1,103,156	<b>1,428,730</b>	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	<b>63</b>	74	<b>63</b>	74
Category B	<b>14</b>	6	<b>14</b>	6
Category C	<b>4</b>	5	<b>4</b>	5
Category D	<b>6</b>	8	<b>6</b>	8
Category E	<b>14</b>	7	<b>14</b>	7
	<b>100</b>	100	<b>100</b>	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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

	COMPANY AND CONSOLIDATED	
	2025	2024
	N\$'000	N\$'000
	Carrying amount	Carrying amount
<b>Security relating to trade receivables</b>		
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:		
<b>(a) Cash deposits</b>		
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
	<b>54,629</b>	<b>47,001</b>
<b>(b) Bank Guarantees</b>		
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
	<b>517,078</b>	<b>463,767</b>

**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
<b>CONSOLIDATED AND COMPANY</b>				
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
	<b>2,189,092</b>	<b>760,362</b>	<b>1,938,561</b>	<b>835,404</b>

Refer to note 13 for a reconciliation of the expected credit losses for the trade receivables.

Expected credit losses of N\$46.7 million (2024: N\$38.5 million) relates to Rede Nacional 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 Gobabis, Karasburg Town Council, Lüderitz Town Council, Aranos Town Council and Maltahöhe Village Council. These municipalities and town council 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 council and work closely with the stakeholders to resolve the challenges that have given rise to these REDs, municipalities' and town council 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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 receivable 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The following table shows the movement in expected credit losses that has been recognised for the respective financial assets:

	12-month expected credit losses						Total
	Stage 1						
	Bonds	Fixed deposits	Money market funds	Treasury bills	Subtotal	Alten Solar Power (Hardap) Pty Ltd	
N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	
<b>Balance as at 1 July 2023</b>	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)
<b>Balance as at 30 June 2024</b>	<b>2,276</b>	<b>3,248</b>	<b>454</b>	<b>74</b>	<b>6,052</b>	<b>40</b>	<b>6,092</b>
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)
<b>Balance as at 30 June 2025</b>	<b>1,943</b>	<b>5,490</b>	<b>-</b>	<b>-</b>	<b>7,433</b>	<b>44</b>	<b>7,477</b>

### 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.

#### 29.5.1 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	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
<b>2025</b>						
<b>Consolidated and Company</b>						
<b>Non-derivative financial liabilities</b>						
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)	-	-
<b>Derivative financial liabilities</b>						
Forward exchange contracts	(15,651)	(15,651)	(19,171)	3,520	-	-
	-	-	-	-	-	-
Embedded derivative - Power Purchase Agreement (PPA)	(6,015)	(7,007)	(3,527)	(1,567)	(1,913)	-
<b>2024</b>						
<b>Non-derivative financial liabilities</b>						
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)	-	-
<b>Derivative financial liabilities</b>						
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)	-

### 29.5.2 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).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The principal or contract amount of derivative financial instruments were:

CONSOLIDATED AND COMPANY	
2025	2024
N\$'000	N\$'000
Forward exchange contracts	1,546,059
<b>970,503</b>	<b>1,546,059</b>

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	224,592
<b>406,592</b>	<b>224,592</b>

The Group holds the following pre-approved facilities at various financial institutions to facilitate the operations:

2025	2024
N\$'000	N\$'000
SB VAF fleet cards	2,000
FEC	-
Derivative	350,000
<b>545,500</b>	<b>352,000</b>

### 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

Reference note	CONSOLIDATED		COMPANY		
	2025 Carrying amount	2024 Carrying amount	2025 Carrying amount	2024 Carrying amount	
	N\$ '000	N\$ '000	N\$ '000	N\$ '000	
<b>Variable rate financial instruments</b>					
<b>Financial assets</b>					
Collective investment schemes	11	1,998,277	1,787,612	1,998,277	1,787,612
		<b>1,998,277</b>	<b>1,787,612</b>	<b>1,998,277</b>	<b>1,787,612</b>
<b>Fixed rate financial instruments</b>					
<b>Financial assets</b>					
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
<b>Financial liabilities</b>					
	17	1,013	345,829	1,013	345,829
		<b>10,862,201</b>	<b>11,024,689</b>	<b>10,862,201</b>	<b>11,024,689</b>

### 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	Equity	Profit or (loss)	Profit or (loss)
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>30 June 2025</b>				
<b>- DBN</b>				
Fixed deposits	-	-	1,416	(1,416)
Variable rate notes	-	-	-	-
<b>30 June 2024</b>				
<b>- DBN</b>				
Fixed deposits	-	-	1,433	(1,433)
Variable rate notes	-	-	45	(45)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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	Equity	Profit or (loss)	Profit or (loss)
	500 bp increase	500 bp decrease	500 bp increase	500 bp decrease
<b>30 June 2025</b>				
Collective Investment Schemes	-	-	98,866	(98,866)
<b>30 June 2024</b>				
Collective Investment Schemes	-	-	88,286	(88,286)

### 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### Consolidated

The currency position at 30 June 2025 is set below

in thousands of Namibia Dollar	Referenc e notes	N\$	ZAR	US\$	Euro	GBP	Total
<b>Assets</b>							
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
<b>Liabilities</b>							
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	-	(1,576,252)
Non current retention creditors	20.4	(76,982)	-	-	-	-	(76,982)
		(853,183)	(771,623)	(336,612)	6,595	-	(1,954,823)
<b>Gross statement of financial position exposure</b>							
		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
<b>Gross exposure</b>							
		1,294,725	3,953,625	3,486,263	6,614	16	8,741,243
Foreign exchange contracts <sup>1</sup>		-	-	(15,651)	-	-	(15,651)
<b>Net exposure</b>							
		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.

<sup>1</sup> 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### Consolidated

The currency position at 30 June 2024 is set below

in thousands of Namibia Dollar	Referenc e notes	N\$	ZAR	US\$	Euro	GBP	Total
<b>Assets</b>							
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
<b>Liabilities</b>							
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)
<b>Gross statement of financial position exposure</b>							
		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
<b>Gross exposure</b>		(1,295,204)	5,227,205	3,945,144	(439)	10	7,876,717
Foreign exchange contracts <sup>1</sup>		-	-	(14,706)	-	-	(14,706)
<b>Net exposure</b>		(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 correction 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 2024
1 SA Rand	N\$1.0
1 US Dollar	N\$18.4
1 Euro	N\$19.7
1 GBP	N\$23.3

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### Company

The currency position at 30 June 2025 is set below

in thousands of Namibia Dollar	Referenc e notes	N\$	ZAR	US\$	Euro	GBP	Total
<b>Assets</b>							
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
<b>Liabilities</b>							
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)
<b>Gross statement of financial position exposure</b>							
		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
<b>Gross exposure</b>		1,294,715	3,953,625	3,486,263	6,614	16	8,741,233
Foreign exchange contracts <sup>1</sup>		-	-	(15,651)	-	-	(15,651)
<b>Net exposure</b>		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.

<sup>1</sup> 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### Company

The currency position at 30 June 2024 is set below

in thousands of Namibia Dollar	Reference notes	N\$	ZAR	US\$	Euro	GBP	Total
<b>Assets</b>							
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
<b>Liabilities</b>							
Interest bearing loans and	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)
<b>Gross statement of financial position exposure</b>							
		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
<b>Gross exposure</b>							
		(1,295,204)	5,227,205	3,945,144	(439)	10	7,876,717
Foreign exchange contracts <sup>1</sup>		-	-	(14,706)	-	-	(14,706)
<b>Net exposure</b>							
		(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 correction made, refer to note 31.

The estimated sales and purchases include transactions for the next 12 months.

<sup>1</sup> 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 2024
1 SA Rand	N\$1.0
1 US Dollar	N\$18.4
1 Euro	N\$19.7
1 GBP	N\$23.3

### 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N\$ '000	N\$ '000	N\$ '000	N\$ '000
US Dollar (10 percent strengthening)	<b>585,818</b>	954,641	<b>585,818</b>	954,641
Euro (10 percent strengthening)	<b>661</b>	6	<b>661</b>	6
GBP (10 percent strengthening)	<b>2</b>	(52)	<b>2</b>	(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)	<b>(585,818)</b>	(954,641)	<b>(585,818)</b>	(954,641)
Euro (10 percent strengthening)	<b>(661)</b>	(6)	<b>(661)</b>	(6)
GBP (10 percent strengthening)	<b>(2)</b>	52	<b>(2)</b>	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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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	Profit or (Loss)
	N\$'000	N\$'000
United States PPI		
1% increase	<b>(118,727)</b>	(206,675)
1% decrease	<b>119,090</b>	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	<b>98,866</b>	88,286
5% decrease	<b>(98,866)</b>	(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	<b>76</b>	69	<b>112</b>	102
5% decrease	<b>(76)</b>	(69)	<b>(112)</b>	(102)

### 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The Group manages the following as capital:

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N\$ '000	N\$ '000	N\$ '000	N\$ '000
The Group manages the following as capital:				
Ordinary share capital	<b>1,065,000</b>	1,065,000	<b>1,065,000</b>	1,065,000
Reserve fund	<b>1,891,733</b>	1,822,619	<b>1,891,733</b>	1,822,619
Development fund	<b>8,443,305</b>	7,078,495	<b>8,443,305</b>	7,078,495
Debt	<b>5,600,994</b>	4,484,369	<b>5,600,994</b>	4,484,369
	<b>17,001,032</b>	14,450,483	<b>17,001,032</b>	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 a 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).

The tariff increases for the electricity business is 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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.

CONSOLIDATED AND COMPANY	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
	N\$'000	N\$'000	N\$'000
<b>2025</b>			
<b>Financial liabilities</b>			
Interest bearing loans and borrowings	(1,012,826)	-	(1,012,826)
<b>Total</b>	<b>(1,012,826)</b>	<b>-</b>	<b>(1,012,826)</b>
<b>2024</b>			
<b>Financial liabilities</b>			
Interest bearing loans and borrowings	(345,829)	-	(345,829)
<b>Total</b>	<b>(345,829)</b>	<b>-</b>	<b>(345,829)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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
<b>30 (a) CASH (UTILISED)/GENERATED BY OPERATIONS</b>					
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
<i>Changes in working capital:</i>					
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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 30. NOTES TO THE STATEMENTS OF CASH FLOWS (continued)

Note	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	N\$'000	N\$'000	N\$'000	N\$'000
		*Restated		*Restated
<b>30 (b) TAXATION PAID</b>				
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)
<b>30 (c) INTEREST RECEIVED FROM OPERATING AND INVESTING ACTIVITIES</b>				
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	24. 805,373	864,539
<b>30 (d) INTEREST PAID</b>				
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)	24. (23,988)	(31,194)
<b>30 (e) TRADE AND OTHER RECEIVABLES</b>				
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
<b>30 (f) DEFERRED REVENUE LIABILITY</b>				
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
<b>30 (g) TRADE AND OTHER PAYABLES</b>				
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)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 30 (h) CASH RECEIPTS FROM CUSTOMERS

Electricity sales	<b>9,105,645</b>	8,559,649	<b>9,105,645</b>	8,559,649
Movement in gross trade receivables	<b>(250,532)</b>	(135,661)	<b>(250,532)</b>	(135,661)
	<b>8,855,113</b>	8,423,988	<b>8,855,113</b>	8,423,988

### 30 (i) INTEREST BEARING LOANS AND BORROWINGS

Balance at 1 July	<b>345,828</b>	437,615	<b>345,828</b>	437,615
Proceeds from borrowings	<b>745,774</b>	-	<b>745,774</b>	-
Repayments	<b>(83,755)</b>	(89,841)	<b>(83,755)</b>	(89,841)
Interest capitalised on loan	-	198	-	198
Accrued interest	<b>4,979</b>	(2,144)	<b>4,979</b>	(2,144)
Balance at 30 June	<b>1,012,826</b>	345,828	<b>1,012,826</b>	345,828

### 30 (j) LOANS RECEIVABLE

Repayment of loans receivable	<b>(761)</b>	(984)	<b>(761)</b>	(984)
Loans Given	<b>282</b>	1,011	<b>282</b>	1,011
Interest capitalised	<b>2,919</b>	2,616	<b>2,919</b>	2,616
Movement in impairment loss on trade and loans receivable	<b>(4)</b>	(3)	<b>(4)</b>	(3)
Movement in loans receivable	<b>2,436</b>	2,640	<b>2,436</b>	2,640

### 30 (k) EXTENSION AND REPLACEMENT OF PROPERTY, PLANT AND EQUIPMENT TO MAINTAIN OPERATIONS

Additions for the year	<b>6 (2,315,763)</b>	(1,540,120)	<b>(2,315,763)</b>	(1,540,120)
Additions - non cash	<b>77,444</b>	-	<b>77,444</b>	-
Movement in trade and other payables relating to investing activities	<b>72,451</b>	337,935	<b>72,451</b>	337,935
Movement in trade and other receivables relating to investing activities	<b>(737,413)</b>	(124,629)	<b>(737,413)</b>	(124,629)
	<b>(2,903,281)</b>	(1,326,814)	<b>(2,903,281)</b>	(1,326,814)

**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 correction made, refer to note 31.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 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.

The errors has 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
<b>Total current liabilities</b>				
Trade and other payables	(i)	1,578,568	(212,076)	1,366,492
Current tax payable	(i)	71,737	212,076	283,813

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 31.2 Statement of cash flows for the year ended 30 June 2024 (extract)

Reference	CONSOLIDATED AND COMPANY		
	Previously reported	Impact of change	Restated
	N\$'000	N\$'000	N\$'000
<b>Cash flows from operating activities</b>			
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	-
<b>Net cash inflow from operating activities</b>	<b>2,066,390</b>	<b>(213,306)</b>	<b>1,853,084</b>
<b>Cash flows from investing activities</b>			
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)
<b>Net cash inflow from investing activities</b>	<b>(1,127,211)</b>	<b>213,306</b>	<b>(913,906)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 31.2.1 Notes to statement of cash flows

#### Cash generated from operations

Reference	CONSOLIDATED AND COMPANY		
	Previously reported	Impact of change	Restated
	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
<i>Changes in working capital:</i>			-
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)
	<u>2,147,687</u>	<u>(425,382)</u>	<u>1,722,305</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 31.3 Interest bearing borrowings

	Reference	CONSOLIDATED AND COMPANY		
		Previously reported	Impact of change	Restated
		N\$'000	N\$'000	N\$'000
<b>Debt covenants</b>				
<b>Ratios</b>				
Debt Service Coverage (12 months)	(iii)	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 is 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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.

### 34.1 Information about reportable business units

Amounts in N\$'000	Generation		Transmission		Support Services		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Total revenues	<b>473,018</b>	617,662	<b>8,414,122</b>	8,224,026	<b>7,392,248</b>	6,888,359	<b>16,279,388</b>	15,730,047
Intersegment revenue *	<b>(473,018)</b>	(617,662)	<b>(1,094,852)</b>	(1,081,956)	<b>(5,605,873)</b>	(5,470,779)	<b>(7,173,743)</b>	(7,170,396)
Revenue from external customers *	-	-	<b>7,319,271</b>	7,142,069	<b>1,786,374</b>	1,417,580	<b>9,105,645</b>	8,559,650
Cost of electricity	<b>(181,378)</b>	(100,793)	-	-	<b>(5,862,153)</b>	(4,779,067)	<b>(6,043,531)</b>	(4,879,860)
Interest Income	-	-	-	-	<b>805,373</b>	864,539	<b>805,373</b>	864,539
Interest expense	-	-	<b>(23,988)</b>	(31,194)	-	-	<b>(23,988)</b>	(31,194)
Depreciation & amortisation	<b>(1,206,191)</b>	(786,029)	<b>(1,005,992)</b>	(858,695)	<b>(190,737)</b>	(206,641)	<b>(2,402,921)</b>	(1,851,365)
Impairment loss on property, plant and equipment	-	-	-	-	-	-	-	-
Staff costs	<b>(268,425)</b>	(258,910)	<b>(478,412)</b>	(456,516)	<b>(486,058)</b>	(500,963)	<b>(1,232,896)</b>	(1,216,389)
Post retirement medical benefit (interest cost)	<b>(6,812)</b>	(5,639)	<b>(14,297)</b>	(11,834)	<b>(15,309)</b>	(12,672)	<b>(36,418)</b>	(30,145)
Foreign exchange gains on trade payables/receivables, bank balances and loans payable	-	-	-	-	<b>240,551</b>	199,915	<b>240,551</b>	199,915
Foreign exchange losses on trade payables/receivables, bank balances and loans payable	-	-	-	-	<b>(329,508)</b>	(434,245)	<b>(329,508)</b>	(434,245)
Share of profit of associates, net of taxation	-	-	-	-	<b>46,920</b>	8,326	<b>46,920</b>	8,326
Segment result (before tax)	<b>1,698,926</b>	944,064	<b>(5,680,023)</b>	(5,335,262)	<b>4,769,057</b>	6,349,539	<b>787,960</b>	1,958,341
Taxation	-	-	-	-	<b>680,531</b>	(566,345)	<b>680,531</b>	(566,345)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 34.2 Geographical information on the Group's revenue from customers by geographical area are:

	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
	<b>9,105,645</b>	<b>8,559,648</b>

### 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:

#### DESIGNATED ACCOUNT

##### Opening Balance

Receipts: Interest

IBRD TF

Expenditure

Unrealised foreign exchange loss

**BALANCE AT 30 JUNE**

##### GRANTS

TFOC2512

Expenditure

**BALANCE AT 30 JUNE**

##### CREDIT FUNDS IDA TFOC2512

Opening Balance

Principal repayments

**BALANCE AT 30 JUNE**

	2025	For eight (8) months 2024	2025	For eight (8) months 2024
	N\$'000	N\$'000	US\$'000	US\$'000
<b>Opening Balance</b>	<b>5,335</b>	<b>5,654</b>	<b>290</b>	300
Receipts: Interest	195	155	11	8
IBRD TF	208	-	11	-
Expenditure	(1,402)	(350)	(78)	(19)
Unrealised foreign exchange loss	(187)	(124)	-	-
<b>BALANCE AT 30 JUNE</b>	<b>4,149</b>	<b>5,335</b>	<b>234</b>	<b>290</b>
<b>GRANTS</b>				
TFOC2512	5,738	5,809	311	308
Expenditure	(1,589)	(473)	(78)	(19)
<b>BALANCE AT 30 JUNE</b>	<b>4,149</b>	<b>5,335</b>	<b>234</b>	<b>290</b>
<b>CREDIT FUNDS IDA TFOC2512</b>				
Opening Balance	-	-	-	-
Principal repayments	-	-	-	-
<b>BALANCE AT 30 JUNE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025**

**e) Project financial report**

	2025	For eight (8) months 2024	2025	For eight (8) months 2024
	N\$'000	N\$'000	US\$'000	US\$'000
<b>BALANCE AT 1 July</b>	<b>5,335</b>	5,654	<b>290</b>	300
<b>SOURCE OF FUNDS</b>				
TFOC2512	5,738	5,809	311	308
<b>TOTAL SOURCE OF FUNDS</b>	<b>5,738</b>	<b>5,809</b>	<b>311</b>	<b>308</b>
<b>TOTAL AVAILABLE</b>	<b>5,738</b>	<b>5,809</b>	<b>311</b>	<b>308</b>
<b>USE OF FUNDS</b>				
Component 1: Preparatory studies to support procurement of renewable energy projects	872	-	48	-
Component 2: Advisory and capacity building to support procurement of renewable energy projects	718	473	29	19
	<b>1,589</b>	<b>473</b>	<b>78</b>	<b>19</b>
<b>NET DIFFERENCE</b>	<b>4,149</b>	5,335	<b>234</b>	290
<b>CLOSING BALANCE</b>	<b>4,149</b>	<b>5,335</b>	<b>234</b>	<b>290</b>