INTEGRATED ANNUAL REPORT 2024

NamPower

Powering the Nation and beyond

Our Theme

ENERGISING OUR FUTURE WITH RENEWED PURPOSE

Welcome to NamPower's 2024 Integrated Annual Report, where we explore the theme of "Energising Our Future with Renewed Purpose". This year's report highlights our dedication to providing a secure and sustainable electricity supply for Namibia.

Our focus remains on expanding our generation capacity portfolio with great emphasis on renewable energy, improving efficiency, and minimising environmental impact, all while ensuring financial stability. These efforts reinforce our commitment to being a reliable electricity provider and a key partner in Namibia's sustainable development journey.

We invite NamPower's stakeholders to review this report and to provide feedback (for future consideration) on the Company's performance, strategy, and disclosure on delivering stakeholder value by contacting: NamPower, P O Box 2864, Windhoek, or at **register@nampower.com.na**

OTJIKOTO BIOMASS POWER PROJECT

OMBURU BATTERY ENERGY STORAGE SYSTEM (BESS)

ROSH PINAH 100 MW SOLAR PV PROJECT

ANIXAS II POWER STATION

400 KV AUAS-GERUS TRANSMISSION LINE

400 KV AUAS-KOKERBOOM TRANSMISSION LINE

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SOLAR POWER PROJECTS
OMBURU 20 MW PV POWER PROJECT

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Namibia's abundant sunshine fuels the future. The 20MW Omburu Power Project showcases NamPower's commitment to affordable, renewable energy.

By harnessing the power of the sun, we reduce costs and meet our nation's energy needs sustainably.

INTRODUCTION

About Our Report

NamPower's 2024 Integrated Annual Report is a comprehensive overview of our ongoing efforts to create and preserve value for our stakeholders. Serving as a key communication tool for our principal shareholder, the Government of the Republic of Namibia, and other key stakeholders, the report presents accurate, relevant, and transparent information about our value creation progress.

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

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

GLOSSARY OF ICONS USED THROUGHOUT THIS REPORT

OUR FOUR STRATEGIC PILLARS

1. Ensuring security of supply
2. Unlocking the value of electricity sector collaboration
3. Optimising financial sustainability
4. Driving organisational and operational excellence

OUR FOURTEEN STRATEGIC OBJECTIVES

1. Optimally expand generation capacity
2. Optimally expand transmission capacity
3. Leverage regional trading opportunities
4. Ensure lease-cost electricity supply mix
5. Support the development of the electricity industry and the economy
6. Develop new products and services (solutions)
7. Support the acceleration of electrification
8. Increase sales/revenue growth
9. Ensure sound liquidity
10. Grow shareholder value
11. Maintain profitability
12. Develop additional capabilities to meet the competitive requirements
13. Achieve and retain top employer status
14. Build an ethical, engaging and high-performance culture

OUR CAPITALS

The resources and relationships on which we depend can be described as different forms of **"capital stock"** – the assets we need to protect and enhance to achieve our strategic objectives.

- Financial capital
- Social and relationship capital
- Intellectual capital
- Human capital
- Manufactured capital
- Natural capital

OUR KEY STAKEHOLDERS

- Employees and union representative body
- Regulator (Electricity Control Board)
- Government
- Customers
- Media
- Suppliers and service providers
- International/regional relations (Southern African Power Pool)
- Financiers and development finance institutions

WE CARE ABOUT

- Customer focus
- Integrity
- Teamwork
- Accountability
- Empowerment
- Safety, health, and environment

INTEGRATED THINKING

NamPower's fourth Integrated Annual Report reflects our commitment to embedding integrated thinking and reporting as an ongoing process. This commitment, initiated in the 2020/2021 financial year, promotes good governance and disclosure practices and recognises the interdependencies between the capitals we utilise or impact. We acknowledge the inherent trade-offs associated with our strategic choices.

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

REPORT BOUNDARY, SCOPE AND FRAMEWORK

This report presents NamPower's performance for the year ended 30 June 2024. In determining the material matters to report on, we have considered the top risks and opportunities derived from our operating context and stakeholder relationships.

Our reporting process adheres to the principles and requirements outlined in the IFRS® Accounting Standards, the International Integrated Reporting Council's Framework, the Corporate Governance Code for Namibia (NamCode), the Companies Act, 2004 (No. 28 of 2004), and the Report on Corporate Governance for South Africa 2016 (King IV).

EVOLVING MARKET ENVIRONMENTAL, SOCIAL AND GOVERNANCE EXPECTATIONS

The landscape of Environmental, Social, and Governance (ESG) reporting is rapidly evolving, with frameworks and standards advancing under the guidance of the International Sustainability Standards Board (ISSB). This shift underscores the increasing importance of transparency and accountability in sustainability practices. The Board and Executive Management Committee (ExCo) are acutely aware of these changes and their implications for our operations. NamPower's approach to ESG performance reflects this awareness, with a summary of our activities and progress available on pages 29 to 35.

MATERIALITY

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

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

Our approach to managing these material matters is reflected in our operating context (refer to page 56), the material interests of our stakeholders (refer to page 58), and the principal risks facing the organisation (refer to page 61).

TARGET AUDIENCE

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

FORWARD-LOOKING STATEMENTS

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

BOARD OF DIRECTORS RESPONSIBILITY STATEMENT

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

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

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

The consolidated Annual Financial Statements on pages 104 to 211 were audited by our external auditors, PricewaterhouseCoopers. The Integrated Annual Report was issued on 15 March 2025

Mr Clive Kavendjii
Chairperson of the Board

Mr Kahenge S. Haulofu
Managing Director

Ms Silke Hornung
Audit and Risk Management Committee
(Board Committee)

NAMPOWER'S COMMITMENT TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

NamPower voluntarily endorses the United Nations Sustainable Development Goals (UN SDGs) and is committed to contributing positively towards their achievement by supporting Namibia's Fifth National Development Plan (NDP5) and the Harambee Prosperity Plan II, and by implementing our strategic initiatives. Through these efforts, we aim to support and sustain the value that the Electricity Supply Industry (ESI) contributes to the Namibian economy and the wellbeing of its people in a sustainable manner.

NamPower's contribution to the UN SDGs is described under the following respective goals.

1 NO POVERTY

- Increase access to electricity for populations living in rural and peri-urban areas to enhance productive capacity through social and economic activities.
- Support national development plans focused on reducing poverty through corporate social investments.
- Adopt a localised procurement strategy to encourage greater participation of previously disadvantaged Namibians.
- Generate thousands of direct and indirect job opportunities, particularly in economically underserved communities.
- Fulfil tax obligations, encompassing corporate income tax, value-added tax on purchases, import and export duties, and payroll taxes.

3 GOOD HEALTH AND WELL-BEING

- Mitigate and manage national and global health risks.
- Cultivate a zero-harm culture to safeguard the wellbeing of our employees and third-party contractors.
- Promote consumer education on safe electricity usage.
- Implement comprehensive safety, health and wellness programmes and initiatives.
- Provide free medical aid benefits to employees.
- Provide pension benefits through the NamPower Provident Fund.

4 QUALITY EDUCATION

- Provide access to vocational education at NamPower's Vocational Training Centre.
- Provide bursaries to the youth of Namibia in fields of study as needed by industry.
- Invest in staff development and training, including leadership development programmes.

5 GENDER EQUALITY

- Implement an Affirmative Action Policy and Recruitment and Selection Policy.
- Actively promote gender diversity within the organisation by fostering equal employment opportunities and prioritising women for promotions, bursaries, and scholarships.

6 CLEAN WATER AND SANITATION

- Improve access by Namibian communities to clean water through our corporate social investment (CSI) initiatives.
- Monitor water pollution, administered through the available legislative instruments.
- Register groundwater boreholes used by NamPower in areas without access to water supply from the national water utility, town councils or municipalities, with strict adherence to permit conditions as prescribed by the Ministry of Agriculture, Water and Land Reform (MAWLR).

7 AFFORDABLE AND CLEAN ENERGY

- The Ruacana Hydro Power Station, as the primary local generation source, provides the most cost-effective renewable energy solution in the country.
- The inauguration of the Omburu Solar Photovoltaic (PV) Power Station in 2022 has contributed an additional 20 MW of clean and renewable energy to the national grid.
- Several other renewable energy projects are currently at various stages of implementation.
- Uphold environmental laws and actively explore sustainable energy initiatives.

8 DECENT WORK AND ECONOMIC GROWTH

- NamPower employs more than 1,000 employees.
- Foster a positive working environment with competitive remuneration packages and favourable conditions of service.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Namibia benefits from a state-of-the-art and highly reliable nationwide electricity infrastructure.
- Transmission expansion programme of 400 kV to extend infrastructure by more than 800 kilometres.
- Install technology (420 kV Air Core Voltage Shunt Reactors) at key substations to enhance grid stability.
- NamPower's GridOnline fibre optic broadband service provides valuable additional telecommunications bandwidth, supporting the country's connectivity needs.

15 LIFE ON LAND

- NamPower has implemented policies, including the Environmental Policy and Safety Policy, to protect the wellbeing of communities and the surrounding flora and fauna near its infrastructure.
- Projects undergo Environmental Impact Assessments (EIA) in compliance with the Environmental Management Act, 2007 (No.7 of 2007) and its supporting regulations.
- Environmental management plans are developed to address concerns and incorporate mitigation measures, ensuring minimal impacts on communities and customers.

17 PARTNERSHIPS FOR THE GOALS

- NamPower actively collaborates with a broad range of stakeholders to advance the SDGs and national development goals.

BIOMASS POWERING OUR FUTURE
OTJIKOTO BIOMASS POWER PROJECT

02

Namibia's bush encroachment challenge is now an opportunity.

The Otjikoto Biomass Project transforms this abundant natural resource into energy, adding 40 MW to the grid while revitalising vast areas of land for agriculture and boosting economic growth.

OUR BUSINESS

Our Mandate

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

'As a commercial public enterprise, NamPower operates under the oversight of the Ministry of Finance and Public Enterprises (MFPE) in adherence to the provisions of the Public Enterprises Governance Act, 2019 (No.1 of 2019). We also maintain reporting obligations to the Ministry of Mines and Energy (MME), which holds the authority to establish policy in the country's ESI.'

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

Through diligent execution of our Integrated Strategic Business Plan (ISBP 2020-2025), NamPower remains committed to ensuring a reliable and sustainable electricity supply. Our focus on reliability and sustainability is the cornerstone of our operations, reflecting our dedication to meeting Namibia's energy needs now and into the future.

VISION AND MISSION

NamPower's vision and mission statements are built on strategic pillars (see page 17), which guide our strategic direction and behaviour. We are committed to upholding these pillars to ensure they align with our overarching vision and mission. These pillars are essential in shaping NamPower's strategic approach and ensuring consistency with its overarching vision and mission.

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

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

CORE VALUES

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

CODE OF CONDUCT

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

The three key purposes of our policy include:

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

WE CARE ABOUT:

- Customer focus
- Integrity
- Teamwork
- Accountability
- Empowerment
- Safety, health, and environment

Our Performance

ACCORDING TO THE CAPITALS FOR 2024

FINANCIAL CAPITAL

NET PROFIT (BEFORE INTEREST AND TAX) **N$1.1 billion** (from a net loss of N$2.1 billion in 2023)	**CAPITAL EXPENDITURE** Reduced slightly from N$1.6 billion in FY 2023 to **N$1.5 billion**	**IMPORTED ELECTRICITY** **45.8%** FY 2023: 58.2% and 71.2% in FY 2022	**IMPROVED CASH FLOW FROM OPERATIONS** **N$2.1 billion** FY 2023: N$488.9 million
GROUP REVENUE **N$8.6 billion** FY 2023: N$7.2 billion	**TOTAL TAX REMITTANCES** **N$1.29 billion** FY 2023: N$772 million (representing an increase of N$518 million)	**MAXIMUM DEMAND** **672 MW** FY 2023: 633 MW	**INVESTMENT INCOME** **N$864.5 million** FY 2023: N$713.4 million
TOTAL ASSETS FOR THE GROUP **N$54.9 billion** FY 2023: N$49.2 billion	**SALES AND EXPORTS** Units sold increased by **432 GWh** (from 3,856 in FY 2023 to 4,288 GWh) Exports grew from 198 GWh in FY 2023 to 540 GWh	**COST OF ELECTRICITY** Decreased by **3.0%** (from N$5.0 billion in FY 2023 to N$4.9 billion)	**DEBTORS' COLLECTION DAYS** **69.4 days** FY 2023: 76 days

SOCIAL AND RELATIONSHIP CAPITAL

RURAL ELECTRIFICATION

N$51.5 million

FY 2023: N$42.8 million ↑

CUSTOMER DEMAND GROWTH

40 MW

Customers grew by 22
System demand increased by 40 MW ↑

LOCALISED PREFERENTIAL PROCUREMENT

N$630 million

2023: N$305 million ↑

INVESTMENT IN CSI

N$9.4 million

FY 2023: N$8.5 million ↑

INVESTMENT IN 90 ACADEMIC BURSARIES

N$12.7 million

FY2023: N$5.6 million ↑

MANUFACTURED CAPITAL

TOTAL ASSETS UNDER CONSTRUCTION

N$3.45 billion

FY 2023: N$2.02 billion ↑

TRANSMISSION SYSTEM PERFORMANCE
Maintained at

99.80%

FY 2023: 99,87%

ELECTRICITY GENERATED BY NAMPOWER

46.5%

out of 4,676 GWh FY 2023: 33.3%
out of 4,267 GWh ↑

SYSTEM OUTPUT INCREASED BY

409 GWh ↑

CONTRIBUTION BY INDEPENDENT POWER PRODUCERS

7.7%

FY 2023: 8.5%
Units into the system ↓

287 KM

ADDITIONAL TRANSMISSION LINES

(from 11,756 km in FY 2023 to 12,043 km) ↑

ADDITIONAL DISTRIBUTION LINES

48 km

(from 22,930 km in FY 2023 to 22,978 km) ↑

RUACANA POWER STATION OUTPUT

2,067 GWh

FY 2023: 1,323 GWh ↑

NAMPOWER'S GridOnline

N$14.3 million

Generated
FY 2023: N$15.6 millon ↓

Our Performance

ACCORDING TO THE CAPITALS FOR 2024
(CONTUNUES)

HUMAN CAPITAL

Average age: 41

HEADCOUNT

1,094

(an increase of 1.6%)
FY 2023: 1,077

EMPLOYEE TURNOVER

1.55%

(a decrease of 5%)
FY 2023: 5%

EMPLOYEE COSTS INCREASED BY

33.5%

(from N$911.4 million in FY 2023 to N$1.2 billion) (cost of living adjustment of 4.5% and a 1.6% increase in headcount)

OVERALL COMPANY PERFORMANCE

3.24 out of 4

FY 2023: 2.68 out of 4

STAFF DEVELOPMENT AND TRAINING

N$2.4 million

FY 2023: N$3.2 million

FEMALE REPRESENTATION

27%

Slight reduction from 27.5% in FY 2023

NATURAL CAPITAL

OPERATIONAL ENVIRONMENTAL CLEARANCE CERTIFICATES (ECCs) OBTAINED

41

new and renewed ECCs obtained

ENVIRONMENTAL CLEARANCE CERTIFICATE (ECC) APPLICATIONS FOR INFRASTRUCTURE PROJECTS AND DISTRIBUTION LINES

7

LOST TIME INJURY RATE (LTIR)

0.64%

across all business units
FY 2023: 0.89%

Our Four Strategic Pillars

HOW WE DELIVER ON OUR VISION AND MISSION

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

The ISBP is supported by four strategic pillars: ensuring security of supply, unlocking the value of electricity sector collaboration, optimising financial sustainability, and driving organisational and operational excellence. These strategic pillars serve as the foundation for our decision-making and the execution of our overall strategy. They are carefully designed to create value for our stakeholders in the short, medium, and long terms.

In our ISBP, we recognise the contributions from all operational areas within our Company towards achieving our strategic objectives over the next two years. The targets outlined in the ISBP undergo annual review, considering market factors, relevant information, and our Company's operational performance. As we present this Integrated Annual Report, we demonstrate our commitment to aligning our vision, strategy, and operations, thereby providing a comprehensive view of our sustainable business performance and the value we create for our stakeholders.

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

Vision

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

Mission

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

Strategic pillars	**ENSURING SECURITY OF SUPPLY**	**UNLOCKING THE VALUE OF ELECTRICITY SECTOR COLLABORATION**	**OPTIMISING FINANCIAL SUSTAINABILITY**	**DRIVING ORGANISATIONAL AND OPERATIONAL EXCELLENCE**
Strategic goals	*NamPower will **"ensure security of supply"** by ensuring a least-cost electricity supply mix, optimally expanding the transmission network, expanding generation, and leveraging regional trading opportunities.*	*NamPower will **"unlock the value of electricity sector collaboration"** by supporting the development of the electricity industry and economy, supporting the acceleration of electrification, and developing new products and services.*	*NamPower will "**optimise financial sustainability"** by increasing sales/revenue, ensuring sound liquidity, growing shareholder value, optimising operational cost and efficiencies, and maintaining profitability.*	*NamPower will **"drive organisational and operational excellence"** by building an ethical, engaging, and high-performance culture, achieving and retaining top employer status and developing additional capabilities to meet new market requirements. New digital technologies and capabilities are key enablers to improve NamPower's performance and competitiveness.*

Values

Customer focus; Integrity; Teamwork; Accountability; Empowerment; Safety, Health, Environment

UNDERSTANDING OUR BUSINESS

WHAT WE DO

NamPower remains committed to delivering innovative electricity solutions in an ever-evolving market. Our focus is on meeting the diverse needs of our customers, fulfilling the aspirations of our staff, and exceeding the expectations of our stakeholders. We strive to do so in a competitive, sustainable, and environmentally friendly manner.

Our integrated annual report provides a comprehensive overview of our installed generation capacity, highlighting the significance of each source in our energy portfolio. By leveraging these diverse sources, we aim to optimise efficiency, enhance reliability, and minimise environmental impact, ultimately delivering long-term value to our stakeholders and communities.

NamPower's main sources of installed generation capacity are outlined in the following table.

Power station	Generation source	Installed capacity	Operating regime
Ruacana Power Station	Run-of-the- river hydropower	347 MW	Variable
Van Eck Power Station	Thermal	120 MW	Emergency standby
Anixas Power Station	Diesel/heavy fuel oil	22.5 MW	Emergency standby
Omburu Solar Photovoltaic (PV) Power Station	Renewable energy	20.0 MW	Variable

NamPower does not only rely on locally generated electricity but also imports additional power through the Southern Africa Power Pool (SAPP) via its Energy Trading System to supplement supply and meet demand. The volume of electricity imports is contingent upon the availability of local generation.

Currently, NamPower imports approximately 45-60% of its energy requirement on average. Over the years, NamPower has increased Namibia's local generation capacity by refurbishing and upgrading its existing power plants and forging partnerships with the private sector to deliver renewable energy capacity to the grid.

Rapid advancements in solar photovoltaic (PV), wind, biomass, and battery storage technologies offer NamPower the opportunity to diversify the local generation mix, reduce dependency on electricity imports, and establish a sustainable and cost-effective supply mix for Namibia's economy. The Omburu 20 MW Solar PV Power Station, NamPower's first fully owned and operated renewable energy project (inaugurated during 2022), serves as an exemplary demonstration of the capabilities of such technologies.

As part of NamPower's endeavours to adapt to prevailing market dynamics and realign its position, the utility is actively pursuing its planned capital generation and transmission expansion plans and projects. These strategic initiatives, identified in the ISBP, aim to support NamPower's mandate and continue powering the nation. For detailed information regarding these projects, refer to pages 71 to 88 of this report.

TRANSMISSION SYSTEM

NamPower takes pride in owning a world-class transmission system comprising an extensive network of overhead lines ranging from 66 kV to 400 kV, spanning an extensive distance of 12,043 kilometres. This national grid is a testament to Namibia's capabilities, as Namibian professionals have predominantly designed and constructed it.

'To ensure an efficient, reliable, and effective network with minimal disruptions, NamPower consistently invests in strengthening and maintaining the national grid.'

NamPower has developed a Transmission Master Plan, a strategic blueprint that outlines significant backbone developments for the transmission system across the country. This plan undergoes annual updates to keep pace with the nation's evolving electricity demands and to ensure supply security. NamPower prioritises planning, developing, and maintaining its generation and transmission infrastructure as part of its mandate. These infrastructure components are pivotal to the smooth operations of the Company. Furthermore, NamPower remains committed to providing distribution and rural electrification infrastructure, fulfilling its responsibility to serve all sectors of society and contribute to the nation's development.

GENERATION CAPACITY

- Four power stations
- Total installed capacity of 509.5 MW
- Variable and emergency standby

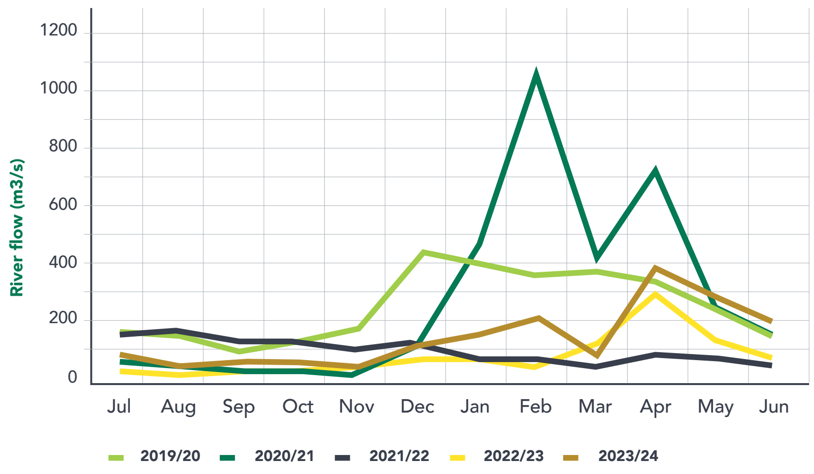
NETWORK CAPACITY

- 12,043 km of high and medium-voltage transmission lines
- 22,978 km low voltage distribution lines

RUACANA POWER STATION

The operation of the Ruacana Power Station this year involved a combination of baseload and mid-merit regimes. Between November 2023 and May 2024, the power station was able to run on baseload, supported by a strong flow of the Kunene River. Early rains in the middle-lower Kunene River catchment area (as shown in the following figure) resulted in a longer-than-usual period of sufficient water flow for continuous baseload operation, compared with previous years.

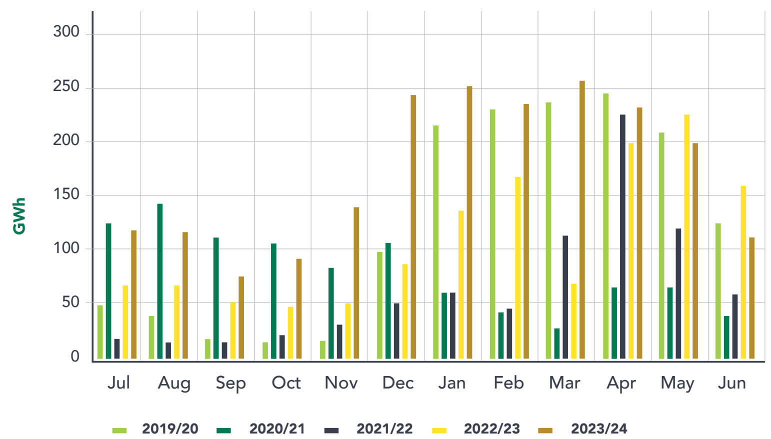
Monthly average of Kunene River flow at Ruacana



The Ruacana Power Station's generating units consistently demonstrated high levels of availability and reliability. The energy generation and dispatch during the year reached a record-breaking 2,067 GWh, surpassing the budgeted target of 1,200 GWh by 72%. This represents a significant improvement from the previous year, particularly compared with the low of 780 GWh recorded in 2021 – the lowest in a decade. The substantial increase in energy output is attributed to good collaboration with our Angolan counterparts in managing the Kunene River flow, a more favourable rainfall season, and the continued strong performance of the power station generating units in terms of availability and reliability.

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

Energy generated and dispatched from Ruacana



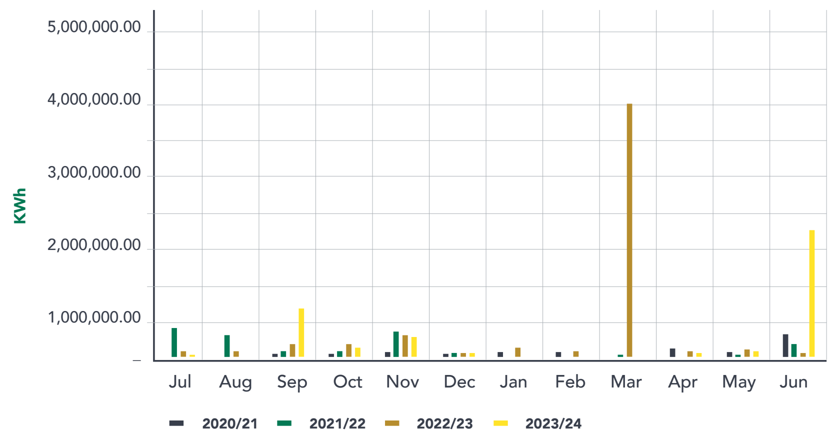
ANIXAS POWER STATION

The Anixas Power Station, with a capacity of 22.5 MW, is situated at the coastal town of Walvis Bay and serves as a vital standby emergency power station within NamPower's generation fleet. It adheres to strict international standards, ensuring the safe and reliable generation of electricity. The power station holds ISO 9001:2015 certification for its Quality Management System (QMS) from the Bureau Veritas Namibia (Pty) Ltd, affirming its compliance with industry best practices. It is scheduled for ISO 9001 re-certification in October 2024.

Anixas frequently operates during peak periods when imported power from the SAPP is insufficient to meet local demand. Its excellent reliability is demonstrated by its consistent ability to supply electricity at full capacity whenever required. As part of NamPower's expansion in new generation capacity, the Anixas II Power Project (described in more detail under the status of our generation capital projects) is under construction and will add 54 MW of quick-start power generation capacity. Combined with the existing Anixas I Power Station, this expanded capacity will provide crucial emergency and backup power to the national grid, particularly in support of intermittent renewable sources such as solar PV and wind energy. Renewable energy forecasting programmes will support this backup role to enhance renewable power dispatchability.

During the year, Anixas dispatched a total of 5,236,843 kWh (5.2 GWh), a slight decrease from the previous year's 6,350,006 kWh (6.4 GWh). In preparation for the Anixas II Firm Power Project operation, many Anixas personnel have undergone extensive training, both locally and internationally, reflecting NamPower's commitment to developing new skills to meet the evolving operational requirements and market demands. Together, Anixas I and Anixas II will bolster NamPower's ability to ensure a stable and reliable electricity supply, even under challenging conditions.

Units sent out



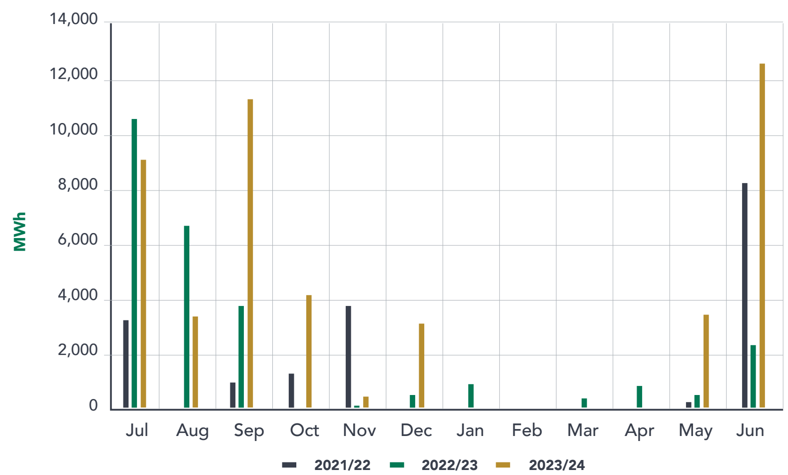
VAN ECK POWER STATION

The Van Eck Power Station, a coal-fired thermal power station, continues to serve as NamPower's emergency standby generation facility. Originally designed with an installed capacity of 120 MW (30 MW per unit x 4), the power station now operates with a reduced capacity of 96 MW (24 MW per unit x 4) due to the ageing equipment (particularly the boilers). In addition, two units operate as synchronous condensers to support grid stability.

The power station generates electricity under specific conditions, such as when the station tariff is lower than available market energy costs, during planned outages of major transmission lines, or in response to emergencies.

As shown in the following figure, 2023/2024 saw a notable increase in electricity generation during June, far surpassing the outputs of the previous two years. While mid-year generation remained relatively stable compared with the significant peaks of 2022/2023, the June surge stands out as a noteworthy spike. This increase reflects a heightened demand for electricity, with 44.355 GWh generated – a substantial 49.6% rise from the previous year's 29.655 GWh – marking the highest output since 2020.

Units sent out



20 MW OMBURU SOLAR PHOTOVOLTAIC POWER STATION

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

The defects notification period (DNP) was successfully concluded on 29 March 2024. With an operational availability and reliability exceeding 99%, the power station maintains a low operational cost. During the reporting period, it generated 60.78 GWh of clean energy, equivalent to supplying the electricity needs of more than 12,000 households.

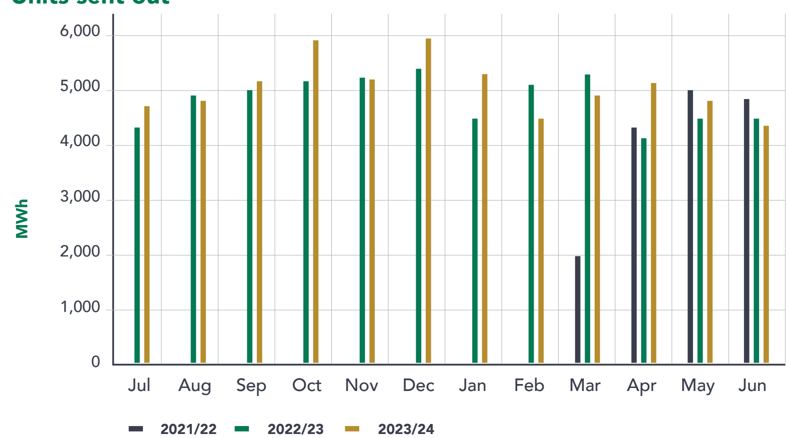
When comparing the overall electricity output of 2023/2024 with 2022/2023, it is evident that 2023/2024 consistently outperformed the previous year. Electricity generation in 2023/2024 was generally higher throughout most of the year, indicating increased and enhanced generation capacity.

Notably, 2023/2024 maintained a stable output, particularly in the latter half of the year, where generation remained strong due to increased irradiance during the hotter months of the year. In contrast, 2022/2023 showed more fluctuations with lower output over several months.

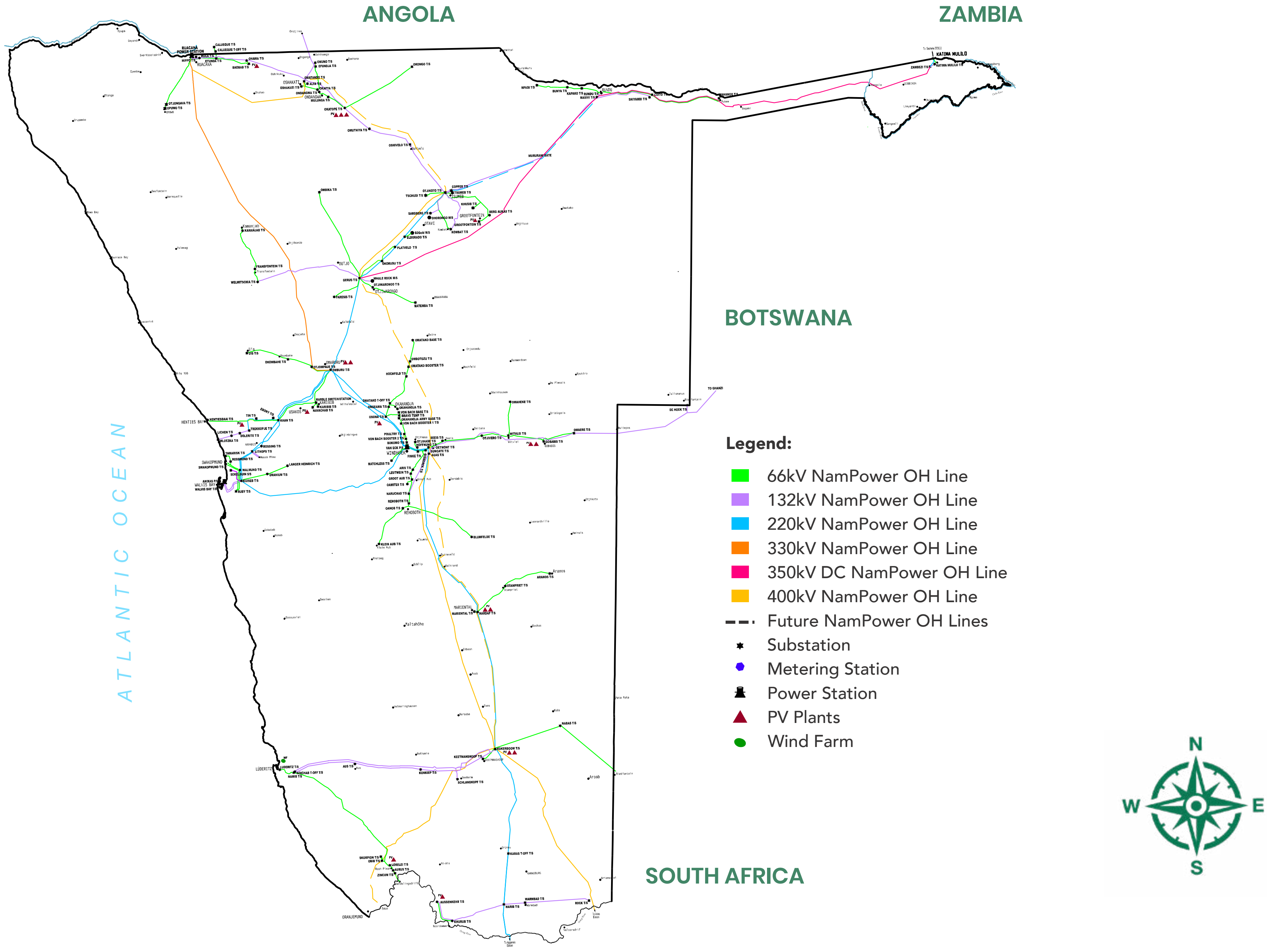
A key difference in 2023/2024 is the significant dip in electricity generation in March, where output was substantially lower than the rest of the year.

Compared with 2022/2023, 2023/2024 demonstrated an overall stronger and more consistent electricity generation with a higher output and steadier trends, except for the decline in March.

Units sent out



TRANSMISSION AND GENERATION STATIONS AND LINES MAP



SYSTEM DEMAND

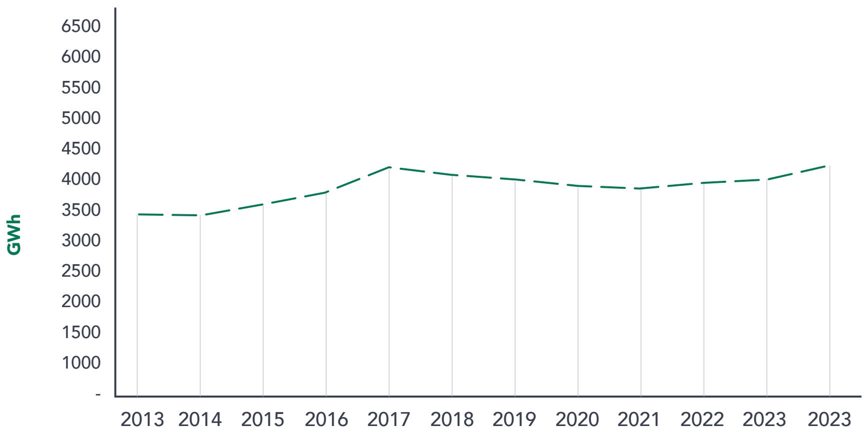
A peak demand of 672 MW/h (excluding the Skorpion Mine) was registered at 20:00 on 4 June 2024, which is more than the previous record of 633 MW/h. This signifies a notable year-on-year increase of 6% in the system maximum demand.

System minimum and maximum demands

01:00 Monday - 00:00 Friday	
Weekday maximum	672.081
Weekday minimum	235.536
01:00 Saturday - 00:00 Sunday	
Weekend maximum	618.818
Weekend minimum	347.584

ENERGY DEMAND GROWTH

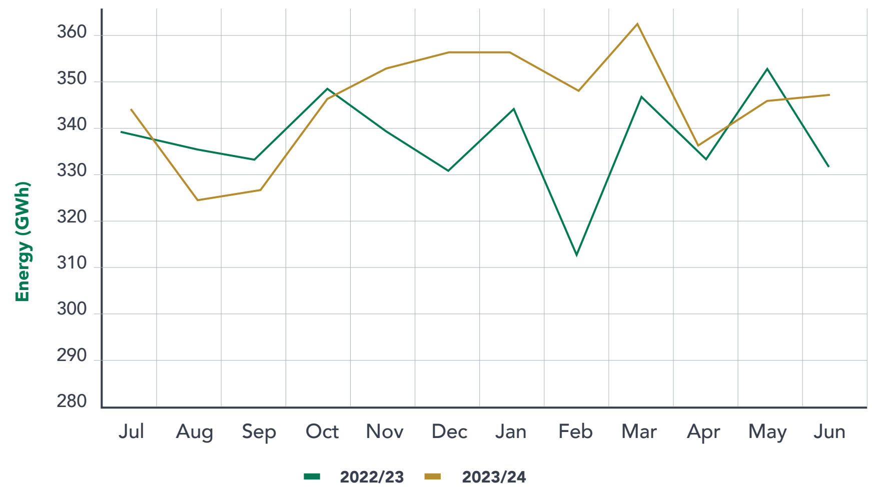
The following graph shows the annual electricity consumption in GWh from 2013 to 2024, with a gradual increase from around 3,500 GWh in 2013, peaking at over 4,000 GWh in 2018, followed by a slight decline before stabilising. The trend indicates a recovery in recent years, with consumption approaching the 2018 peak by 2024.



MONTHLY ENERGY DEMAND COMPARED TO THE PREVIOUS FINANCIAL YEAR

Compared with the previous financial year, the following graph shows that there was growth during the year under review, except for August and September 2023 and May 2024. The overall growth of 2.47%, increasing from 4,055 GWh in 2023 to 4,155 GWh in 2024, is attributed to natural demand growth. This suggests the absence or limited connection of new significant demand contributors (step loads) to the grid.

Monthly energy demand (2023 vs 2024)



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

Key figures	2024	2023
Energy consumption	4,155 GWh	4,055 GWh
Local supply	54%	41%
Imports	46%	59%
Additional renewable energy capacity (including IPPs)	-	5 MW

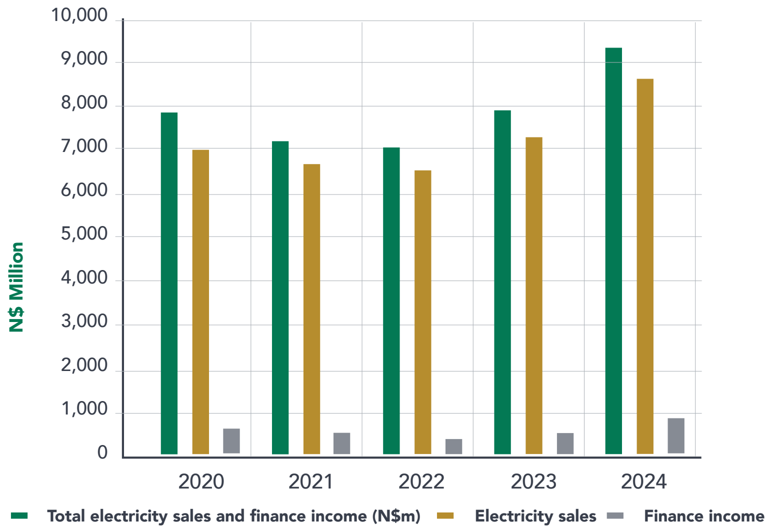
CONSOLIDATED KEY STATISTICS

		2024	2023
1.	**Total revenue (N$'000)**	**8,559,648**	7,208,687
2.	**Taxation (N$'000)**	**(1,992,404)**	524,033
3.	**Capital expenditure (N$'000)**	**1,540,965**	1,640,807
	Property, plant, and equipment	**1,540,120**	1,634,346
	Intangible assets	**845**	6,461
4.	**Coal cost per ton (N$)**	**2,246**	2,227
5.	**Average price per unit sold (Cents/kWh)**	**207.6**	185.3
6.	**Number of electricity customers**	**3,024**	3,002
7.	**System maximum (Hourly demand) (MW)**		
	- Excluding Skorpion	**672**	632
	- Including Skorpion	**672**	633
8.	**Units into system (GWh)**	**4,676**	4,267.4
	NamPower (Pty) Ltd	**2,176**	1,419
	ZESCO	**1,201**	1,478
	Eskom	**516**	466
	ZPC	**384**	330
	BPC	**-**	0.4
	SAPP Market	**39**	210
	REFIT IPPs and other IPPs	**361**	364
9.	**Units sold (GWh)**	**4,288**	3,856
	Customers in Namibia	**3,618**	3,530
	Orange River	**130**	128
	Exports	**540**	198
10.	**Installed generation capacity (MW)**	**509.5**	509.5
	- Ruacana Power Station	**347**	347
	- Van Eck Power Station	**120**	120
	- Anixas Power Station	**22.5**	22.5
	- Omburu PV Power Station	**20**	20

		2024	2023
11.	**Installed transmission capacity (MW)**		
	- Zambezi Link Interconnector	**300**	300
	- 400 kV Interconnector	**600**	600
12.	**Transmission lines**		
	- 400 kV (km)	**1,466**	1,179
	- 350 kV (km)	**953**	953
	- 330 kV (km)	**522**	522
	- 220 kV (km)	**3,207**	3,207
	- 132 kV (km)	**2,308**	2,308
	- 66 kV (km)	**3,587**	3,587
13.	**Distribution Lines**		
	- 33 kV (km)	**12,250**	12,208
	- 22 kV (km)	**4,947**	4,947
	- 19 kV (SWER) (km)	**4,633**	4,629
	- 11kV (km)	**1,148**	1,146
14.	**Employees**	**1,094**	1,077

Electricity sales and finance income

The Company's electricity sales and finance income have shown a positive trajectory, reflecting growth in revenue streams and effective financial management. This is complemented by an increase in system maximum demand (excluding Skorpion), indicating a rising electricity demand and a corresponding increase in unit sales.

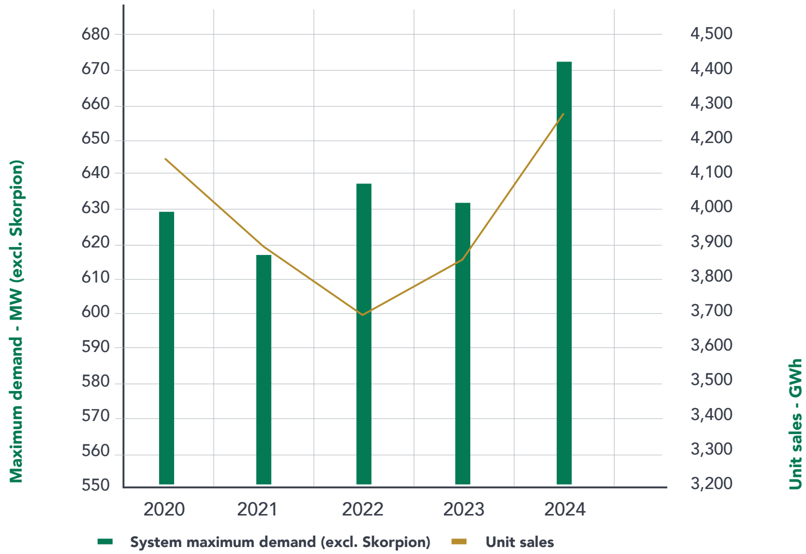


Total income and profit/(loss) after tax (N$ million)

The graph below shows a consistent increase in total income from 2020 to 2024, reaching N$9.7 billion after tax, demonstrating steady revenue growth. While profit after tax fluctuated, recent years (2023 and 2024) indicate a significant recovery, highlighting improved financial performance.

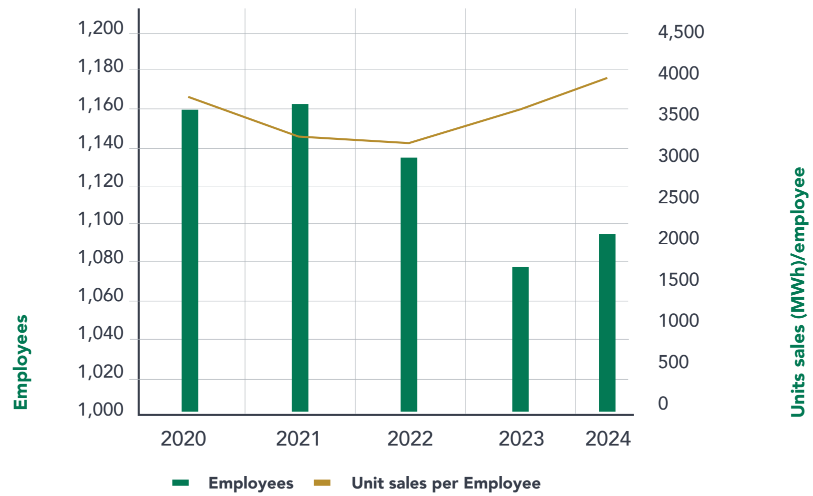
System maximum demand and unit sales

The maximum hourly system demand (excluding Skorpion) has increased, signalling higher electricity consumption. This rise in demand is matched by a growth in unit sales, demonstrating NamPower's ability to meet the needs of its customers efficiently.



Employee performance

Employee performance has been on an upward trend, contributing to the overall success and productivity of the Company. The improvement of engagement and recognition initiatives has played a crucial role in enhancing workforce motivation and effectiveness.



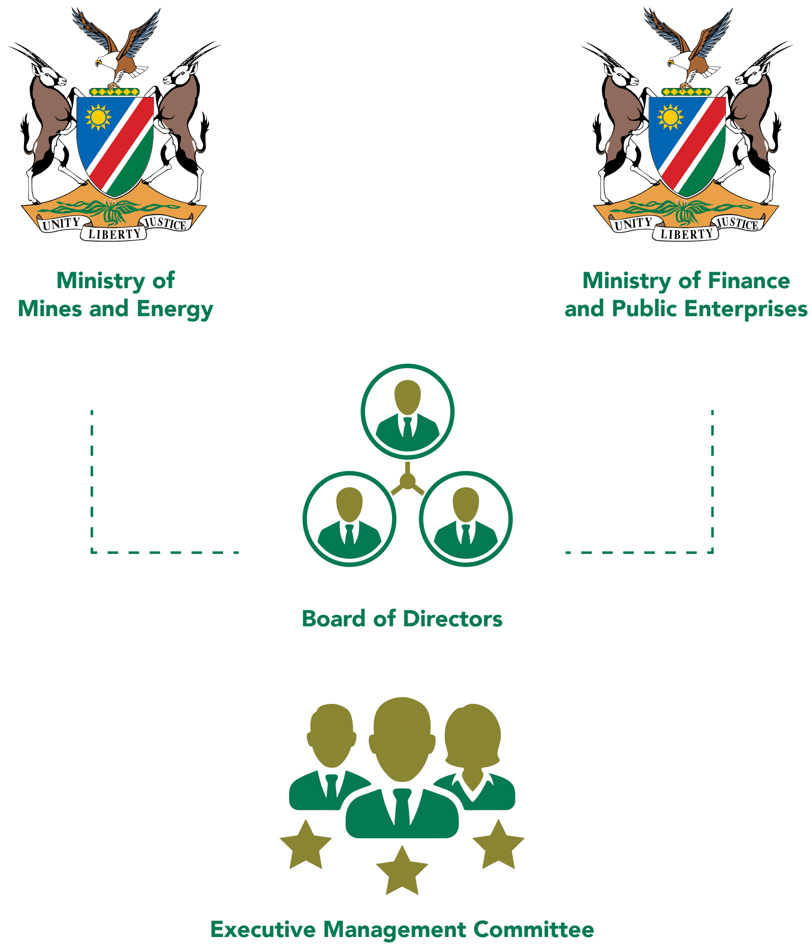
HOW WE ARE MANAGED

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

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

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

The following figure illustrates the reporting structure within NamPower:



OUR BUSINESS MODEL

– How we create value

NamPower acknowledges its critical role in driving economic growth, empowering society, and protecting the environment, in line with Vision 2030, NDP5, and the Harambee Prosperity Plan II (HPP II). Aware of its responsibility to manage national resources, NamPower is committed to generating sustainable returns and fostering meaningful development for Namibia.

NamPower diligently implements and manages projects that support socio-economic growth and environmental sustainability. The economic benefits of these efforts include the development and maintenance of high-quality generation and transmission infrastructure, ensuring that all sectors of the economy and citizens have access to reliable, safe, and secure energy, thereby supporting ongoing growth and development.

CAPITAL INPUTS

Financial capital

Revenue used to provide electricity to all consumers in Namibia

Funding sources

The provision of electricity is funded primarily by electricity sales:

- N$8.6 billion was generated through electricity sales (2023: N$7.2 billion) (units sold GWh 4,288, 2023: 3,856).
- Additional revenue generated from the returns on our investments in interest bearing instruments and interest charged on overdue accounts increased by 21.2%, from N$713.4 million in the previous year to N$864.5 million during the reporting period.
- No funding was raised from financiers for capital projects during the year.

Manufactured capital

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

- 12,043 kilometres of transmission lines (2023: 11,756 kilometres)
- 22,978 kilometres of distribution lines (2023: 22,930 kilometres)
- NamPower generation installed capacity remains unchanged: 509.5 MW (2023: 509.5 MW)
- System output: total units into system increased by 409 GWh (4,676, 2023: 4,267)
- Services offered by NamPower's GridOnline

Human capital

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

- Experienced board and leadership team
- 1,094 employees across Namibia (2023: 1,077)

Social and relationship capital

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

- Quality relationships are maintained with stakeholders including the Government and Regulator, financiers, employees, service providers, the public, and the media.
- The number of customers grew by 22.
- Corporate social investments are made in education, health and social welfare, capacity and skills development, and community development.
- Rural electrification and peri-urban development programmes are ongoing.
- Procurement activities are set aside for local suppliers.

Intellectual capital

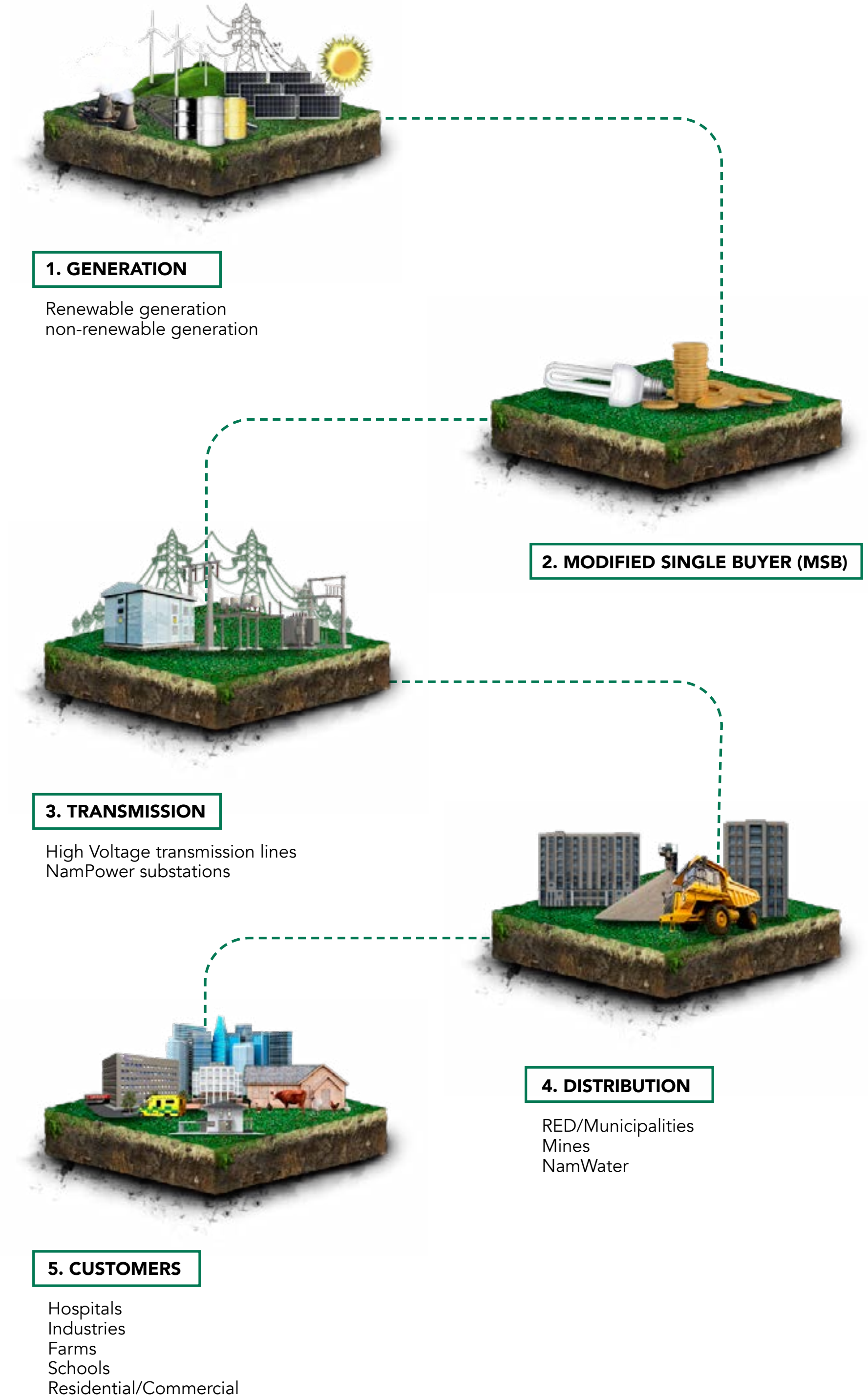
The intangible assets that sustain our ability to provide our products and services

- Governance framework
- Strategy
- Effective internal management systems
- Robust information systems (IS)
- Strong NamPower brand

Natural capital

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

- 4,676 GWh of electricity into the system
- 6,410 billon cubic metres of water used
- 33,653 metric tonnes of coal consumed
- 14 power purchase agreements (PPAs) concluded with independent power producers (IPPs) in renewable energy under the Renewable Energy Feed-in Tariffs (REFIT) Programme



CAPITAL OUTPUTS

Financial capital

Revenue used to provide electricity to all consumers in Namibia

- A net profit (before interest and tax) of N$1.1 billion from a net loss of N$2.1 billion in 2023.
- The total revenue increased by N$1.35 billion, reaching N$8.6 billion in 2024.
- The average price per unit sold increased by 22.3 cents/KWh.
- Units sold to customers in Namibia increased by 432 GWh, with exports increasing from 198 GWh to 540 GWh.
- The EBITDA margin improved from 9% (10% in strategy input) to 24% for the year.
- The current ratio is 5.0 (2023: 4.9).
- The total asset base increased to N$54.9 billion (2023: N$49.2 billion).
- The cost of electricity decreased by 3.0% (2023: 0.85%), from N$5.0 billion last year to N$4.8 billion.
- Capital expenditure totalled N$1.5 billion (2023: N$1.6 billion).
- N$3.9 billion was committed to generation and transmission projects in the 2024 financial year.
- Other income increased by 71%, from N$177.7 million to N$304.0 million.
- Operating expenses reduced by 4.7%, from N$777.4 million to N$740.7 million.

Manufactured capital

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

- Well-maintained infrastructure
- Maintained transmission system performance of 99.80%
- No load-shedding or power outages
- Additional 287 kilometres of transmission lines (2023: 66 kilometres)
- Additional 48 kilometres of distribution lines constructed (2023: 121 kilometres)
- Upgraded IT infrastructure
- Additional revenue of N$14.3 million generated by the GridOnline and fibre optics rentals (2023: N$15.5 million)

Human capital

- *The productivity, skills, and experience of our employees and key service providers:*
- The number of employees increased by 17, bringing the total to N$1,094.
- N$1.2 billion was paid in salaries and benefits, up from N$911.3 million in the previous year.
- N$2.4 million was invested in training and provided to more than 50% of NamPower's employees.

Social and relationship capital

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

- Areas supported through the NamPower Foundation in education, health and social welfare, capacity and skills development, community development, and flagship projects increased to N$9,4 million from N$8.5 million.
- N$2.4 million was invested in training and development for 875 NamPower employees.
- N$7.2 million (2023: N$5.6 million) was invested in developing national talent capacity through 46 bursaries.
- N$4.9 million (2023: N$8,5 million) was invested in developing vocational training skills for 44 trainees.
- N$51.5 million (2023: N$42.8 million) was invested in the rural electrification and peri-urban electrification programmes.
- N$1.29 billion (2023: N$772.1 million) was paid in various taxes.
- N$630 million (2023: N$305 million) was spent on localised preferential procurement.

Intellectual capital

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

- Governance framework
- Strategy
- Effective internal management systems
- Robust information systems
- Strong NamPower brand

Natural capital

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

NamPower

- Ruacana Power Station
- Van Eck Power Station
- Anixas Power Station
- Omburu Solar PV Power Station

IPPs

- 14 REFIT and other IPPs

BATTERY SOLUTIONS FOR TOMORROW
OMBURU BATTERY ENERGY STORAGE SYSTEM (BESS)

03

Our energy future depends on reliable storage.

The 51 MW Omburu Battery Energy Storage System stores renewable energy for when it's needed most, ensuring a stable and secure electricity supply as Namibia expands its renewable generation capacity.

SUSTAINABILITY

Our Commitment to Sustainable Development and Environmental, Social and Governance Principles

Namibia's Vision 2030, established in 2004, guides the country's long-term development. The Fifth National Development Plan (NDP5) for 2017 to 2022 translates this vision into action, focusing on economic growth, social transformation, environmental sustainability, and good governance. Aligned with the Sustainable Development Goals (SDGs), NDP5 operates under the theme "Working Together Towards Prosperity", emphasising collaboration for national progress.

Our business aligns with this national agenda and the Renewable Energy Policy, aiming to achieve 70% renewable energy by 2030 and 80% self-sufficiency in the medium term. While we have not yet formalised an ESG or sustainability policy, we are committed to integrating environmental, social, and governance principles into our operations. We strive to be a leading electricity provider in the Southern African Development Community (SADC) region, focusing on sustainability, reliability, and responsible business practices. As stakeholder expectations evolve, we are dedicated to aligning with international ESG reporting standards and enhancing corporate value.

'NamPower has been a catalyst of socio-economic development for more than two decades. The Company has provided consistency and reliability of power supply to the nation, protecting the environment, uplifting marginalised communities, providing excellent customer service, striving to meet its stakeholders' expectations, and fulfilling its staff's aspirations.'

OUR SUSTAINABILITY COMMITMENTS

ENVIRONMENTAL	SOCIAL	GOVERNANCE
Our commitment to responsible environmental practices: Our approach to responsible environmental practices is founded on the Constitution of the Republic of Namibia and international laws and agreements that Namibia is a signatory to, as well as national development policies and regulations supported by NamPower's in-house policies and procedures. (See page 31 for disclosures)	**Our commitment to our key stakeholders:** Employees and union representative body Regulator (Electricity Control Board) Government Customers Media Suppliers and service providers International/regional relations (Southern African Power Pool) Financiers and development finance institutions We believe that through the investment made in our human capital and the five core areas of our corporate social investment programmes (education, health and social welfare, community development, capacity and skills development, job creation and entrepreneurship development) we will contribute to building a healthier, empowered, informed, and prosperous society in support of long-term sustainability. (See page 31 for disclosures)	**Our commitment to good corporate governance and ethical leadership:** We believe that good corporate governance is fundamental to the success, sustainability, and legitimacy of our Group. Our Group Governance Framework drives top-down governance and our organisational ethics and values set the standards for our corporate governance. Our strategy is supported by sound risk management principles and processes. (See page 31 for disclosures)

ENVIRONMENT

NamPower's climate change and renewable energy initiatives are guided by Namibia's National Climate Change Policy (NCCP), which addresses the country's vulnerability to climate change and promotes low-carbon development. Although Namibia contributes minimally to greenhouse gas emissions, the NCCP aims to mitigate and adapt to climate impacts, considering local, regional, and national conditions.

Other Government policies aimed at implementing the 2015 Paris climate agreements are:

- National Policy on Climate Change for Namibia (2010)
- Namibia's Updated Nationally Determined Contribution (2021)
- The Paris Agreement (2016)
- National Integrated Resources Plan (2016)
- National Energy Policy (2017)
- National Renewable Energy Policy (2017)
- Rural Electrification Master Plan (2010)
- National Independent Power Producer (IPP) Policy

NamPower's Group Environmental Policy defines annual environmental action programmes. The Company upholds its Safety, Health, Environment and Wellness (SHEW) Policy by conducting strict environmental impact assessments (EIAs) in line with the Environmental Management Act, 2007 (No. 7 of 2007). Early consultation with stakeholders is prioritised to address concerns. NamPower also develops environmental management plans (EMPs) with mitigation measures to minimise impact on communities and customers during project implementation and operation.

An environmentalist ensures effective execution of EMPs and compliance with legal standards through regular site inspections. NamPower's Safety, Health, Environment and Wellness (SHEW) Department conducts audits to align projects with environmental policies and legal obligations. Complaint registers at project sites allow for prompt resolution of community concerns. All projects must undergo an EIA in compliance with the Environmental Management Act, 2007 (No. 7 of 2007), with EIA and EMP documents being mandatory for bids. Recent SHEW audits achieved an average score of 82%, reflecting our commitment to safety and environmental compliance.

OUR RESPONSE TO THE CHALLENGES POSED BY CLIMATE CHANGE

Southern African power utilities recognise the impact of climate change on water resources and energy generation. In response, the SAPP has initiated a climate change vulnerability study, with NamPower actively participating through its task team representation. This project assesses the impact of climate change on member utilities' infrastructure and proposes adaptation measures for sustainability.

NamPower's first Climate Change Procedure, approved in May 2023, outlines strategies for mitigating and adapting to climate change, aligned with the ISBP 2020-2025 and Namibia's Nationally Determined Contributions (NDCs). NamPower has invested in several renewable energy projects, as described on pages 71 to 72 of this report.

SUSTAINABILITY OF RESOURCES, BIODIVERSITY AND LAND USE

Electricity/carbon efficiencies

NamPower prioritises energy conservation to promote sustainability, reduce operational costs, and maintain a stable energy supply for customers. By advocating for efficient energy use through targeted awareness campaigns, we aim to minimise our environmental footprint and support the development of a reliable and sustainable energy infrastructure.

Water usage

The Directorate of Water Resources Management (DWRM) oversees the development and management of Namibia's water resources, ensuring sustainable use and protection against degradation. Water pollution monitoring is conducted under the Water Act, 1956 (No. 54 of 1956) and the Water Resources Management Act, 2013 (No. 11 of 2013).

NamPower monitors surface water quality quarterly at the Van Eck Power Station, the Brakwater Depot, and the Ruacana Power Station to assess the impact of its operations on local water sources. The Ruacana Power Station wastewater treatment plant, constructed in September 2021, treats domestic wastewater before being released into the natural environment.

NamPower also utilises groundwater from registered boreholes in areas without access to water supply from the national water utility, town councils, or municipalities, ensuring compliance with regulations set by the Ministry of Agriculture, Water and Land Reform (MAWLR).

SOCIAL

We create value across our operations, employing over 1,000 people, directly and indirectly, supporting thousands through our suppliers. Our local procurement supports previously marginalised businesses. We prioritise safety and health for employees, contractors, and suppliers, and we invest in rural electrification and corporate social programmes that benefit communities across Namibia. Our strong stakeholder relationships reflect our shared commitment to sustainable socio-economic growth. Further details are available on pages 32 – 35 of this report.

GOVERNANCE

Our commitment to good corporate governance and ethical leadership is detailed on page 41. Strong governance is key to our success and sustainability, supported by our governance policies, framework, and organisational ethics. Guided by the ISBP 2020-2025, we manage risks and seize opportunities across our value chain, ensuring positive outcomes for all stakeholders with sustainability as a core principle.

SUSTAINABILITY FIGURES AND DISCLOSURES

Environment	2024	2023
Environmental audit results (overall average % score out of 100%)	82%	83%
Energy mix (installed capacity local generation): Run-of-the river hydro Coal Diesel/heavy fuel oil Renewable energy	 347 MW 120 MW 22.5 MW 20.0 MW	 347 MW 120 MW 22,5 MW 20.0 MW
Social		
Employees		
Number of employees, 30 June 2024	1,094	1,077
Job creation: Salaries, wages, and other benefits (N$)	1.2 billion	911.3 million
Average age (number)	41	41
Staff turnover, % of permanent employees	1.55	5
Female employees, %	27	27.5
Staff satisfaction rate (%)	66%	66%
Retention rate (%)	99%	95%
Unionised workforce (MUN) (No.)	562	567
Investments in employee skills development (N$ million)	2.4	3.2
Affirmative Action Compliance Certificate	Awarded	Awarded
Skills for the future (Number of employees trained)	874	949
Overall Company performance (number out of 4)	3.24	2.68
External customer satisfaction survey in 2023 (%)	81%	78%
Health and safety		
Fatalities (NamPower) (number)	0	0
Fatalities (Contractors) (number)	0	0
Lost time injury frequency rate (%)	0.64%	0.98%
Health initiatives	several	several
Community development		
Corporate social investment (CSI) (N$ million)	9.4	8.5
External bursaries awarded (number)	8	11
Vocational training bursaries (number)	15	15
Economic contribution – Equitable Economic Empowerment Policy (NEEEP): Localised preferential procurement (N$ million)	630	305

Governance	2024	2023
Board composition Board diversity Board competence Board independence	Page 42 Page 48 Page 48 Page 48	Page 44 Page 48 Page 48 Page 48
Remuneration (N$ million)	6.78	6.59
Conflicts of interest (% of Board members)	None	None
Tax paid: Pay-as-you-earn, value-added tax, and withholding taxes on interest related to foreign loans (N$ million)	1.29	772

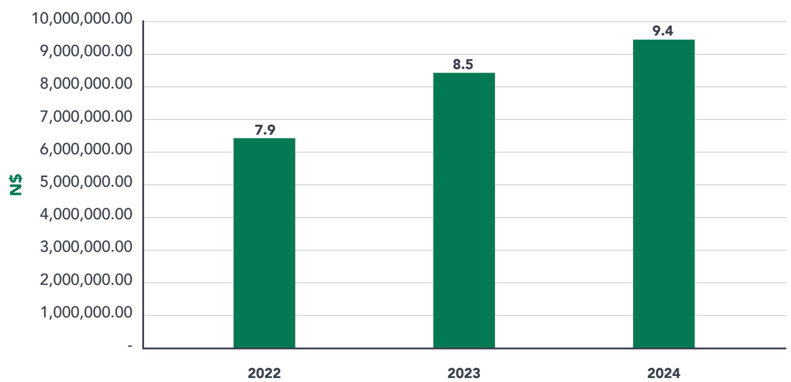
'Our mission to provide innovative, sustainable, and competitive electricity solutions drives us to be the leading provider in SADC. In the coming year, we will advance initiatives to enhance corporate value and continue to integrate ESG principles into our operations.'

OUR COMMITMENT TO SUSTAINABLE COMMUNITY DEVELOPMENT

At NamPower, we are proud of our steadfast commitment to giving back to the communities where we operate. We go beyond our mandate to support sustainable socio-economic development throughout Namibia. Our key focus areas include education, health and social welfare, community development, capacity building, and skills development, with particular emphasis on our Disability Sports Namibia flagship project.

'During the reporting period, NamPower, through its Foundation, invested over N$9.4 million in various CSI programmes aligned with these key focus areas.'

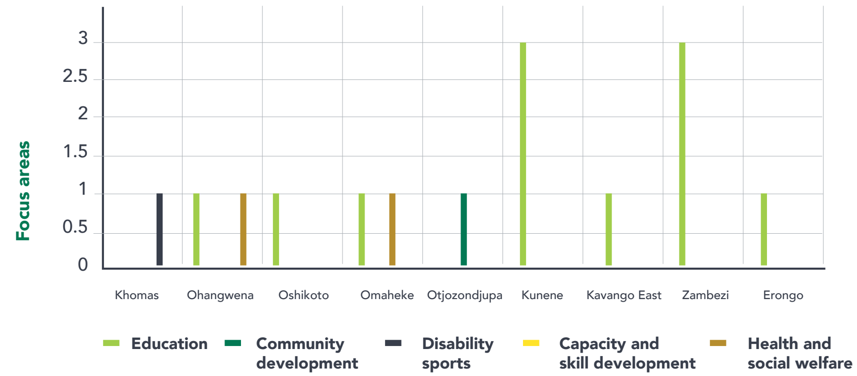
Amount spent over the past three years (2022-2024)



We recognise education as a cornerstone of national development, dedicating 77% of our CSI budget to improving the quality of education for Namibian children. The NamPower Foundation focuses on addressing challenges such as infrastructure to enhance the educational landscape.

Thirteen percent of our budget was allocated to health and social welfare initiatives aimed at improving public health infrastructure, procuring medical equipment, and ensuring communities have access to vital health facilities across the country.

The remaining 10% supports our Disability Sports Namibia (DSN) flagship project, which promotes inclusivity through sports for individuals with disabilities. By supporting DSN, NamPower reinforces its commitment to reducing inequality and empowering people with disabilities to drive change in their communities.



We believe that, through the substantial investments we've made in our human capital and communities, we will contribute to building a healthier, empowered, informed, and prosperous society in support of long term sustainability.

CORPORATE SOCIAL INVESTMENT PROJECTS IMPLEMENTED DURING THE YEAR

The NamPower Foundation is dedicated to aligning its initiatives with various SDGs and complementing the Government's efforts as outlined in the NDP5. Our focus is on addressing the most pressing needs within our communities through strategic social investments. The following table provides an overview of the projects implemented during the reporting period and their alignment with the SDGs.

#	Beneficiary	Region	Project description	Focus area	SDGs
1	Centre of Strategic and Community Innovation	Otjozondjupa	Greenhouse and irrigation system	Community development	2
2	Orumana Combined School	Kunene	School-ground fencing	Education	4
3	Ehomba Combined School	Kunene	School-ground fencing	Education	4
4	Motsomi Primary School	Omaheke	Industrial washing machine and industrial tumble dryer	Education	4
5	Usakos Secondary School	Erongo	Renovation and painting of hostel, kitchen and dining hall; donation of 50 mattresses	Education	4
6	Kanono Combined School	Zambezi	School-ground fencing	Education	4
7	Mutikitila Combined School	Zambezi	School-ground fencing	Education	4
8	Samudono Primary School	Zambezi	School-ground fencing	Education	4
9	Onuuya Primary School	Oshikoto	Ablution facilities	Education	4 3
10	Omutaku Combined School	Ohangwena	Construction of 4 classrooms with a storeroom	Education	4
11	Sarusungu Combined School	Kavango East	School-ground fencing	Education	4
12	Epukiro Clinic	Omaheke	Autoclave machine	Health and social welfare	3
13	Onehanga Outreach and Health Centre	Ohangwena	Drilling of a borehole and installation of water tanks	Health and social welfare	6
14	Alpha Combined School	Kunene	School-ground fencing	Education	4
15	Disability Sports Namibia (flagship project)	Khomas	Funds toward the 2023/2024 sports activities (national and international)	Disability sport	10

LOOKING AHEAD: CORPORATE SOCIAL INVESTMENT IN 2025 AND BEYOND

NamPower is proud to have successfully completed and handed over all proposed projects for the review period. The NamPower Foundation will embark on various impactful projects in the upcoming year, including the construction of hostels, science laboratories, and ablution facilities. Additionally, we will invest in community projects and skills development programmes for Namibian children.

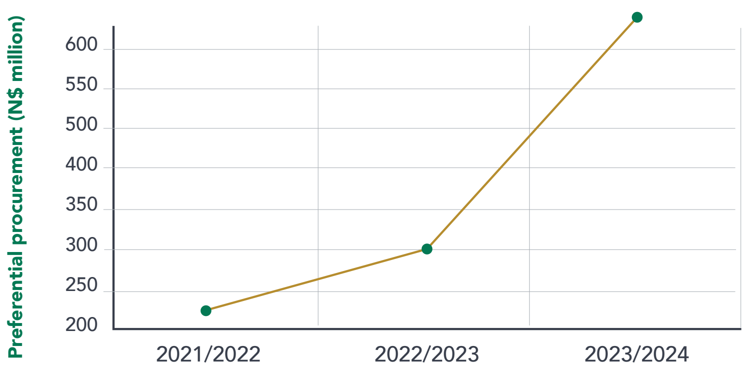
'NamPower remains committed to investing in sustainable socio-economic development projects that enhance the lives of Namibians and contribute to the nation's overall prosperity and growth.'

SUPPORTING INCLUSIVE PROCUREMENT AND BUILDING LOCAL SUPPLY CHAINS

NamPower, through its Equitable Economic Empowerment Policy (NEEEP), is committed to being a responsible corporate citizen by promoting diversity, equity, and inclusion. The policy advocates for the inclusion of local businesses in NamPower's procurement processes, ensuring strict adherence to the Codes of Good Practice and prioritising opportunities for locally owned and registered entities. This approach enhances adaptability and innovation, making these principles a key component of NamPower's long-term sustainability goals.

TREND ANALYSIS OF LOCALISED PREFERENTIAL PROCUREMENT

The following trend analysis shows a significant increase in localised preferential procurement over the past three financial years. Starting from N$234 million in the 2021/2022 financial year, there was a notable rise to N$305 million in the 2022/2023 period. This upward trend accelerated in the most recent year, with preferential procurement reaching N$629.8 million. This sharp growth highlights a strategic emphasis on supporting local suppliers and aligning with sustainable procurement practices.



THE EQUITABLE ECONOMIC EMPOWERMENT POLICY'S FIVE CORE EMPOWERMENT PILLARS

The NEEEP principles are underpinned by the following five core empowerment pillars to foster inclusive procurement and local supply chains:

Ownership/shareholding: Economic empowerment, which aims to create sustainable shared value that promotes economic growth and enhances the quality of life of previously disadvantaged Namibians.

Management control and employment equity: Representation of previously disadvantaged Namibians on the Board and in the top management structure of bidding entities.

Human resources and skills development: A percentage of the gross wages, including the VET levy, is dedicated to training, thereby investing in the development of essential skills.

Entrepreneur development: Empowerment and skills transfer play a crucial role in contributing to national developmental programmes, particularly in ensuring that expertise in conducting large and complex projects is transferred to previously disadvantaged Namibian entities.

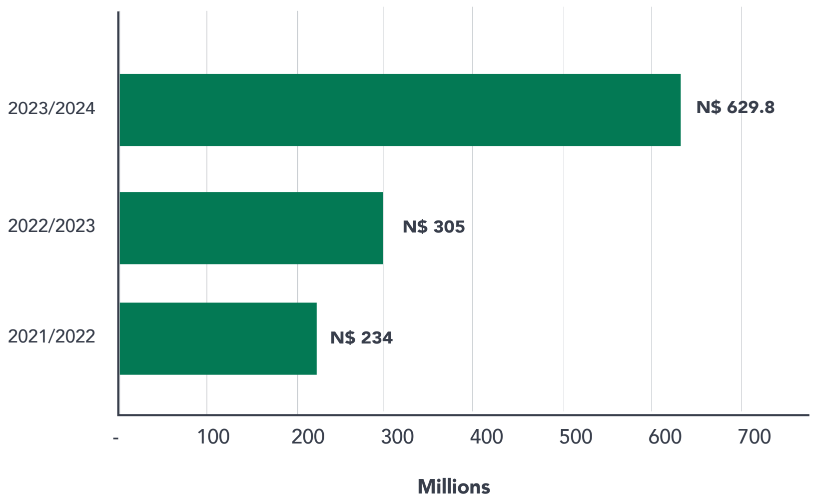
Community investment: Focus is placed on supporting the social upliftment of communities living in areas where projects will be developed.

NamPower adopts a holistic approach to governance, sustainability, and collaboration to reinforce its NEEEP pillars. This involves a fair and transparent sourcing process, support for new suppliers, and a medium- to long-term focus on sustainability over short-term compliance.

Collaboration with major suppliers, local communities, government bodies, and industry stakeholders fosters an inclusive procurement environment. This integrated strategy advances NamPower's goals of economic empowerment, equitable participation, and sustainable growth within the broader community.

OUR PERFORMANCE FOR 2024

NamPower is committed to integrating the NEEEP into all procurement processes and defined scoring criteria in the bidding process. Where strict adherence is challenging, NamPower encourages joint ventures and the allocation of sub-contracts to Namibian-owned entities.



As shown in the trend analysis, Namibian participation increased significantly over the last three years. This increase was mainly driven by procurement activities through open national bidding (ONB) for projects such as the 400kv Obib-Oranjemund line, Sekelduin Substation development, and coal transportation from Botswana to the Van Eck Power Station.

The Anixas II Firm Power Project significantly contributed to local content and set-aside works. The engineering, procurement and construction (EPC) contractor for Anixas II is dedicated to achieving local content targets, reflecting a commitment to the region's socio-economic development and the project's success through the use of local resources for long-term sustainability. Notably, semi-skilled and unskilled labour was exclusively undertaken by Namibian workers.

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

	Amount (N$) excl. VAT	% Of EPC contract price
EPC Contract	1,208,673,176	100%
Total local content and previously disadvantaged Namibians guarantee	181,300.976	15%
Actual local content and previously disadvantaged Namibians spend to date	152,769,173	83%

As part of the bid evaluation scoring criteria, bidders can commit a specific percentage of their contract value to training and community investment initiatives. A breakdown of the NEEEP pledges balance for the year is provided in the following table.

Kunene-Omatando contract-NEEEP pledges balance (N$)			
	Pledge amount	Honoured	Pledge balance
2% NEEEP Pledge training	6,370,051	1,762,737	4,607,313
3% NEEEP Pledge community investments	9,555,076	8,310,914	1,244,162

LOOKING AHEAD TO 2025 AND BEYOND

As NamPower invests in various transmission and generation projects, it creates significant opportunities to contribute to socio-economic development through its procurement processes.

Notable projects set to begin in the new financial year include the Otjikoto Biomass and the Rosh Pinah 70 MW PV plants. Key priorities in this endeavour will remain the transfer of skills to local individuals and providing set-aside opportunities for 100% Namibian-owned entities.

ROSH PINAH
SOLAR PV PROJECT

04

NamPower's commitment to clean energy shines bright with the 100 MW Rosh Pinah Solar Power Plant.

This project strengthens our renewable energy portfolio and lays the foundation for adding energy storage systems, ensuring long-term energy stability.

GOVERNANCE AND LEADERSHIP

Chairperson's Statement

Clive Kavendjii
Chairperson

The NamPower Board is committed to delivering stakeholder value through innovative electricity solutions.

We continuously enhance operational efficiency, ensure service reliability, and contribute actively to Namibia's socio-economic development while managing risks and resources to remain a driving force for progress.

NamPower's 2024 Integrated Annual Report, themed "Energising Our Future with Renewed Purpose", reaffirms our commitment to ensuring a secure and sustainable energy supply for Namibia. The report highlights our focus on expanding renewable energy, improving efficiency, reducing environmental impact, and maintaining financial stability, therefore positioning NamPower as a reliable electricity provider and key contributor to Namibia's sustainable development.

GOVERNANCE EXCELLENCE FOR ONGOING VALUE CREATION

The Board fulfilled its responsibilities in accordance with the Public Enterprises Governance Act (PEGA), the NamPower Board Charter, and the Memorandum and Articles of Association. The Board Charter guides the role and procedural conduct of the Board, ensuring compliance with fiduciary, governance, and regulatory duties through regular meetings.

BOARD COMPOSITION

In 2024, there were notable changes to the Board. Dr Ester Kali was appointed Chairperson on 1 April 2024, alongside two new members: Mr Ralf G. Tobich and Mr Shimweefeleni G. Hamutwe. Three existing members – Ms Martha Mbombo, Ms Silke Horning and Mr Evat Kandongo – were reappointed. The new appointments brought diverse expertise in energy, governance, and finance, enhancing the Board's leadership diversity. However, following the reporting period, Dr Kali resigned and I was appointed Acting Chairperson, effective 31 August 2024, by the Minister of Finance and Public Enterprises, ensuring leadership continuity, and subsequently as Chairperson effective 1 December 2024.

BOARD ASSESSMENT

An external evaluation in late 2022 highlighted the Board's strong performance and identified areas for improvement. A plan was developed to enhance governance practices, with the next assessment scheduled for 2025/2026, allowing the newly appointed Board to adapt fully and address emerging challenges.

KEY GOVERNANCE FOCUS AREAS

The Board implemented an Ethics Strategy and Management Plan to strengthen our ethical culture, with ongoing awareness initiatives and the integration of ethical risk management into NamPower's broader risk framework. This supports our commitment to transparency, accountability, and the achievement of strategic goals. NamPower's governance philosophy centres on ethical leadership and sustainability. In 2023/2024, 86% of the planned audits were completed, addressing emerging risks and ensuring effective risk management. Strategic focus areas included aligning the organisational structure to support power supply security and financial sustainability while facilitating market participation and advancing local generation projects.

MODERATE GROWTH AMID INFLATION AND CURRENCY DEPRECIATION IN 2023/2024

During the 2023/2024 fiscal year, Namibia's economy experienced steady, though slower, growth compared with the previous year. Economic growth was estimated at 4.2% in 2023, driven primarily by the mining sector, especially uranium and oil exploration. However, this marked a slowdown from the 5.3% growth seen in 2022 due to weaker global demand and contractions in the agricultural sector. Inflation eased slightly from 6.1% in 2022 to 5.9% in 2023, and is expected to decline further to 5.0% in 2024. The Namibian dollar depreciated significantly, particularly against major currencies like the US dollar and the euro, partly due to its peg to the South African rand. Growth is projected to moderate between 3-3.8% per year over the next few years, where non-mineral sectors such as tourism are expected to gain momentum. However, structural challenges such as high unemployment, income inequality, and a substantial public debt burden continue to hinder more robust economic progress. Namibia's moderate economic growth in 2023/2024, driven by mining and tempered by shifts in global demand, shaped NamPower's strategic focus in 2024. While the mining sector continues to drive energy demand, anticipated growth in less energy-intensive sectors, such as tourism, encourages a balanced approach to resource allocation. Currency depreciation and inflationary pressures add complexity to our cost structure, particularly for imported energy resources. In response, NamPower prioritises operational efficiency and sustainable funding options to ensure affordable energy access, supporting Namibia's economic resilience and addressing broader social challenges.

THE YEAR IN REVIEW

Despite economic challenges, NamPower achieved solid financial performance in 2023/2024, with revenue increasing by 18.7%. Operational cash flow strengthened significantly from N$488.9 million to N$2.1 billion, enhancing our financial position and supporting continued infrastructure investment. Efforts to boost local generation reduced our reliance on imported energy, with key transmission projects advancing to meet growing demand. Employee costs increased, reflecting cost-of-living adjustments and staff expansion, essential for supporting operations and growth.

LOOKING AHEAD

NamPower is focused on managing costs, securing financing for capital projects, and maintaining long-term financial sustainability. Anticipated tariff adjustments and rising electricity costs are expected; however, with a solid foundation in place, NamPower is well-positioned to meet operational and financial goals.

APPRECIATION

On behalf of the Board, I extend my deepest appreciation to Dr Kali for her exemplary leadership and to my Board colleagues for their dedication. I also thank the Managing Director and the Executive Committee for their exceptional leadership. I extend my sincere gratitude to NamPower's employees for their passion and commitment, and to our valued clients, shareholders, and stakeholders for their unwavering support. Finally, I would like to extend my profound appreciation to our shareholder the Government of the Republic of Namibia through the Minister of Mines and Energy Honourable Tom Alweendo and to the Minister of Finance and Public Enterprises Honourable Ipumbu Shiimi and their teams for the strategic guidance they always provide to NamPower.

Clive Kavendjii
Chairperson

CORPORATE GOVERNANCE FOR SUSTAINED VALUE CREATION

NamPower is committed to the highest standards of governance, business integrity, ethical conduct, and professionalism. These principles are fundamental to its ability to deliver long-term value to the shareholders and stakeholders.

The NamPower Board is primarily responsible for establishing and proactively implementing good corporate governance principles within NamPower. Under the Public Enterprises Governance Act, 2019 (No. 1 of 2019), the Minister of Finance and Public Enterprises appointed a diverse and experienced Board.

Throughout their tenure, the Board has demonstrated effective leadership to ensure NamPower implements its strategic objectives of driving growth and delivering value to its stakeholders. The Board consists of seven independent, non-executive directors, who provide oversight and strategic direction to NamPower.

NamPower governance is shaped by and grounded in a combination of voluntary and compulsory guidelines. These guidelines include the principles and practices of the King Code of Corporate Governance for South Africa 2016 (King IV), the Corporate Governance Code for Namibia (NamCode), the Public Enterprises Governance Act, 2019 (No.1 of 2019) (PEGA), the NamPower Memorandum and Articles of Association, and the Companies Act, 2004 (No. 28 of 2004).

The principles and practices outlined in these voluntary and compulsory guidelines form the foundation of NamPower's governance framework. They ensure that the Board is well-guided on the processes and procedures to meet the Company's strategic objectives. Additionally, these guidelines direct the Board, its Senior Management, the shareholder, and other stakeholders in their interactions with NamPower.

The Board exercises its leadership by ensuring that NamPower is managed according to sound governance principles, fosters a culture of ethics and accountability, and meets its mandate. This complies with the PEGA, the Companies Act, and the Electricity Act, 2007 (No. 4 of 2007), through which the Company derives its mandate, as well as relevant binding operational legislation, applicable non-binding industry codes, and NamPower's internal policies and control systems. The Board is satisfied that it fulfilled its fiduciary duties and obligations during the past financial year.

OUR GOVERNANCE PHILOSOPHY

Effective corporate governance is fundamental to our business's success, sustainability, and legitimacy. Our principles, frameworks, and risk management practices guide decision-making, ensuring alignment with our purpose, vision, mission, values, and objectives.

Through the exercise of good governance principles, the Board, Senior Management, and staff all understand their respective roles, which encourages accountability throughout the organisation, promoting transparency, integrity, and ethical conduct. Our governance structure facilitates efficient management and continuous improvement to adapt to the evolving business landscape and regulatory environment, ensuring ethical and responsible corporate behaviour.

Governance structures: to drive top-down governance, facilitating the devolution of responsibility.

Risk policy suite: to mitigate risk through the implementation of a comprehensive risk management framework, which incorporates risk identification, measurement and assessment, reporting, mitigation, and governance in line with the NamPower Risk Management Framework (RMF).

Delegation of authority framework: to ensure that clear, specific, and traceable authority is assigned to appropriate persons through delegation and sub-delegation.

Three lines of assurance: to establish clear accountability and ownership for risk management, the control environment, and required mitigating actions.

GOVERNANCE STRUCTURES

BOARD	EXCO	CODE OF CONDUCT	LEGAL AND COMPLIANCE	AUDIT AND RISK
Our independent Board governs, directs, and has effective control over the Company.	Our Executive Committee (ExCo) manages the day-to-day running of the business in line with the tone of governance set by the Board.	Our revised Code of Conduct and Conflict of Interest Policy is the overarching guide informing our decisions and guiding our behaviour.	This function assesses the legal risks facing the Company and mitigates these by ensuring effective policies, procedures, and contracts are in place.	Internal and external audit assesses the extent to which controls are working to ensure compliance and manage business risks.

GOVERNANCE OF COMPLIANCE

NamPower, as a corporate entity operating in the ESI, is subject to numerous laws and regulations that govern its operations. Following the implementation of the Modified Single Buyer Model (MSBM), the Board set strategic objectives to ensure the Company remains relevant and competitive in the ever-evolving regulatory landscape.

NamPower is dedicated to upholding compliance with the laws, regulations, codes, and internal policies and procedures that govern its business. To manage compliance effectively, the Company implemented a Compliance Management Framework, which establishes, evaluates, and maintains a robust compliance management system within the organisation.

An emerging compliance risk during the period has been the renewal of environmental clearance certificates (ECCs). This risk is being actively monitored and managed. For the upcoming budget period, the Board has approved an increase of staff members within the Safety, Health, Environment and Wellness (SHEW) Department to enhance monitoring and tracking to ensure effective compliance with the ECCs. No other significant compliance breaches were noted during the year under review, reaffirming our commitment to monitor, manage, and audit compliance.

REGULATORY COMPLIANCE

The Board acknowledges that compliance with legislation is crucial for effective governance. Central to this, the Board oversees the Company's compliance risk management through its Audit and Risk Management Committee. The committee ensures satisfactory reporting is completed through the active management of information flow, enforcing accountability and thereby providing the Board and all stakeholders with the required assurance. To this effect, the directors are satisfied with the actions taken by Management to ensure compliance with all relevant legislation.

NamPower continues to apply and comply with all relevant legislation applicable to it, which includes the provisions of the Companies Act, the Electricity Act, and the Labour Act, 2007 (No. 11 of 2007) and its internal governance policies and procedures in directing and managing the business.

The matters dealt with through the Company's internal governance procedures are subject to the Board's approval, and include the development and implementation of the ISBP and the Annual Business and Financial Plan. The Minister of Finance and Public Enterprises has not declared any of the NamPower subsidiaries and associates, specifically Regional Electricity Distributors (REDs), as public enterprises in terms of the PEGA. Therefore, the PEGA does not apply to the subsidiaries and associates, but only to the Company.

ROLE AND RESPONSIBILITY OF THE BOARD

The Board is responsible for setting the strategic direction and exercising overall control of the Company. It is the heart of governance within the organisation, supported by its various committees. The Board guides management in formulating corporate strategy, setting targets, and developing plans while being mindful of the impact on stakeholders, financial performance, and the environment. The Board also sets the tone for ethical and effective leadership.

The Board discharges its responsibilities and oversees NamPower in accordance with the provisions of the PEGA, the NamPower Board Charter, and the Memorandum and Articles of Association. The Board Charter serves as a guide for the Board in performing its functions, outlining its role, responsibilities, and procedural conduct regarding Board matters. The Board uses its meetings to fulfil its fiduciary duty and its governance and regulatory obligations.

The Board deals with several matters exclusively, including, among others, the approval of NamPower's Annual Financial Statements, the five-year ISBP, and the Annual Business and Financial Plan. This encompasses related budget and cash flow forecasts, as well as the annual capital expenditure budget. In addition, the Board makes sure that the Company's Performance Management Framework aligns with the strategic objectives, enabling shareholders and other stakeholders to assess and evaluate the performance of the Company, the Board, the Managing Director, and employees. The Board also approves any significant changes made to management and control structures, material investments or disposals, and the Group's overall risk management strategy.

The Board makes certain that its work plan and those of its committees are aligned with the responsibilities set out in the Board Charter.

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

BOARD PERFORMANCE ASSESSMENT

The next Board performance assessment will be conducted during the 2025/26 financial year, once the current Board has settled into their roles, following their appointment on 1 April 2024.

GOVERNANCE LEADERSHIP AND REINFORCING AN ETHICAL CULTURE

Under the strategic pillar *"driving organisational and operational excellence"*, NamPower aims to build an ethical, engaging, and high-performance work environment. The Company aligns strategy implementation with behavioural change to transform the NamPower corporate culture.

The Board recognises that NamPower operates with the permission of its stakeholders and that its values provide a solid foundation for organisational conduct. The Board and Management set the tone and provide clear direction for ethical conduct in the organisation. As a values-based organisation, the Board is committed to the highest standards of integrity and ethics in all its activities. Various codes of good governance, including the NamCode, define the Board's role, emphasising effective leadership established on an ethical foundation.

NamPower's Code of Conduct and Conflict of Interest Policy was reviewed and approved in June 2021. Following this approval, NamPower engaged the Ethics Institute to conduct an ethics opportunity and risk assessment of the Company. This assessment involved an independent survey to gauge the corporate culture and behaviour within NamPower, including the perceptions of how ethics is managed. During the period under review, all employees were invited to participate in the survey, sharing their perspectives on the current state of ethics within NamPower and their expectations regarding ethical treatment. The results of this survey were presented to the Board of Directors, who bear the ultimate responsibility for governance pertaining to ethics within the organisation.

The outcome of the survey culminated in the development of the NamPower Ethics Strategy and Management Plan, with the following statement of strategic intent:

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

Key focus areas in the implementation of the Ethics Strategy and Management Plan will be to:

- create ethics awareness within NamPower with an immediate intervention to roll out ethics awareness campaigns annually;
- ensure ethics accountability at the governance and management level by creating clear, enforceable policies that ensure ethics risks receive attention at all governance levels – this will also include the creation of an ethics helpdesk and ethics management goals in performance agreements;
  and
- include ethics risk in the Corporate Risk Register with clear measures to mitigate any ethics risk that may arise within the organisation.

NamPower also has a Culture Transformation Programme in place to deliver a high-performance culture, in line with NamPower's strategic objectives.

In alignment with the Ethics Management Plan initiatives, NamPower has launched the Fraud and Ethics Hotline, which will be managed by Deloitte. The primary purpose of the hotline is to enable individuals to report any ethical concerns through appropriate channels provided by NamPower, ensuring a safe reporting environment free from concerns regarding victimisation or occupational detriment.

These ethical concerns include, but are not limited to:

- fraud and corruption, whether actual, real, attempted or planned, including any other irregularities;
- failure to comply with a legal obligation;
- dangers to health, safety and the environment;
- disclosures related to the miscarriage of justice;
- conflict of interest;
- procurement irregularities for personal gain; and
- any other ethical concerns.

Through the launch of the hotline, all NamPower stakeholders are encouraged to report any ethical concerns. To provide the assurance that stakeholders require in respect of confidentiality, the hotline is managed by an independent service provider. Since the launch of the hotline (0800 666 999), four complaints have been received, which are being investigated internally. To date, no disciplinary action has been taken against any employee, as the reporting process is still in its early stages. The key themes regarding the complaints are related to recruitment practices.

CORPORATE SUSTAINABILITY

This Integrated Annual Report contains a detailed Sustainability Report (on pages 28 to 38), which illustrates a clear commitment by the NamPower Board of Directors to ensure that the Board's agenda and decision-making is cognisant of sustainability. Sustainability is also a standing agenda item of the Audit and Risk Committee, which has oversight of health and safety, environmental, social and financial sustainability matters. This approach adopted by the Board is to ensure that the Company remains resilient and agile in its ability to adapt to material sustainability issues and measuring NamPower's impact on all its stakeholders. During the period under review, there have been no major environmental management concerns with significant risk exposure requiring the attention of the Board of Directors, in line with the approved Risk Management Framework.

INFORMATION TECHNOLOGY GOVERNANCE

The Board has assumed responsibility for information technology (IT) governance by setting the direction for how technology and information should be approached and addressed in NamPower.

The Audit and Risk Management Committee is mandated by the Board to provide direct oversight for the effective execution of IT governance within NamPower. During the period under review, the committee implemented the reporting process of IT governance quarterly.

REMUNERATION PRACTICES FOR DIRECTORS AND EXECUTIVES

Non-executive directors

Non-executive directors' remuneration is in line with the directives as issued in terms of the Public Enterprises and Governance Act (Government Gazette No. 6572: Directives concerning remuneration levels for Chief Executive Officers and Senior Managers and Annual Fees and Sitting Allowances for Board Members). NamPower is classified as a Tier 3 commercial enterprise.

GOVERNANCE ACTIVITIES FOR THE YEAR

KEY ISSUES DEALT WITH BY THE BOARD IN THE REPORTING PERIOD

Approval of policies

» Combined Assurance Framework
» Enterprise Risk Management Policy
» Revised Credit Card Policy
» Revised Remuneration Policy
» Gender Equality, Diversity and Inclusion Policy
» Revised Conditions of Employment
» NamPower Employee Children's Scholarship Policy
» NamPower External Bursary Policy
» Conditions of Service of Group Life, Trauma and Group Funeral Policies
» Cybersecurity Policy
» iServ Change Management Policy
» Credit Policy and Debt Collection Strategy
» Backup and Recovery Policy
» Revised Leave Policy
» Employee Health Management Policy

- Approval of the Annual Business and Financial Plan and budget
- Approval of the Audited Financial Statements
- Annual General Meeting – approval of the Audited Financial Statements

The key focus areas that received the attention of the Board during the year are described in the following table.

Strategic Pillar	Key focus area	Governance outcome
Driving organisational and operational excellence	Review of the conditions of employment and organisational structure	To have a structure that is aligned to the strategy and fit for purpose and to reduce the employment cost
Ensuring security of supply	Review and approval of the MSBM agreements	Secured power supply
	Various discussions on the new Determination by the Minister of Mines and Energy	To facilitate the participation of market participants in the MSBM – which also includes the connection and use of the NamPower Transmission System for the wheeling of power to contestable customers or export purposes
		To increase local generation
Optimising financial sustainability	Maintain financial credibility, thereby enabling the company to secure capital project financing	To secure capital project financing
	Oversight of the successful implementation of the Prepaid Meters System	To reduce arrears and bad debts

Directorate	
Mr Daniel Motinga	Chairperson, retired on 30 September 2023
Dr Ester Kali	Chairperson, appointed on 1 April 2024, Retired 31 August 2024
Mr Clive L. Kavendjii	Deputy Chairperson, re-appointed on 1 April 2024 Chairperson, appointed on 1 December 2024
Mr Kahenge S. Haulofu	Managing Director
Ms Martha Mbombo	Acting Chairperson from 1 October 2023 to 31 March 2024, re-appointed as a member from 1 April 2024
Dr Detlof von Oertzen	Member, retired on 31 March 2024
Mr Ralf G. Tobich	Member, appointed on 1 April 2024
Mr Shimweefeleni G. Hamutwe	Member, appointed on 1 April 2024
Ms Silke Hornung	Member, re-appointed on 1 April 2024
Mr Evat Kandongo	Member, re-appointed on 1 April 2024
Ms. Paulina Elago	Deputy Chairperson, appointed on 1 December 2024

BOARD COMMITTEE MEETINGS

Board of Directors	Board	Audit and Risk Management Committee	Remuneration and Nomination Committee	Board Procurement Committee	Investment Committee
Meetings held:	6	4	4	4	5
Attendance					
Mr Daniel Motinga Retired 30 September 2023	1	N/A	0	0	N/A
Dr Ester Kali Appointed 1 April 2024 Retired 30 August 2024	1	N/A	1	N/A	N/A
Mr Clive Kavendjii Appointed Acting Chair 21 August 2024	6	4	N/A	4	N/A
Dr Detlof von Oertzen Retired 31 March 2024	5	N/A	3	N/A	4
Ms Martha Mbombo Re-appointed 1 April 2024	6	N/A	4	4	N/A
Ms Silke Hornung Re-appointed 1 April 2024	5	4	N/A	N/A	5
Mr Evat Kandongo Re-appointed 1 March 2024	6	4	N/A	1	5
Mr Ralf Tobich Appointed 1 April 2024	1	N/A	N/A	1	1
Mr Shimweefeleni Hamutwe Appointed 1 April 2024	1	1	1	N/A	N/A

BOARD (Meets six times a year)

Chairperson: Mr Daniel Motinga retired on 30 September 2023 and Dr Ester Kali was appointed on 1 April 2024. Dr Ester Kali retired on 31 August 2024 and Mr Clive L. Kavendjii was appointed Chairperson on 1 December 2024.
The Board is responsible for strategic direction and providing oversight in the management of the Company. It guides Management in formulating the corporate strategy, setting targets, and developing plans to realise the targets. The Board also sets the tone for ethical and effective leadership.

BOARD COMMITTEES

AUDIT AND RISK MANAGEMENT COMMITTEE

(Meets six times a year)

Chairperson: Ms Silke Hornung
Members:

- Mr Clive L. Kavendjii
- Mr Evat Kandongo, served as a member until 31 March 2024
- Mr Shimweefeleni G. Hamutwe, appointed to the committee on 1 April 2024

Mandate
The committee's mandate is to:

- oversee the quality and integrity of NamPower's integrated and financial reporting;
- provide assurance to the Board regarding risk management;
- review and assess the integrity of internal controls;
- oversee compliance with legal and regulatory requirements;
- oversee the qualification, independence, and effectiveness of the internal and external audit functions;
- ensure effective corporate governance
- monitor compliance and provide reasonable assurance regarding the quality, integrity, and reliability of compliance risk management;
- ensure that how NamPower governs social and ethical performance promotes an ethical culture;
- oversee the implementation of sustainability; and
- oversee the implementation of IT governance.

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

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

REMUNERATION AND NOMINATION COMMITTEE (Meets four times a year)

Chairperson: Ms Martha Mbombo
Members:

- Mr Daniel Motinga, served as a member until 30 September 2023
- Dr Ester Kali, appointed to the committee on 1 April 2024
- Dr Detlof von Oertzen, served as a member until 31 March 2024
- Mr Shimweefeleni G. Hamutwe, appointed to the committee on 1 April 2024

Mandate
The committee's mandate is to:

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

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

- receiving feedback on the performance of employees;
- reviewing human capital policies; and
- overseeing the appointment of the Executive: Transmission.

BOARD PROCUREMENT COMMITTEE

(Meets four times a year)

Chairperson: Mr Ralf G. Tobich

Members:
- Ms Martha Mbombo
- Mr Evat Kandongo

Mandate

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

Key focus areas for the year

The committee's key focus areas for the year included:
- approval of the Annual Procurement Plan;
- consideration and guidance of management in terms of strategic generation and transmission implementation projects;
- taking note of the feedback on the progress of the implementation of transmission projects; and
- providing guidance in the improvement of the NEEEP implementation.

INVESTMENT COMMITTEE (Meets four times a year)

Chairperson: Dr Detlof von Oertzen, served on the committee until 31 March 2024
Mr Evat Kandongo, appointed as Chairperson of the committee on 1 April 2024

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

Mandate

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

Key focus areas for the year

The committee's key focus areas for the year included:
- consideration of the investment reports submitted;
- recommendation of the Generation and Transmission projects to be funded; and
- reviewing investment-related policies and recommending them for approval.

OUR INTERNAL CONTROL SYSTEM

The Board is responsible for NamPower's Internal Control System and accountable for reviewing its effectiveness. It establishes the Internal Audit Function (IAF), which operates independently within NamPower. The responsibilities of the IAF are defined by the Audit and Risk Management Committee (ARMC) of the Board, as part of its oversight function. Our internal control system is supported by a robust control environment, a dynamic risk management process, and control activities guided by established policies and procedures. These measures ensure that necessary actions are taken to manage risks and support the achievement of NamPower's objectives.

The IAF provides objective assurance and advisory services to support NamPower in achieving its objectives. It employs a systematic and disciplined approach to evaluate and enhance the effectiveness of risk management, control, and governance processes.

INTERNAL AUDIT CHARTER

The NamPower Internal Audit Charter, approved by the ARMC, outlines the purpose, scope, authority, responsibilities, and status of the IAF within NamPower. It provides all relevant stakeholders with a comprehensive overview and framework of the IAF's operations.

In fulfilling its responsibilities, the IAF is guided by the NamPower Internal Audit Procedure Manual and adheres to the Institute of Internal Auditors' International Professional Practice Framework, including mandatory and supplementary guidance.

INTERNAL AUDIT PLAN

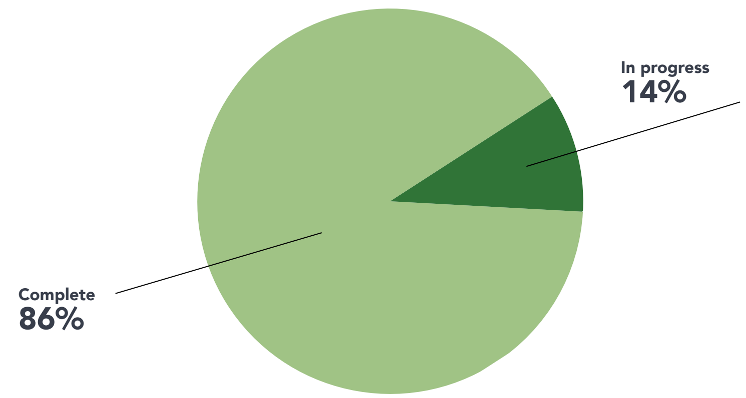
The Head of the IAF prepares a risk-based Internal Audit Plan annually to support the achievement of NamPower's objectives. The Internal Audit Plan is based on NamPower's strategies, objectives, and related key risks. Furthermore, during the development of the Audit Plan, input is received from the ARMC, Senior Management, and the Head of IAF's understanding of NamPower's governance, risk management, and internal control processes. The Internal Audit Plan is approved by the ARMC.

During the period under review, emerging risks and ad-hoc audits are considered as they are needed. The IAF reports quarterly to the ARMC on the progress against the approved Internal Audit Plan, presenting audit performance dashboards and detailed audit reports.

OUR 2024 PERFORMANCE

The Audit Plan for the financial year 2023/2024 was executed as planned, with 86% of the scheduled audits completed by the end of the financial year, and 14% still in progress, as shown in the following chart. New risks and emerging activities required adjustments to the Audit Plan, preventing its full execution.

Status of the Audit Plan (FY 2023/2024)



All audit findings are reported to Management and the ARMC, with corrective actions agreed upon to address identified issues. The IAF independently monitors the implementation of these corrective actions and provides quarterly status reports to the ARMC. Management is committed to resolving the outstanding findings to strengthen the control environment.

FRAUD RISK MANAGEMENT

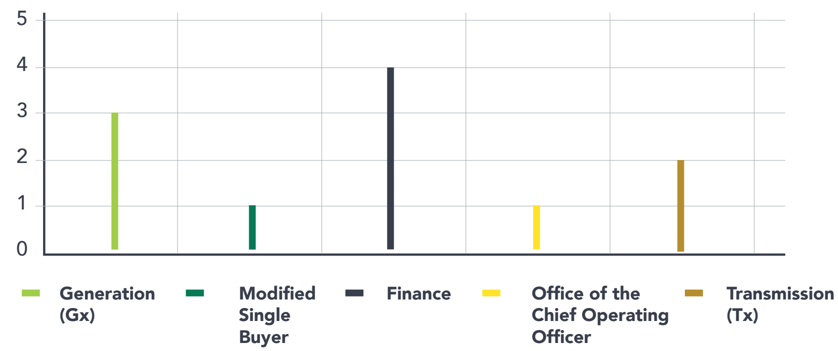
In July 2023, NamPower launched a fraud hotline to combat criminal, corrupt, and unethical activities, fostering an ethical, engaging, and high-performance culture. The fraud hotline continues to operate effectively, with NamPower addressing issues reported through the hotline within the framework approved by Management.

LOOKING AHEAD TO 2025 AND BEYOND

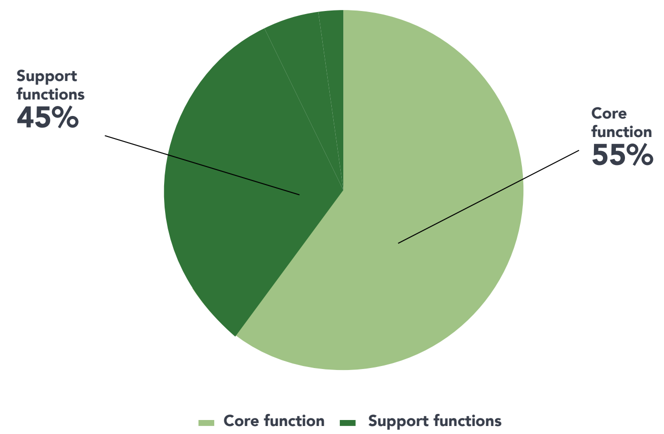
Internal Audit is committed to adopting a proactive approach in providing assurance and advisory services commensurate with the maturity of the internal control environment. For the 2024/2025 financial year, audit engagements will focus on balancing technical and non-technical assurance and advisory activities.

We aim to enhance efficiency by utilising technology, such as the TeamMate+ audit software, to expedite the assurance process. This includes automating the tracking of audit findings to monitor, manage, and report outstanding issues more efficiently.

Audits by business unit (FY 2024/2025)



Audits by functional area



We are also making significant progress in implementing the Combined Assurance Programme, which aims to streamline and consolidate assurance activities provided to Management and the Board. This programme will help reduce duplication in assurance coverage and identify and address any gaps in assurance.

Our Leadership

BOARD OF DIRECTORS

Term of appointment: The term of the Board, appointed on 1 October 2020, ended on 31 March 2024. A new Board was appointed on 1 April 2024, whose term will run until 31 March 2027.

Mr Clive Kavendjii
(CHAIRPERSON)

LLB and B Juris, UNAM, Namibia

Date of appointment to the Board:
1 October 2020 to 31 March 2024 and re-appointed on 1 April 2024

Tenure:
three years and six months

Committee assignment:
Procurement Committee Chairperson; Audit and Risk Management Committee member

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

Ms Martha Mbombo

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

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

Tenure:
three years and six months

Committee assignment:
Remuneration and Nomination Committee Chairperson; Board Procurement Committee member

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

Mr Evat Kandongo

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

Date of appointment to the Board:
1 October 2020 to 31 March 2024 and re-appointed on 1 April 2024

Tenure:
three years and six months

Committee assignment:
Audit and Risk Management Committee member; Investment Committee member

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

2:4	41 – 50 years	51 – 60 years	61 – 65 years
	1: 1 female	3: 1 female, 2 male	2: male

Ms Silke Hornung

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

Date of appointment to the Board:
1 October 2020 to 31 March 2024 and re-appointed on 1 April 2024

Tenure:
three years and six months

Committee assignment:
Audit and Risk Management Committee Chairperson; Investment Committee member

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

Mr Shimweefeleni G. Hamutwe

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

Date of appointment to the Board:
1 April 2024

Committee assignment:
Remuneration and Nomination Committee member; Audit and Risk Management Committee member

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

Mr Ralf G. Tobich

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

Date of appointment to the Board:
1 April 2024

Committee assignment:
Board Procurement Committee Chairperson; Investment Committee member

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

Executive Management Committee (EXCO)

Mr Kahenge S. Haulofu

Managing Director

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

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

Mr Fritz C Jacobs

Chief Operating Officer

Mr Jacobs holds a BSc in Electrical Engineering and MSc in Electrical Engineering from the University of Cape Town, South Africa. He is registered as a professional engineer and also holds the designation of FCIS (Chartered Business Administrator). Mr Jacobs has many years of corporate and private sector experience, ranging from consulting engineering, strategy, project and contract management to governance and business executive leadership in the electricity, information communication technology (ICT), mining and construction environments.

Mr Gerson G. Rukata

Executive: Generation

Mr Rukata is a mechanical engineer and holds a BEng Hons Agricultural & Mechanical Engineering from the Cranfield University in England. With a 24-year tenure at NamPower, he has acquired extensive experience and expertise.

During his initial two years at NamPower, Mr Rukata played a crucial role in the RSA 400kV Transmission Interconnector Project. Following this, he dedicated six years to maintaining transmission and distribution infrastructure, ensuring their smooth operation. Over the past 17 years, he has focused on developing electricity power generation projects, gaining invaluable knowledge and experience.

Ms Kandali Iyambo

Executive: Modified Single Buyer (MSB)

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

2:5	41 – 50 years	51 – 60 years	61 – 65 years
	3: 2 females, 1 male	3: 0 female, 3 male	1: male

Mr Leandro Kapolo

Executive: Transmission

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

With over 28 years in NamPower's Transmission Business Unit, he has extensive expertise in power systems, grid operations, planning, energy trading, and regional integration within the SAPP. He has played a key role in commercialising NamPower's fibre optic network, and has held leadership roles in the Association of Power Utilities of Africa (APUA) and the SAPP, including chairing the SAPP Operating Subcommittee and Coordination Centre Board.

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

Ms Selma Ambunda

Executive: Human Capital

Ms Ambunda is an accomplished professional with dual Master's degrees. She holds an MBA from the Australia Institute of Business and another in Human Resource Development from the University of South Africa. Additionally, she is a graduate of the Management Development Programme from the University of Stellenbosch and a member of the South Africa Board for People Practice. With over 16 years of experience, Ms Ambunda has established herself as a seasoned human resources executive.

Mr Michael Gotore

Chief Financial Officer

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

ANIXAS II
POWER STATION

05

As an emergency power station, the 54 MW Anixas II brings flexibility and resilience to Namibia's power supply.

Using advanced reciprocating engine technology, it ensures we can meet peak demands and balance the grid when needed most.

OUR OPERATING CONTEXT AND STRATEGY

Managing Director's Report

Kahenge S. Haulofu
Managing Director

NamPower's robust performance based on its strategic pillars reflects our commitment to sustainability and value creation within Namibia's energy landscape. Despite a dynamic and challenging environment, we remained focused on maintaining financial stability, ensuring the security of supply, and delivering value to stakeholders.

INTRODUCTION

It is my privilege to present the Managing Director's report, which outlines our achievements, challenges, and strategic direction for the year under review. The theme "Energising Our Future with Renewed Purpose" captures our renewed commitment to driving innovative energy solutions that address the demands of today while laying a sustainable foundation for future generations.

This vision is rooted in our ongoing efforts to expand domestic energy production, enhance self-sufficiency, and ensure financial sustainability, all while contributing to Namibia's long-term socio-economic development.

OVERVIEW OF OUR PERFORMANCE

NamPower's cumulative corporate performance rating improved significantly this year, reaching 3.24 out of 4 by the end of the fourth quarter, compared to 2.68 in the previous financial year. This improvement demonstrates the Company's unwavering commitment to operational excellence and efficiency.

Several key milestones aligned with our strategic objectives were achieved, most of which exceeded the targets set for the year. Notably, we achieved 94% on the deliverables for the planned generation projects, reinforcing our commitment to energy security and local generation.

Another key milestone was our success in reducing imports to 45.8% of the total energy requirements, down from 58.2% the previous year. This achievement is largely attributed to increased domestic generation, particularly from the Ruacana Power Station, where output surged from 1,323 GWh to 2,067 GWh owing to good rainfall in the catchment area.

Our focus on continuous maintenance and the dedication of our highly skilled technical teams played a pivotal role in ensuring the reliability and resilience of our generation and transmission infrastructure.

The Company's strong financial management is reflected in our improved EBITDA margin, which grew from 9% to 24%. We also allocated 63% of our Annual Procurement Plan expenditure to local procurement, supporting Namibia's economic empowerment objectives. These achievements reinforce NamPower's role as a driver of sustainable development and national growth.

Despite external challenges such as fluctuating global energy markets and supply chain disruptions, NamPower exceeded key performance targets. These accomplishments support the final year of the ISBP 2020-2025 and position the Company for continued success as we prepare for the next strategic planning cycle.

FINANCIAL PERFORMANCE

NamPower delivered robust financial results during the 2023/2024 financial year, with total revenue increasing by 18.7%, driven by an 11.2% rise in sales volumes and a tariff adjustment of 8.97%. Revenue grew from N$7.2 billion to N$8.6 billion, reflecting our focus on local generation and cost containment.

The cost of electricty reduced by 3.0%, largely due to increased generation at the Ruacana Power Station, which enabled a shift away from costly imported electricity.

This resulted in locally generated energy accounting for 46.5% of the total supply, up from 33.3% in the previous year. Cash flow from operations improved significantly from N$488.9 million to N$2.1 billion, driven by improved debt collection and operational efficiencies.

NamPower's debt obligations remain well-managed, with a debt service coverage ratio (DSCR) of 22.2 times, underscoring our strong ability to meet debt payments. Capital expenditure for the year totalled N$1.5 billion, focused primarily on generation and transmission infrastructure to meet future energy demands.

TRANSMISSION AND DISTRIBUTION INFRASTRUCTURE

NamPower made significant strides in modernising and expanding its transmission network, in line with the Transmission Master Plan (2021-2025). With 12,043 kilometres of high- and medium-voltage transmission lines and 22,977 kilometres of low-voltage distribution lines, we ensured a system availability of 99.80% throughout the year. This reliability is critical to supporting Namibia's growing electricity demand and the future integration of renewable energy sources.

Major projects included the commissioning of the 400 kV Auas-Gerus line, which enhances network stability and capacity. Progress was also made on the Auas-Kokerboom and Obib-Oranjemund projects, which is essential for reinforcing regional electricity transfer and grid reliability. These projects are crucial as Namibia transitions towards a more diversified and renewable energy-based power system.

ENERGY SUPPLY AND REGIONAL INTEGRATION

NamPower continued to secure electricity through existing power purchase agreements (PPAs) with regional utilities. Additionally, independent power producers (IPPs) contributed 7.7% of our total energy, supporting Namibia's drive towards increased local generation. Our participation in the Southern African Power Pool (SAPP) also yielded notable results, with Namibia trading 540 GWh of electricity into the SAPP.

The Ruacana Power Station achieved a record-high generation of 2,067 GWh, enabling NamPower to export 502 GWh to neighbouring countries, underlining our critical role in regional energy stability and security. These exports accounted for 10.73% of the total energy supply, reflecting our contribution to both local and regional markets.

BUILDING OUR HUMAN CAPITAL

In 2024, NamPower made significant strides in advancing organisational and operational excellence through strategic investments in its people, infrastructure, and systems. Key achievements included exceeding the targets for developing new capabilities, with 60% of capabilities developed against a 50% target, and ensuring 88% development of critical positions, surpassing the 80% target.

These efforts have enhanced NamPower's competitiveness in the evolving energy market. The Company continued building a high-performing and ethical culture by exceeding training targets, with 75% of employees trained, well above the 50% target.

Training and development costs came in at 89% against a 75% target, demonstrating NamPower's commitment to workforce development.

NamPower saw an increase in employee numbers, rising to 1,094 employees in 2024 from 1,077, with a 1.55% employee turnover, significantly improving from 5% the previous year. However, the proportion of female employees decreased slightly to 27%, reflecting a continued focus on achieving gender diversity targets.

Wellness initiatives remained a priority, with 452 employees participating in health screenings, wellness challenges, and face-to-face sessions. NamPower's Employee Assistance Programme, which offers counselling and support services and partnerships with medical aid providers, contributed to ensuring employee wellbeing.

Succession management showed strong progress, with 60% of the identified successors classified as "ready now" for critical roles. NamPower also maintained high employee engagement through its Employee Recognition Programme, which saw 68 employees nominated for recognition, further fostering a culture of excellence.

On the operational front, NamPower's commitment to safety and environmental sustainability was reflected in a zero-fatality record, although efforts will continue to reduce vehicle incidents and lost-time injuries. The Company also obtained 41 new and renewed environmental clearance certificates (ECCs), reinforcing its compliance with regulatory standards.

SOCIO-ECONOMIC AND COMMUNITY IMPACT

NamPower remains deeply committed to supporting Namibia's socio-economic objectives. In 2024, the NamPower Foundation increased its support across various sectors, with contributions rising to N$9.4 million. Additionally, we invested N$2.4 million in training 875 employees and allocated N$7.2 million towards bursary programmes, fostering the development of national talent.

Our ongoing efforts in rural electrification, in collaboration with the Ministry of Mines and Energy, saw investments increase to N$51.5 million, up from N$42.8 million the previous year. These investments are critical for improving access to electricity in underserved areas and advancing Namibia's development goals.

LOOKING AHEAD

As NamPower nears the completion of the ISBP 2020-2025, preparations for the next strategic plan, covering 2026 to 2030, are well underway. The new plan will guide our operations, with a strong focus on expanding local energy generation, accelerating renewable energy projects, and reducing reliance on imports.

By investing in innovative technologies and infrastructure, we aim to deliver long-term energy security while maintaining financial sustainability.

In the coming year, we will continue to support network expansion, the maintenance of key infrastructure, and further enhancements to our HVDC systems. These initiatives will reinforce our ability to meet growing electricity demand and support Namibia's energy transition.

NamPower remains dedicated to promoting local content and skills development through upcoming projects such as the Otjikoto Biomass and Rosh Pinah 100 MW PV plants. These initiatives will create new opportunities for Namibian-owned entities through local procurement and job opportunities, thereby contributing to long-term economic empowerment.

ACKNOWLEDGEMENTS

I sincerely thank the Board for their governance-focused leadership, the Executive Committee for their exceptional management, and all NamPower employees for their dedication and hard work. Together, we have navigated a complex and evolving landscape with resilience and commitment.

Lastly, I express my gratitude to our valued stakeholders for their unwavering support as we continue our mission of energising Namibia's future with renewed purpose.

Kahenge S. Haulofu
Managing Director

OPERATING CONTEXT

THE EXTERNAL ENVIRONMENT

In the context of our external operating environment, NamPower, as Namibia's national power utility, continues to take cognisance and prudent intervention of several key material factors which could significantly influence our strategic direction, operational effectiveness, efficiency, and ability to create value.

These external factors are often driven by economic, environmental, regulatory, technological, and societal trends. By staying aware of and proactively managing these material factors, NamPower has been able to navigate its external environment, manage and/or mitigate risks, leverage opportunities, and ensure a sustainable and reliable electricity supply to support Namibia's development goals.

ENERGY SECURITY AND RELIABILITY

It is our utmost priority to ensure a stable and reliable electricity supply to meet the growing demand in Namibia. With the advent of new developments in the mining sector, the oil and gas sector, and other emerging economic activities in the country, we will invest in infrastructure maintenance, capacity expansion, and grid reliability to avoid power outages and disruptions.

In addition to our continued efforts to mitigate supply risks, we have experienced mixed developments and market dynamics due to the rainfall pattern in the SADC region. For the period under review, the Southern African region experienced abnormal rain patterns with severe drought in the Zambezi River catchment basin; however, for the same period, improved inflows were experienced in the Kunene River catchment basin.

This led to the significantly improved output of about 2,000 GWh from our Ruacana Power Station. However, two of our supply contracts were negatively affected. The resulting overall effect was that our local energy generation was positive and beneficial to our local customers, and we were also able to support regional electricity supply into the SAPP market.

ENERGY DEMAND AND SUPPLY DYNAMICS

Economic growth and population trends: Changes in Namibia's economic growth, industrialisation, and urbanisation can affect electricity demand. NamPower needs to plan capacity expansions to meet future energy requirements.

Subsequent to the introduction of the modified single buyer (MSB) market rules, the renewable generation plants have increased significantly. Today, Namibia can report that competition has been introduced for 30% of annual energy demand from contestable customers. For market and grid stability, it is of utmost importance that the NamPower ESI value chain remains intact, as opposed to fragmentation and the subsequent detrimental effects of a fragmented and disjointed market. This is already evident from the emerging trends between network asset management and control between transmission assets and distribution assets, and the increasing grey impact of roof-tops and inadequate control of renewal penetration in the market.

Regional power demand: Namibia's role in the SAPP and potential export opportunities also influences demand dynamics. NamPower is in a position to sell into the SAPP when output from Ruacana is adequate, primarily during the rainy season.

RENEWABLE ENERGY INTEGRATION AND TRANSITION

National energy policies: Namibia's commitment to increasing the share of renewable energy sources and reducing carbon emissions aligns with local, global, and regional energy transition goals. It is NamPower's prudent consideration that the fast-increasing penetration of renewables needs to be sufficiently exceeded by firm or base-load plants to ensure a technically resilient grid and supply system, which will sustain economic development and contain tariffs.

Technological advancements in renewables: Developments in solar, wind, and energy storage technologies could impact NamPower's energy mix and investment strategies. It is therefore extremely important that significant base-load plants be part of NamPower's future development plan to ensure that intermittent renewable generation plants do not overtake base-load generation.

REGULATORY AND POLICY ENVIRONMENT

Energy regulations: It is imperative for all ESI licensees and market players, whether private or public, to comply with national energy regulations, including licensing conditions, tariffs, and grid codes. These compliance requirements apply to anyone who connects installations to the grid. Through regular engagements with the Regulator (the ECB), NamPower stays abreast of regulatory changes, provides input as a key ESI stakeholder, and aligns its operations accordingly.

Environmental policies: The increase of environmental regulations regarding emissions, water usage, and waste management requires NamPower to adopt sustainable practices in our operations and projects.

CLIMATE CHANGE AND ENVIRONMENTAL RISKS

Impact on operations: Events related to climate change, such as droughts and extreme weather conditions, can affect power generation from the Ruacana Hydro Power Station and the stability of the electricity supply.

Environmental conservation: Balancing the need for infrastructure development with environmental conservation efforts is crucial to managing the ecological impact. NamPower continues to ensure that the impact on our electricity supply is minimised.

ECONOMIC AND MARKET CONDITIONS

Macroeconomic stability: Fluctuations in Namibia's economic conditions, inflation, and currency exchange rates can impact NamPower's financial performance and capital projects. As a result, our economic surveillance is enhanced through regular consultation with in-country economic analysts who have the most recent database updates.

TECHNOLOGICAL INNOVATION AND CYBERSECURITY

Digitalisation and smart grid technology: Adoption of smart grid technologies, automation, and digitalisation is essential for improving operational efficiency, demand management, and grid resilience. The NamPower network employs the most appropriate and readily available technologies to ensure a state-of-the-art network.

Cybersecurity threats: As infrastructure becomes more digitised, cybersecurity risks increase, requiring robust security measures to protect against cyberattacks and data breaches. Therefore, NamPower has maintained a robust cybersecurity regime to minimise cybersecurity breaches.

REGIONAL COOPERATION AND POWER POOL PARTICIPATION

Southern African Power Pool (SAPP): Participation in regional power initiatives offers opportunities for regional electricity trading, grid stability, and cost-effective supply; however, it also requires cooperation and alignment with regional energy policies.

Cross-border infrastructure projects: Collaborative projects with neighbouring countries can enhance energy security and access; however, these projects may involve complex negotiations and regulatory challenges. Henceforth, there are collaboration projects in progress, such as, among others, the Baynes Hydro Project.

SOCIO-ECONOMIC AND COMMUNITY IMPACT

Social license to operate: As we operate in the community, especially in rural and underserved areas, NamPower's projects consider its CSI role and its impact. Community engagement and development initiatives are critical for building trust and support as well as the visibility of being a responsible corporate citizen.

Job creation and skills development: Contributing to local employment and skills development aligns with the national socio-economic objectives and supports sustainable growth. NamPower ensures that the required competencies are sourced and/or created from the market.

INVESTMENT AND FUNDING AVAILABILITY

Access to capital: It is important that NamPower remains a credit-rated company. In so doing, we ensure the availability of funding from investors and maintain appetite from international financial institutions in order for NamPower to be able to undertake capital-intensive investment projects, which are aimed at fulfilling our mandate.

Public-private partnerships (PPPs): Exploring partnerships with private sector entities can provide additional resources and expertise for infrastructure development.

PUBLIC PERCEPTION AND STAKEHOLDER EXPECTATIONS

Transparency and accountability: Maintaining transparent operations, ethical conduct, and accountability is crucial for building trust with the public, the Government, and investors. NamPower therefore executes a Stakeholder Perception Survey every two years to obtain feedback from our stakeholders and to improve in identified areas.

Stakeholder communication: Effective communication strategies to keep stakeholders informed about developments, challenges, and successes are essential for managing public perception and stakeholder relations.

FINANCIAL SUSTAINABILITY

NamPower makes concerted efforts to manage costs, tariffs, and the overall financial performance of the Company in order to maintain profitability and ensure the sustainability of operations. These efforts include efficient resource allocation, cost control measures, and transparent financial reporting. Additionally, sustainable tariff applications are submitted to the Regulator, based on cost reflectivity.

REGULATORY COMPLIANCE AND GOVERNANCE

NamPower is committed to regulatory compliance, good corporate governance, and the sustainable development goals. To this extent, we have introduced and commenced with a project to start reporting on our ESG goals.

Adherence to national and international regulatory standards and governance practices will remain a priority for NamPower. This involves compliance with energy regulations, safety standards, environmental laws, and ethical governance frameworks to build lasting stakeholder trust.

STAKEHOLDER ENGAGEMENT

OUR STAKEHOLDERS

NamPower is committed to building strong partnerships and collaboration with stakeholders across the electricity sector and the broader economy. Our strategy for engaging with stakeholders aims to make a significant impact and meet their expectations effectively. We prioritise transparent and timely communication, ensuring accountability and integrity.

Recognising the evolving landscape, we emphasise a customer-centric approach to stakeholder management to guide us toward our strategic goals. Our primary objective for 2025 and beyond is to sustain support and commitment by effectively engaging with stakeholders and meeting their needs across the economy.

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

KEY STAKEHOLDER GROUPS AND WHY THEY ARE IMPORTANT TO US	HOW WE ENGAGE WITH OUR STAKEHOLDER GROUPS	CAPITALS IMPACTED
Employees and Union Representative Body Our 1,094 employees (2023: 1,077), including those on short-term contracts, provide the skills and labour essential to NamPower's success. Employee engagement has significantly enhanced Company performance, with scores improving from 2.16 in 2022 to 2.63 in 2023, and reaching 3.24 at year-end. This reflects our commitment to fostering a motivated and productive workforce. 567 (51.2%) employees are members of the bargaining unit, represented by the Mineworkers Union of Namibia (MUN).	• Employee wellness, health, and safety initiatives • Recognition and reward programmes • Engagement with pension fund trustees about the performance of NamPower's pension fund • Staff briefing sessions and union engagements on regulatory information and Company performance • Recognition agreement with the union and agreement with the full-time shop steward • Company intranet • Social events aimed at employee engagement • Ongoing dialogue through established channels	• Intellectual • Human • Social and relationship
Regulator (ECB) The ECB enforces the regulatory and policy frameworks by which NamPower operates.	• Compliance with laws and regulations • Feedback on queries • Regular briefings and meetings on strategic intent, security of supply, projects, and electricity pricing and tariffs • Tariff post-modem meetings • Integrated annual reports • Website • Monthly reports on projects • Workshops • Quarterly ECB/NamPower Management meetings • Monthly Working Group meetings • Monthly National Resource Integrated Plan (NIRP) meetings	• Financial • Intellectual • Manufactured • Social and relationship
Government As a commercial public enterprise, NamPower is accountable to the Ministry of Finance and Public Enterprises (MFPE) and the Ministry of Mines and Energy (MME). The Government informs our operations through national legislation and policy.	• Project meetings with the MME • Local economic development forums • Monthly reports • Appraisals on projects • Integrated annual reports • Website • Monthly National Resource Integrated Plan (NIRP) meetings	• Financial • Intellectual • Manufactured • Social and relationship • Natural
Customers Through the purchase of our products and services, we generate revenue. Thus, customer relationship and retention is key.	• Electronic application system and interface for distribution customers to other services such as application process stage monitoring and billing viewing • Negotiation process regarding servitude registration and compensation • Stakeholder engagement meetings • Power outage notifications • Media releases • Website	• Intellectual • Manufactured • Social and relationship • Natural

KEY STAKEHOLDER GROUPS AND WHY THEY ARE IMPORTANT TO US	HOW WE ENGAGE WITH OUR STAKEHOLDER GROUPS	CAPITALS IMPACTED
Media The media is a critical role player in keeping stakeholders and the public informed of the ESI and NamPower's operations and projects.	• Updates on transmission and generation projects • Media releases • Timeous response to information queries • Integrated annual reports • Website	• Social and relationship • Natural
Suppliers and service providers Suppliers provide the required goods and services to enable us to conduct NamPower's operations effectively.	• Pre-bid meetings • Bid clarification meetings • Bidder's debriefing exercises • Website	• Financial • Manufactured • Social and relationship
International / regional relations (SAPP) NamPower participates in multilateral energy platforms in Africa.	• Trade/power purchase agreements • Quarterly SAPP sub-committee meetings • Bi-annual SAPP MANCO conference • Quarterly traders' forum • Stakeholder engagements with mines • Integrated annual reports • Website	• Financial • Intellectual • Manufactured • Social and relationship
Financiers and Development Finance Institutions NamPower relies on its relationship with investors to build, maintain, and enhance confidence in NamPower as a reputable and investment-grade institution.	• NamPower 2020-2025 ISBP and capital investment plan • Prospective projects with associated funding requirements • Integrated annual reports • Website • Meetings	• Financial • Manufactured • Social and relationship • Natural

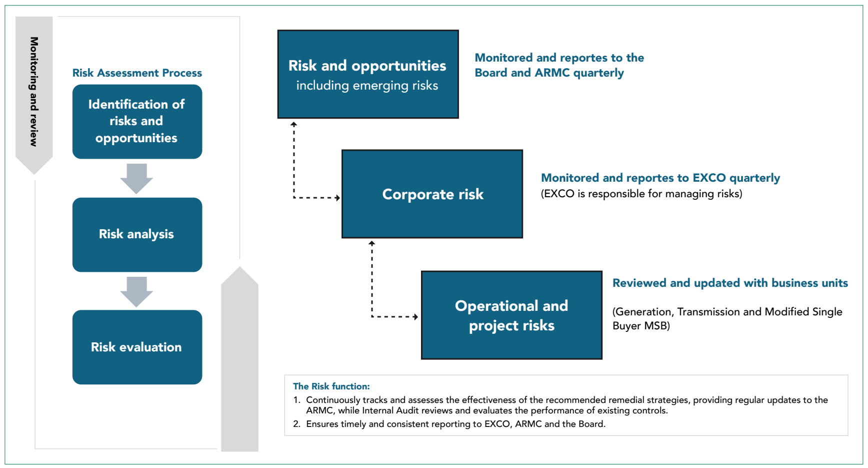
MATERIAL RISKS AND OPPORTUNITIES

The Namibian electricity sector faces significant risks, primarily due to the country's small economy and heavy dependence on imported energy. Despite these challenges, NamPower's strong position in energy trading and transmission, conservative capital structure, substantial cash reserves, and short-term liquid investments help to mitigate these risks. These factors necessitate agile decision-making and effective risk management strategies to minimise exposure and capitalise on opportunities.

OUR RISK MANAGEMENT PROCESS

The Audit and Risk Management Committee (ARMC) oversees the risk management process, and Management provides quarterly reports on the risk profile and related activities.

NamPower's approach to risk management is illustrated in the following figure:



RISK APPETITE AND TOLERANCE

In 2020, the Board and Management set risk appetite and tolerance limits as an early warning system to alert NamPower when risks approach critical levels. This process is guided by the Appetite Framework, which is aligned with King IV, ISO 31000:2018, and Board-approved best practices. These thresholds ensure that NamPower's risk exposure remains within acceptable limits for uninterrupted operations.

NamPower developed matrices to prioritise and map each risk to its corresponding appetite across various impact categories: financial, people, environmental, brand and reputation, legal and compliance, continuity of supply, and information management. Risks with material impacts are considered within the appetite if effective controls or remedial strategies are in place. A risk is deemed outside of the appetite if it has a material impact that is not adequately controlled or if remedial actions have not been implemented. Key risk indicators (KRIs) are linked to each risk to signal when it exceeds the set appetite and tolerance, providing both historical and current statuses.

The following figure illustrates and defines risk appetite and tolerance.

PLOTTING THE RISK APPETITE AND TOLERANCES ACROSS CORPORATE RISKS

The following illustration depicts the risk appetite rating.

High (risk-aggressive)	**Medium to high** (moderately risk-aggressive)	**Medium** (moderate/risk-neutral)	**Low** (conservative/risk-averse)
Eager to be innovative and to choose options offering potentially higher business rewards, despite the greater inherent risk.	Willing to consider options and choose the one most likely to result in successful delivery, with an acceptable level of reward.	Preference for low-risk, safe options, with limited potential of reward.	Avoidance of risk is an uncertainty.

OUR RISK MATURITY

NamPower's current maturity status is "top-down", based on the Institute of Risk Management South Africa's Risk Maturity Model.

Where we are	**Framework in place:** We develop a common risk management framework, including policies and methodologies, indicating that risk management is recognised as important and systematic across NamPower. **Quartery risk assessments:** The quaterly assessment of risks and strategic, operational and project risks are communicated to the Board, suggesting a structured approach to risk oversight. **Executive involvement:** An Executive Steering Committee actively oversees risk management activities, ensuring alignment between risk management efforts and organisational strategy. **Knowledge sharing, formal consultation, and a dedicated team:** Knowledge is shared across functions, with formal consultation and a dedicated risk management team.
Gaps identified	**Transition to systemic stage:** The maturity assessment score indicates that we are still transitioning to a more systemic risk management approach. Key activities that need further development include coordinated risk management, comprehensive risk appetite definition, and enterprise-wide risk monitoring. **Technology:** The use of risk management information systems is essential for advancing toward a more integrated and systemic risk management process.
Opportunities for improvement	We aim to transition from a top-down approach to a systemic approach and ultimately become a risk-intelligent organisation. Being risk-intelligent means taking the right risks for appropriate rewards; embedding risk management in strategy settings, planning, capital allocation, and other key processes; implementing early-warning risk indicators; linking risk management to performance measures and incentives; and leveraging technology to streamline risk monitoring and reporting, making them more effective and real-time.

OUR MATERIAL RISKS

Risk rating movement legend

● No movement ▲ Upward movement ▼ Downward movement

Risk # 1 Non-collectability of revenue	**Very high**	●

Why is the risk material?

Failure to collect revenue will force NamPower to deplete its reserves to fund operations and meet short-term obligations. This reliance on reserves will significantly impair NamPower's profitability.

Consequences (if unmitigated)

- Expected credit losses has been steadily increasing, from N$675.2 million in FY 2020/2021 to N$835.4 million by 30 June 2024. External factors may hinder the termination of supply, contributing to further escalation of expected credit losses and the fostering of a culture of non-payment.
- Without the ability to terminate supply and recover income from sales, the threat highlighted under the Modified Single Buyer (MSB) Model persists. Therefore, NamPower risks becoming price uncompetitive in the market, potentially losing more than 30% of the stipulated allocation.
- Cash flow will be negatively affected, potentially resulting in breaches of covenants with lenders and an inability to meet short-term financial obligations.
- Security of supply may become unaffordable – at least for NamPower.

Remedial strategies

- Implement the Board Resolution to disconnect defaulting Local Authorities, Regional Councils, and REDs
- Finalise the implementation of the prepaid meters/system, as per the Cabinet resolution (go-live)
- Complete the migration of all bulk transmission and bulk distribution customers to the prepaid system, as per the Cabinet resolution
- Maintain regular updates to the ECB on the progress of the prepayment system implementation
- Negotiate with customers to sign incentivised re-payment agreements

Affected strategic pillars

Ensure security of supply	Unlocking the value of electricity sector collaboration	Optimising financial sustainability

Risk # 2 High cost of energy mix	**Very high**	

Why is the risk material?

The risk of escalating energy costs poses a significant threat to our cost structure, potentially increasing the cost of sales. With revenue growth remaining stagnant, this situation puts downward pressure on our gross margins. Additionally, the regulatory shift from a Single Buyer Model to a Modified Single Buyer Model in the sector heightens the risk that contestable customers may pursue more cost-effective energy solutions from IPPs, which could negatively impact our market share and erode our pricing power.

Consequences (if unmitigated)

- A high cost of supply that will lead to low gross profit margins
- Financial sustainability will be affected, which will have an impact on profitability
- Customers will defect, with contestable customers using 30% of demand to source from IPPs
- Credit rating will be negatively affected
- Investor confidence will be reduced and lender appetite will decrease

Remedial strategies

- Expedite the re-negotiation of unfavourable PPAs
- Develop large-scale renewable energy projects that benefit from economies of scale as part of the new build programme
- Engage the ECB to discuss the impact of tariff disapproval

Affected strategic pillars

Ensure security of supply	Unlocking the value of electricity sector collaboration	Optimising financial sustainability

Risk # 3 Insufficient own generation (over-reliance on imports)	**Very high**	

Why is the risk material?

The over-reliance on imports, despite being partially mitigated by NamPower's monopolistic position in energy trading and transmission as well as its conservative capital structure and liquidity reserves, introduces a significant risk to the security of supply. This risk is heightened if any regional utilities fail to fulfil their obligations under the Power Purchase Agreement, potentially disrupting Namibia's energy supply.

Consequences (if unmitigated)

- The unaffordability of imports/foreign-owned plants will result in security of supply challenges and financial sustainability concerns
- The market share will experience losses

Remedial strategies

- Fast-track the implementation of the approved generation projects
- Finalise Integrated System/Resource Planning (ISP/IRP) and Variable Renewable Energy (VRE)
- Finalise the feasibility study of the Recipient Executed Trust Fund (RETF) for generation projects

Affected strategic pillars

Ensure security of supply	Unlocking the value of electricity sector collaboration	Optimising financial sustainability

Risk # 4 Non-conformity with the provisions of the Public Procurement Act	Minor	▼

Why is the risk material?

The implementation of major capital projects is at risk due to the introduction of the Public Procurement Act. While the Public Procurement Unit grants temporary exemption, this creates broader operational challenges for NamPower.

Consequences (if unmitigated)	Remedial strategies
• Inability to complete projects on time and within budget • Inability to manage stock, stock levels and procurement-related costs • Fines, imprisonment and penalties resulting from non-conformance • Negative impact on operations	• Finalise and report on the implementation of the Internal Audit Report's recommendations regarding procurement

Affected strategic pillars

Ensure security of supply	Driving organisational and operational excellence	Optimising financial sustainability

Risk # 5 Supplier of last resort	Very high	Now

Why is the risk material?

The regulatory change within the sector has designated NamPower as the "supplier of last resort", with minimal to no compensation. This designation imposes no liability on IPPs for failure to supply, except in cases of force majeure..

Consequences (if unmitigated)	Remedial strategies
• Potential increase in energy costs due to emergency power purchases • Non-compliance with the grid code • Energy dumping (potential penalties) • Loss of potential revenue for exports	• Develop a transmission business case to provide storage solutions as ancillary services • Propose changes to the market rules regarding oversupply and undersupply – including potential penalties to NamPower (tolerance band)

Affected strategic pillars

Ensure security of supply	Unlocking the value of electricity sector collaboration	Optimising financial sustainability

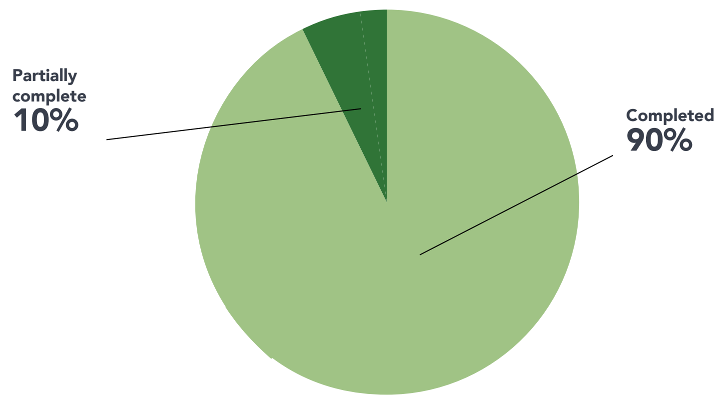
OUR PERFORMANCE IN 2024

In accordance with the five-year Risk and Resilience Rolling Plan, NamPower made notable progress amid a challenging operational landscape during the review period.

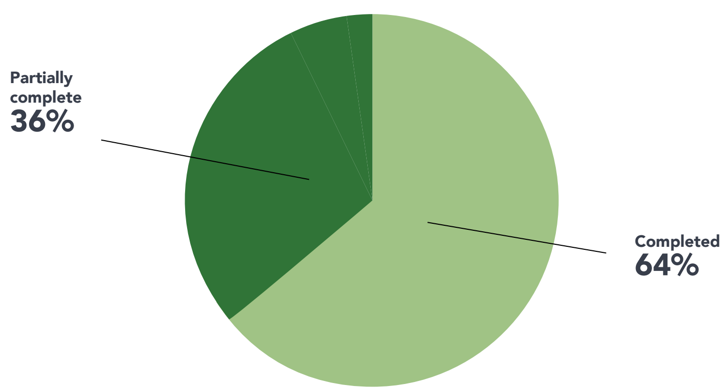
- **Risk Management Plan:** 51 key deliverables, of which 46 (90%) were completed, 5 (10%) were partially completed, and 0 (0%) were incomplete.
- **Business Resilience Plan:** 42 key deliverables, of which 27 (64%) were completed, 15 (36%) were partially completed, and 0 (0%) were incomplete.

Overview of our risk management performance for 2024

Risk Management Plan



Business Resilience Plan



STRATEGIC DELIVERABLES DURING THE YEAR

By implementing several strategic initiatives, we have achieved the following deliverables:

- Information Technology disaster recovery testing has been successfully conducted to ensure business continuity with the implementation of the findings.
- Following the completion of the risk maturity assessment and benchmarking, we are implementing the recommendations to achieve our risk maturity level.
- Risk management has been embedded into all management processes and decision-making frameworks.
- Materialised risks were regularly analysed and any changes in the risk profile were monitored.
- Controls and treatment plans underwent periodic testing.
- Materialised risks and priority risk profile changes are being thoroughly investigated.
- Well-defined key performance indicators (KPIs) are being developed to substantiate performance incentives.
- Risk reporting has been included in the integrated annual reports and performance reports, and presented to the shareholder through the NamPower Audit and Risk Management Committee.

PURSUED OPPORTUNITIES

Our risk management process helps us identify opportunities, defined as a situation with uncertain outcomes that require resources and involve some risk.

STRATEGIC PILLARS	OPPORTUNITIES
1 and 4	Rapidly developing technologies within the energy sector, creating opportunities for innovation and creative strategies in hydro, solar, wind and storage, and the transmission wires business
1 and 4	Leverage decarbonising efforts of industrialised countries
2 and 3	Expand transmission capabilities through NamPower's world-class wires business
2 and 3	Expand electricity supply in peri-urban areas, building on rural electrification projects
1 and 3	Medium- to long-term opportunities offered by the Namibia Integrated Resource Plan (NIRP) for the electricity supply industry – enabling NamPower to pursue its vision and mandate effectively

STRATEGIC OUTLOOK FOR 2025 AND BEYOND

Looking ahead to 2025 and beyond, NamPower intends to:

- effectively integrate a combined assurance model across all assurance providers;
- continue the systematic implementation of the findings from the risk maturity assessment;
- establish a Corporate Resilience Committee to monitor and coordinate business resilience programmes;
- embed the Incident Command System at strategic, tactical and operational levels;
- operationalise and support the Emergency Response Command Centre (ERCC) – particularly during incidences; and
- develop a new five-year rolling Risk and Resilience Plan aligned with the new 2025-2030 Integrated Strategic Business Plan.

TRANSMISSION INITIATIVES
400 KV AUAS-GERUS TRANSMISSION LINE

06

The 290-kilometre Auas-Gerus 400 kV transmission line was commissioned in April 2024.

This line strengthens the Auas-Van Eck-Omburu 220 kV network, providing improved network stability, reduced losses, and enhanced contingency support.

OUR OPERATING PERFORMANCE AGAINST STRATEGY

Delivering on Our Integrated Strategic Business Plan 2020-2025

A HIGH-LEVEL OVERVIEW OF NAMPOWER'S PERFORMANCE DURING THE 2023/2024 FINANCIAL YEAR

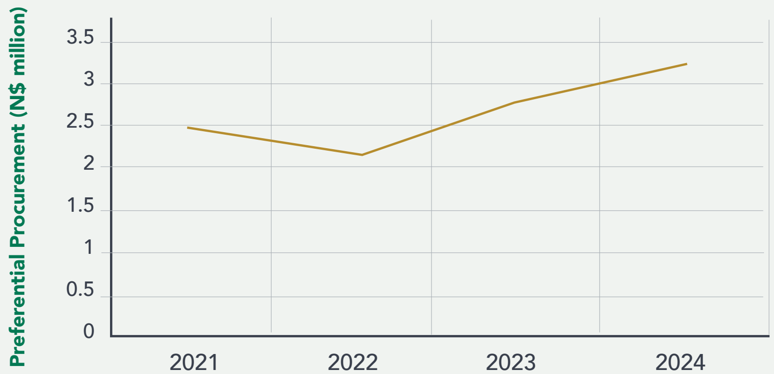
The Company has successfully concluded its performance reviews for the 2023/2024 financial year, marking the fourth year of NamPower's ISBP 2020-2025. The performance review process follows a "bottom-up" approach, starting at the individual level, progressing through the business unit, and culminating at the corporate level.

These reviews aim to assess and rate the performance of individuals, business units, and the Company against set targets and objectives, while also identifying corrective measures to enhance overall organisational performance and improve service delivery.

The fourth year of implementation of the ISBP 2020-2025 has demonstrated significant improvement at the individual, business unit, and corporate levels, despite ongoing economic volatility and the dynamic nature of the electricity industry. This substantial improvement demonstrates the Company's resilience and strategic focus across all four strategic pillars and fourteen strategic objectives.

NamPower's corporate performance for the year under review reached a new record rating of 3.24 out of 4, reflecting an improvement of 0.56 from last year's rating of 2.68 out of 4.

The following trend graph shows the corporate performance ratings from 2021 to 2024. The performance starts at 2.56 in 2021, dips slightly to 2.16 in 2022, recovers to 2.68 in 2023, and peaks at 3.24 in 2024, indicating a steady improvement over the recent two years after a slight decline. This reflects a positive trajectory in corporate efforts.



The key achievements for the year include:

- **EBITDA margin growth:** increased from 9% to an exceptional 24%, reflecting robust financial management.
- **Debt service coverage ratio (DSCR):** reached an impressive 22.2 times, demonstrating NamPower's strong ability to meet its debt obligations.
- **Local procurement:** 63% of the Annual Procurement Plan (APP) expenditure was directed towards locally procured goods and services, reinforcing NamPower's commitment to supporting local industry.
- **New generation projects:** 94% of the new generation projects were successfully delivered, showcasing NamPower's proactive approach to securing future energy supply and supporting national energy security goals.

While faced with external challenges such as fluctuating global energy markets, supply chain disruptions, and regulatory shifts within the SADC region, NamPower's ability to outperform set targets in critical areas demonstrates its adaptability and long-term strategic foresight.

This robust performance sets a solid foundation for the final year of the ISBP 2020-2025, and positions NamPower to continue delivering on its mandate to provide reliable and sustainable electricity to the nation.

The following table compares the corporate performance of the 2022/2023 financial year with the 2023/2024 financial year for each strategic objective. The performance of each strategic objective under each of the four strategic pillars for the reporting period is illustrated in the section that discusses our operating performance against strategy.

The table below highlights NamPower's Corporate Performance for the 2023/2024 financial year:

Our strategic pillars	Our strategic objectives	Key performance indicator (KPIs)	Performance (2023)	Performance (2024)
SP.1: ENSURING SECURITY OF SUPPLY	Optimally expand generation capacity	Completion of generation projects in feasibility (milestones) (%)	92%	94%
		New generation MW (IPP)	29%	85%
		New generation projects in execution (NamPower) (Anixas II – 50 MW and Biomass – 40 MW)	97.5%	95%
	Optimally expand transmission capacity	New transmission lines constructed (km) to optimise the grid (S-curve)	142 km	153 km
		Completion of transmission substation projects (S-curve)	1,039 MVA	639 MVA
	Leverage regional trading opportunities	Total profitable annual net exports (kWh export growth regionally) (%)	196%	200%
	Ensure a least-cost electricity supply mix	Average cost of the energy mix supply (cents per kWh)	132.23c/kWh	123.91c/kWh
SP.2: UNLOCKING THE VALUE OF ELECTRICITY SECTOR COLLABORATION	Support the development of the electricity industry and the economy	Number of ESI initiatives	5	6
		Locally produced goods and services (% of APP spending)	42%	63%
	Develop new products and services (solutions)	% Customer satisfaction	78%	81%
	Support the acceleration of electrification	Number of new products and services introduced into the market	3	3
		Electrification investment (including CSI investment) (% of revenue)	46%	0.071%
		Completion of rural electrification projects (milestones)	90%	92%

Legend:

Exceptional	Above target	On target	Below target

Our strategic pillars	Our strategic objectives	Key performance indicator (KPIs)	Performance (2023)	Performance (2024)
SP.3: OPTIMISING FINANCIAL SUSTAINABILITY	Increase unit sales	Sales growth (GWh) (%)	1.00%	2.00%
	Ensure sound liquidity	Current ratio (%)	4.9	5.0
		Debtors' days	76 days	69.4 days
		Debt service coverage ratio (DSCR) (times)	9.1	22.2
	Grow shareholder value	Return on net assets (RONA) (%)	1.46%	4.4%
	Maintain profitability	EBITDA (% turnover)	9%	24%
SP.4: DRIVING ORGANISATIONAL AND OPERATIONAL EXCELLENCE	Develop additional capabilities to meet competitive market requirements	New capabilities developed (aligned to new market requirements) (%)	75%	66%
		Development of approved strategic and critical positions (with ready-now backups) (%)	85%	88%
	Achieve and retain top employer status	Employer status rating (%)	66%	66%
	Build an ethical, engaging, and high-performance culture	Employees trained annually (%)	78%	75%
		Training and development cost (as a % of labour cost)	2.7%	89%

Legend:

Exceptional	Above target	On target	Below target

LOOKING AHEAD TO 2025 AND BEYOND

As the Company approaches the conclusion of the ISBP 2020-2025, preparations are well underway for the development of our next strategy, which will guide operations for the 2026-2030 period. The strategic planning development process will be consultative and inclusive, with the Board of Directors being engaged at the appropriate time to provide input to the Company's strategic direction and to offer their recommendation for approval by the Minister of Mines and Energy.

Strategic Pillar 1

ENSURING SECURITY OF SUPPLY

NamPower's focus on its internal business perspective is driven by ensuring security of supply, which includes four strategic objectives. These four objectives are outlined below, showing the performance of each one against the targets set for the year.

Strategic objective 1: Optimally expand generation capacity

Key: Actual | Difference between actual and target

KPI: % Completion of Gx projects in feasibility (milestones)
Target: 75% | Actual: 94%

KPI: New generation MW (IPP) (50+20+44 MW)
Target: 85% | Actual: 85%

KPI: New generation projects in execution (NamPower) (Anixas II – 50 MW and Biomass – 40 MW)
Target: 85% | Actual: 96%

Strategic objective 2: Optimally expand transmission capacity

KPI: New transmission lines constructed (km) to optimise the grid (S-curve)
Target: 105 km | Actual:153 km

KPI: Completion of transmission substation projects (S-curve)
Target: 298 MVA | Actual: 639 MVA

Strategic objective 3: Leverage regional trading opportunities
KPI: Total profitable annual net exports (kWh export growth regionally) (%)
Target: 1.5% | Actual: 200.0%

Strategic objective 4: Ensure least-cost energy supply mix
KPI: Average cost of the energy mix supply (cents per kWh)
Target: 132.85c/kWh | Actual: 123.91c/kWh

ENHANCING SECURITY OF SUPPLY THROUGH STRATEGIC GENERATION AND TRANSMISSION EXPANSION

NamPower's strategy for ensuring a reliable electricity supply is guided by its ISBP 2020-2025, aligned with Namibia's Vision 2030, the National Integrated Resource Plan 2022 (NIRP 2022), and other national policies and developmental goals. The ISBP targets a 250-MW increase in local generation capacity to meet 80% of the self-sufficiency target, reducing import dependency and enhancing energy security.

This generation expansion is complemented by the development of NamPower's transmission infrastructure. The Transmission Master Plan focuses on expanding and strengthening the national grid to support increased generation capacity, integrate renewable energy sources, and improve overall grid reliability. This investment ensures efficient electricity delivery across the country, reducing grid instability and bolstering the power system's resilience.

In line with the Renewable Energy Policy, NamPower is working to increase the share of renewables in the energy mix to 70% by 2030. By integrating solar, wind, biomass, and battery energy storage technologies within a robust transmission network, NamPower aims to provide a balanced power supply, a mixture of least-cost options in solar and wind, to ultimately bring down the tariff to end-consumers and ensure affordability. In addition, NamPower aims to mitigate the challenges of renewable energy intermittency through the dispatchable plants of biomass and battery storage, ensuring a reliable supply to the local economy.

In support of these objectives, the Minister of Mines and Energy approved the development of 250 MW of new power generation capacity in 2018, with 180 MW allocated to NamPower, including a significant focus on renewable energy. A key milestone includes the commissioning of the 20 MW Omburu Solar PV Power Station in March 2022, marking a step toward enhancing Namibia's clean energy footprint.

OVERVIEW OF OUR GENERATION PROJECTS OMBURU 51 MW/51 MWH BATTERY ENERGY STORAGE SYSTEM PROJECT

The Omburu Battery Energy Storage System (BESS) Project will be the first of its kind in Namibia, bringing with it the benefits of peak shifting and arbitrage. The BESS is also designed to support the expansion of renewable energy on the national grid by providing much-needed ancillary services.

Environmental benefits: By facilitating the integration of clean energy sources, the BESS reduces reliance on energy/electricity generated from fossil fuels and lowers carbon emissions. This contributes to a more sustainable energy mix, aligning with Namibia's environmental goals and efforts to combat climate change.

Social impact: The BESS will enhance energy availability, reliability, and stability, ensuring a more resilient power supply. This stability fosters economic growth by providing a consistent energy source for businesses and industries, which in turn supports community development and improves quality of life. Enabling a more dependable power infrastructure contributes to social upliftment, particularly in areas where energy access is crucial for progress. The system, when combined in synchronism with the least-cost options of the intermittent solar and wind energy sources, could result in affordable tariffs to end-consumers.

Governance perspective: The BESS reflects NamPower's dedication to responsible energy management. It represents a strategic investment aligned with national development goals and global sustainability standards. The system underscores NamPower's role in driving the transition to a more sustainable energy sector while ensuring that its operations are transparent, efficient, and geared towards long-term national benefits.

The National Planning Commission of Namibia and the German Government have supported the implementation of the Omburu BESS Project through a grant fund of €20 million (N$400 million). The funding is facilitated through the KfW Development Bank on behalf of the German Government. As part of NamPower's commitment to this project, approximately N$100 million has been allocated from NamPower's own funds to the construction of the transmission connection, technical advisory, project management, and an owner's engineer consultancy services.

The commercial operations date for the Omburu BESS is set for October 2025.

ROSH PINAH 100 MW SOLAR PV POWER PROJECT

The Rosh Pinah Solar PV Power Project is designed to diversify the energy mix by providing a solar PV-generated source of energy.

Environmental benefits: With a maximum export capacity of 100 MW and an estimated annual energy production of 320 GWh, the project contributes significantly to reducing carbon emissions and reliance on fossil fuels. Its 97% availability and 30-year operational lifespan ensure long-term environmental sustainability and support Namibia's transition to cleaner energy sources.

Social impact: The project will contribute to a stable and reliable energy supply, and during the construction phase it will support economic growth and community development at Rosh Pinah and in the //Karas Region in general. Generating renewable energy consistently helps to provide sustainable energy supply for the "greener" economy, creating a conducive environment for industries and businesses to thrive. This, in turn, can lead to job creation, improved infrastructure, and an enhanced quality of life for local communities.

Governance perspective: The project is funded through a concessional loan from the KfW Development Bank, with NamPower covering close to 20% of the costs, ensuring financial sustainability. The EPC costs total N$1.4 billion.

The EPC contract with the successful bidder was signed on 9 September 2024 and the estimated commercial operations date is the second quarter of 2026.

ANIXAS II 54 MW (FIRM) POWER STATION

The Anixas II Power Station is designed to provide critical backup emergency power and operating reserve, stabilising the grid against the intermittency of renewable energy sources and offsetting emergency energy imports from Eskom/SAPP. While it employs internal combustion reciprocating engines (ICREs) technology and uses liquid fuels (such as very low sulphur fuel oil or diesel) or natural gas (when it becomes available), the power station is primarily focused on ensuring grid reliability and energy security, particularly during periods when renewable sources are insufficient. The project has reached the final stages of construction, overcoming several challenges, including global supply chain disruptions caused by exceptional events such as the Russia-Ukraine war, the earthquake in Turkey, and the Israel-Hamas conflict. Despite these setbacks, commissioning is nearly complete, with NamPower scheduled to take over the power station in September 2024. Following this, a two-year defects notification period will commence, ensuring the project's reliability and performance.

The project was wholly funded by NamPower's to the total of N$1.279 billion.

OTJIKOTO 40 MW BIOMASS POWER PROJECT

The Otjikoto Biomass Power Project involves the development of a 40 MW biomass power station that uses encroacher bush as a sustainable fuel source. It will provide a reliable baseload generation option, enhancing energy security for customers by providing spinning reserves, system availability and stability, and bolstering the biomass fuel supply chain industry within Namibia. Additionally, the project will have significant ESG benefits.

Environmental benefits: The project will promote the sustainable use of encroacher bush, contributing to the restoration of agricultural land and enhancing the carrying capacity of farmland. Utilising biomass also helps reduce reliance on fossil fuels and lowers carbon emissions, aligning with Namibia's environmental goals.

Social impact: The project will create employment opportunities, foster skills development, and stimulate local economic growth through the establishment of a biomass harvesting industry. The harvesting and processing of biomass fuel will generate jobs, especially in rural areas, thus supporting social upliftment. The French Global Environment Facility (€3.0 million) grant for development of sustainable ecosystems and the environment research will greatly assist NamPower towards these efforts.

Governance perspective: The project's success reflects NamPower's commitment to responsible and transparent energy management. Following a positive final investment decision (FID) by the Board of Directors in March 2024, the contract was awarded to the successful EPC contractor in May 2024.

Funding for the project was received from the following funding institutions:

- The French Development Agency has provided a loan of up to €100 million for the construction and operation of the power station.
- The Mitigation Action Facility is offering a grant of €25 million of which €21 million will go towards the power station's capital costs and € 4 million to the capacity building of the local biomass value chain.
- The Government of Namibia will contribute N$400 million to further reduce costs for the electricity consumers.
- The French Global Environmental Facility is contributing €3 million for environmental research and to extend the project's benefits to vulnerable communities.

With key conditions met – project insurance, performance bond, and advanced payment bond – the contract effective date of 23 August 2024 marked the commencement of design, equipment procurement, and site activities, ensuring timely and efficient project execution. The project is expected to be completed in the first quarter of 2027.

OPTIMALLY EXPAND OUR TRANSMISSION CAPACITY STATUS OF OUR TRANSMISSION PROJECTS

TRANSMISSION SYSTEM

NamPower takes pride in its ownership of a world-class transmission system, which includes a robust network of overhead lines spanning 12,043 kilometres and ranging from 66 kV to 400 kV. This national grid is testimony to Namibian expertise, as it has been designed and built primarily by local professionals.

To maintain the grid's exceptional quality, NamPower is dedicated to continuous investments that enhance and preserve its infrastructure. These efforts are essential to ensuring the network operates efficiently and reliably, with minimal disruptions in a constantly evolving environment.

DISTRIBUTION SYSTEM

NamPower's low-voltage distribution lines span 22,977 kilometres and range from 11 kV to 33 kV.

To ensure the continued excellence of the national grid, NamPower remains committed to ongoing investments to strengthen and maintain its infrastructure. These investments are crucial for preserving the superior condition of the network, enabling it to operate efficiently, reliably, and effectively with minimal disruptions.

NETWORK CAPACITY

- 12,043 kilometres of high- and medium-voltage transmission lines
- 22,977 kilometres of low-voltage distribution lines

NAMPOWER'S TRANSMISSION MASTER PLAN

NamPower's current Transmission Master Plan, covering the period from 2021 to 2025, outlines comprehensive expansion plans for the transmission network grid. It identifies development requirements for the next year, with annual updates to ensure alignment with the country's evolving electricity needs.

The plan involves the construction of new transmission lines, substations, and the upgrading of existing transmission infrastructure. These developments are essential to addressing internal supply limitations, accommodating future load growth, integrating new generation plants, and facilitating potential power transmission across the SAPP region.

NamPower remains committed to the strategic planning, development, and maintenance of its generation and transmission infrastructure, which are critical to ensuring operational efficiency and reliability. In addition, the provision of distribution and rural electrification infrastructure is central to NamPower's mandate to support national electrification efforts.

Historically, NamPower incurred substantial costs by outsourcing the design and preparation of transmission line documentation. However, with the establishment of an in-house transmission line design team and certification to use the PLS-CADD tool, NamPower has significantly reduced these costs.

This internal capability allows for more effective resource allocation, retained expertise, and efficient management of modifications to existing infrastructure.

The following transmission lines have been designed internally by NamPower:

- **132 kV Khurub-Aussenkehr:** construction completed and currently in operation
- **132 kV Kuiseb-Sekelduin:** currently under construction
- **132 kV Namib-Diaz:** bidding process is ongoing
- **220 kV Otjikoto-Masivi:** currently in the design phase
- **400 kV Obib-Oranjemund:** currently under construction
- **400 kV Auas-Kokerboom 2:** currently in the design phase

STATUS OF TRANSMISSION MASTER PLAN AND CUSTOMER-FUNDED PROJECTS

This section provides detailed insights into the Transmission Master Plan and customer-funded projects. These initiatives are at various stages of development, including planning, bidding, and construction.

400 KV AUAS-GERUS TRANSMISSION LINE PROJECT	**Estimated project cost:** N$868 million

Construction of the 290-kilometre Auas-Gerus 400 kV transmission line commenced in May 2021 and was commissioned in April 2024. This line strengthens the Auas-Van Eck-Omburu 220 kV network, providing improved network stability, reduced losses, and enhanced contingency support. It also reinforces the network to the Gerus Substation near Otjiwarongo, enabling NamPower to accommodate increased electricity transfer and wheeling via the Gerus-Zambezi high-voltage direct current (HVDC) link.

The transmission line runs from the Auas Substation near Dordabis to the Gerus Substation near Otjiwarongo and forms part of NamPower's strategic investment in expanding its 400 kV transmission infrastructure backbone. The construction of the line, along with the extension of both the Auas and Gerus substations, was completed in **July 2023 and commissioned in April 2024.**

400 KV AUAS-KOKERBOOM TRANSMISSION LINE PROJECT	**Estimated project cost:** N$2 billion

The Auas-Kokerboom project aims to enhance system reliability, improve network stability and redundancy, and increase electricity transfer capacity between the northern and southern regions. Despite initial delays due to funding constraints, the project has resumed as part of NamPower's financial prioritisation strategy.

Substation work at Auas, which overlaps with the Auas-Gerus project, has been completed to minimise costs associated with outages during commissioning. The ECC for the line construction has been issued, and the line is currently under design by NamPower's internal design team. However, progress has been slowed by unresolved land compensation issues on government land, delaying final route planning. The bid for construction is **expected to be advertised in the**

400 KV OBIB-ORANJEMUND TRANSMISSION LINE PROJECT

Estimated project cost: N$1.2 billion

The Obib-Oranjemund line, NamPower's second interconnector to Eskom, is crucial for enhancing grid stability. NamPower is responsible for designing and constructing the line from Rosh Pinah to the Orange River, while Eskom will be responsible for terminating the line at Oranjemund, completing their section and connecting it to NamPower's portion of the interconnector as part of their scope.

NamPower's design team has completed the design for the 92 kilometre line, and construction commenced in January 2024. The optical fibre ground wire and conductor have been manufactured, tested, and shipped to the site. Line construction is progressing well and is expected to be completed by 28 May.

The bid for the substation extension is currently in the market for a second time, following the cancellation of the initial bid and a re-issue with a reduced scope. Procurement of high-voltage equipment for free issue is also underway.

Expected commissioning date: 28 May 2025.

220 KV OTJIKOTO-MASIVI TRANSMISSION LINE PROJECT

This project has been deferred as part of financial prioritisation. The EIA process has been completed.

132/66 KV SEKELDUIN SUBSTATION DEVELOPMENT

Estimated project cost: N$320 million

Location: Outskirts of Swakopmund (next to B2 road)

The civil works contractor completed all required tasks in March 2023. The transformers and switchgear have been delivered to the site, with all transformers assembled, pending the installation of the fire protection system. The procurement process for high-voltage equipment has been finalised, and the contract for the mixed technology switchgear was awarded to Actom, which is currently progressing with manufacturing and testing.

The NamPower design team has completed the design for the 132 kV transmission lines from Kuiseb to Sekelduin. The contract for the construction of these lines was awarded to Clydon Namibia, which has commenced construction, and completion is expected by October 2024. The line towers have been procured and delivered to the Kuiseb Substation.

Expected commissioning date: May 2025.

220/66 KV KHOMAS SUBSTATION DEVELOPMENT

Estimated project cost: N$340 million

Location: Otjomuise, Windhoek

NamPower has secured land for the Khomas Substation through a resolution with the City of Windhoek, marking a significant milestone. The design phase for the substation is complete, and the bid for construction is currently in the market. NamPower has also procured and delivered power transformers to the Brakwater depot, where they will remain until the substation is completed.

Expected commissioning date: December 2026.

220/66 KV ERONGO SUBSTATION DEVELOPMENT

Estimated project cost: N$170 million

Location: 20 kilometres from Karibib

The substation design is complete, and the bid is currently in the market. Long lead items, such as power transformers, have been procured and delivered to the Gerus Substation for temporary storage.

Expected commissioning date: December 2026.

NEW 220/132 KV MASIVI SUBSTATION PROJECT

Estimated project cost: N$330 million

Location: Approximately 15 kilometres from Rundu

The contract for civil work commenced in March 2021 and was completed in May 2024. The bid for mechanical and electrical installation is in the adjudication phase. Work is expected to commence in October 2024.

Specifications for the static synchronous compensator (STATCOM) have been finalised, and the bid for construction of the STATCOM was awarded to Protecton Engineering Namibia (JV NR Electric Co. Ltd) in January 2024.

Expected commissioning date: October 2025.

132 KV NAMIB-DIAZ TRANSMISSION LINE AND METERING STATION PROJECT

Estimated project cost: N$240 million

Location: Approximately 15 kilometres from Lüderitz

This 132 kV line will connect the Diaz Wind Plant to the transmission grid. The NamPower design team designed the line, and the bid for construction is currently in the market. Works at the Namib and Kokerboom substations are carried out by NamPower Power System Construction, which is currently busy on the sites. The power transformer bid has been awarded and a design review has been completed.

SUBSTATIONS COMPLETED AND COMMISSIONED DURING THE REPORTING PERIOD

Construction and commissioning of the Kunene and Omatando substations reached completion in August 2023 at a cost of N$741 million, enabling the commercial operation of the 400 kV line from the Kunene to the Omatando Substation site.

132/66/33 KV SHIYAMBI SUBSTATION PROJECT

Estimated project cost: N$81 million

Location: Approximately 90 kilometres east of Rundu

The contract for civil works commenced in March 2021, but was hindered primarily by material delivery delays. The civil works have since been completed, and the substation was is expected to be commissioned during the last quarter of 2024.

LOOKING AHEAD TO 2025 AND BEYOND

As reported, the planned generation and transmission projects are at various stages of development. The implementation process of the projects will continue in the new year and beyond as planned. The focus will also include attending to customer requests for the upgrade of supply points.

TRANSMISSION SYSTEM PERFORMANCE STATISTICS

NamPower maintained its strong track record of ensuring electricity supply reliability in Namibia, achieving an impressive 99.80% (2023: 99.87%) system availability during the review period.

Our commitment to ensuring the security of supply remained steadfast, with no instances of load shedding or total system blackouts experienced during the year.

A detailed analysis of the period's results shows that system reliability (System Average Interruption Frequency Index [SAIFI]) was above target, with the average NamPower customer experiencing 0.26 interruptions per customer. Additionally, the average restoration time per interrupted customer (Customer Average Interruption Duration Index [CAIDI]) met our target, with transmission customers experiencing an average of 2.69 minutes of power loss.

However, the System Average Interruption Duration Index (SAIDI) exceeded the set target. This was primarily due to NamPower's diligent efforts to quickly restore power supply to affected customers, ensuring minimal disruption.

TRANSMISSION SYSTEM PERFORMANCE

The accurate measuring of network performance is essential for utilities to maintain high reliability. The reliability reporting indices in the following table are based on the duration and frequency of supply interruptions experienced by the average consumer on the NamPower network during the reporting period.

Transmission system performance data

Measure	Outcome	Rating
USML (minutes)	45.63 minutes	On target
SSML (minutes)	40.44 minutes	Above Target
SAIDI (minutes)	0.75 minutes	Above Target
SAIFI (interruption/customer) (units) (minutes)	0.26 minutes	Above Target
CAIDI (minutes)	2.69 minutes	Exceptional
Availability (%)	99.802%	Exceptional

OPERATIONAL HIGHLIGHTS

The operational highlights for the review period are as follows:

- The Swakopmund Transformer 2 (66/11 kV 30 MVA) and Rundu Transformer 21 (132/11 kV 40 MVA) were successfully commissioned.
- The 287-kilometre Auas-Gerus 1,400 kV line was successfully commissioned.
- On 4 June 2024, new hourly maximum demand records of 672.081 MWh (excluding Skorpion) and 672.423 MWh (including Skorpion) were registered at 20:00.

TRANSMISSION SYSTEM DISTURBANCES

During the review period, NamPower experienced three major transmission system disturbances.

The first disturbance occurred in February 2024 when a transformer at the Harib Substation failed, resulting in a six-day power outage. The transformer was replaced, and power was fully restored. Similarly, in March 2024 the second disturbance at the Okahandja Substation caused a 34-hour outage, which was resolved using the Solaris Mobile Substation. The third major system disturbance occurred in March at the Rundu Substation due to the failure of a circuit transformer, which led to a 32-hour outage. Resolution of the outage required the replacement of this critical component.

Despite these challenges, NamPower successfully restored power and minimised disruption, demonstrating its resilience and commitment to grid stability.

A key operational challenge during the review period was the recurring theft of copper earthing straps from power supply equipment at multiple substations: Mulunga, Zambezi, Witvlei, Otjiwarongo, Welwitschia, Berg Aukas, Okorusu, Baobab, and Rietoog. While all stolen copper straps were promptly replaced, the incidents resulted in unscheduled power outages.

In response to these security concerns, NamPower initiated the installation of 24-hour surveillance cameras at key substations to deter unauthorised access. Additionally, these incidents highlighted the importance of raising public awareness about the impact of theft on electricity infrastructure. NamPower continues to actively engage in national safety campaigns, collaborating with industry stakeholders to promote the protection and safety of critical infrastructure.

LOOKING AHEAD TO 2025 AND BEYOND

The System Operations Section remains committed to prioritising the safety of human life, the safety of equipment, and the continuity of power supply to customers, in that order. Efforts to minimise unscheduled system downtime are focused on the following key initiatives:

- An upgrade of the system training simulator will enhance the skills of both current and newly recruited assistant system controllers.
- Ongoing upgrades to the SCADA system will improve operational efficiency at the National Control Centre.
- Plans for a new National Control Centre are underway to accommodate the growing power system and streamline workflows.

LEVERAGING REGIONAL TRADING OPPORTUNITIES

In an interconnected world where economies are increasingly interdependent, the role of regional trade blocs has become ever more significant in shaping global trade flows. These blocs, formed through agreements between neighbouring countries, have immense potential to influence trade dynamics, foster economic growth, and enhance competitiveness.

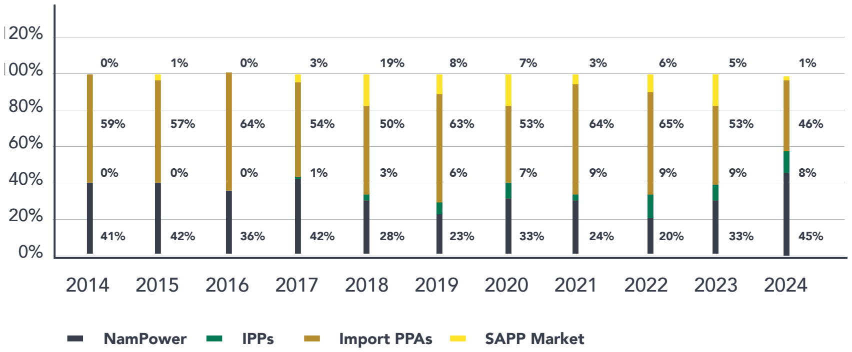
As a member of the SAPP, NamPower is committed to optimising its energy mix through strategic market participation. Through purchasing and selling electricity within the SAPP markets, NamPower contributes to regional energy stability and growth. During the reporting period, NamPower leveraged its interconnectors with Zambia and South Africa to facilitate the trading of 540 GWh of electricity within the region.

Despite the power supply challenges in the SADC region, exacerbated by adverse weather conditions such as drought in some areas, NamPower's Ruacana Power Station achieved a record-high generation of 2,067 GWh. This remarkable performance enabled NamPower to export approximately 502 GWh of electricity to neighbouring countries during certain periods of the year. These exports accounted for 10.74% of NamPower's total energy supply, further underscoring the Company's significant role in regional energy markets.

ENSURING A LEAST-COST ENERGY SUPPLY MIX

During the reporting year, the Ruacana Power Station, which relies on the flow of the Kunene River, saw a significant 56% increase in generation, rising from 1,323 GWh in the previous year to a new record high of 2,067 GWh. This substantial contribution marked a significant milestone, as it was the first time in ten years that NamPower met more than 50% of the country's demand through local generation sources, including both NamPower and IPPs.

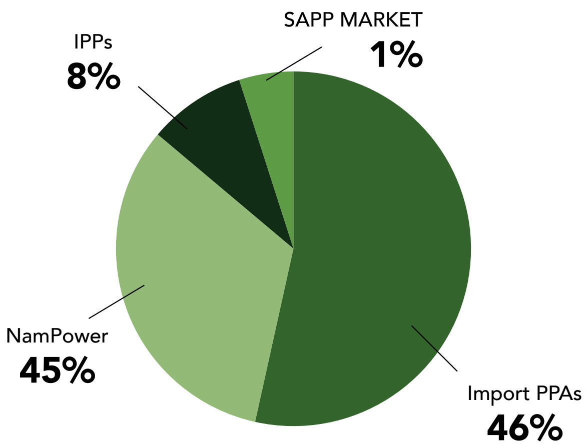
Supply portfolio



The increased generation from the Ruacana Power Station had a significant positive financial impact on production costs. The planned/budgeted cost of 150 Namibian cents per kWh was reduced to an actual average cost of 124 Namibian cents per kWh.

OUR 2024 PERFORMANCE

Suppliers' contribution

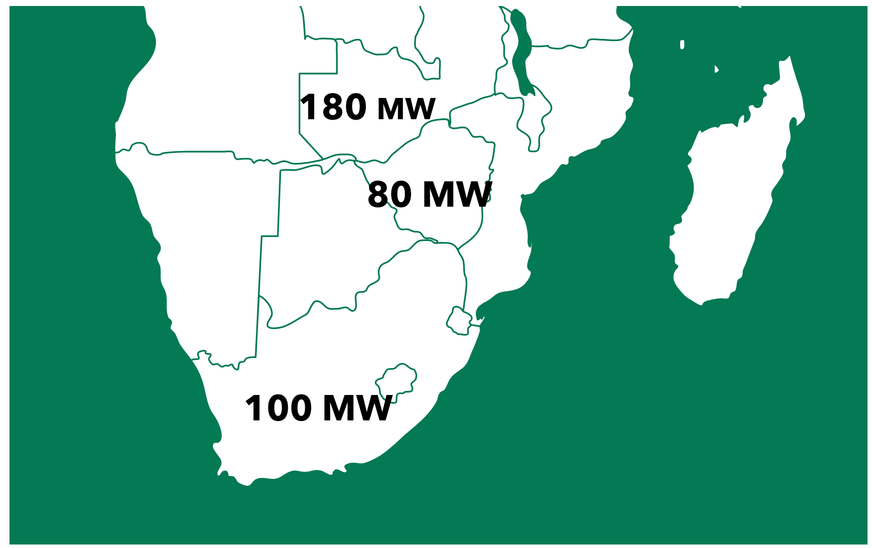


ENERGY IMPORTS BY GEOGRAPHY

NamPower continues to expand its local generation capacity from renewable sources. However, to ensure a reliable and consistent electricity supply, NamPower also supplements its energy needs by sourcing electricity from the region through long-term power purchase bilateral agreements and short-term trading within the SAPP markets.

Presently, NamPower has established PPAs with the following three regional utilities:

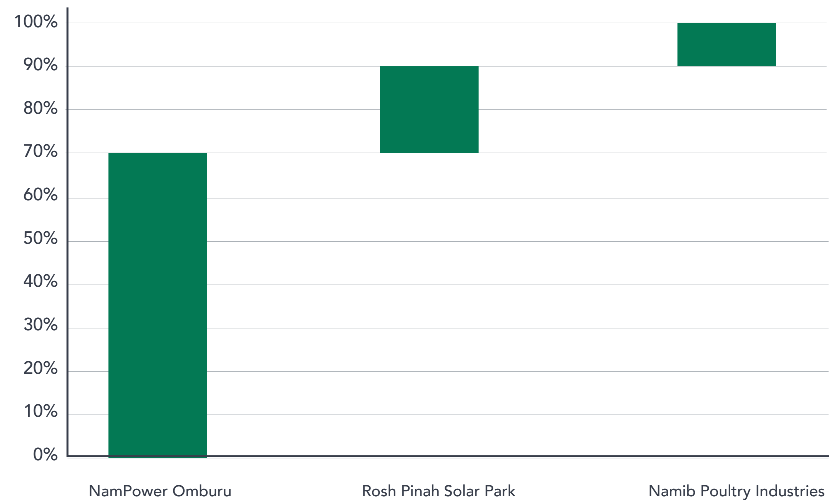
100 MW with ESKOM (South Africa)	**180 MW with ZESCO (Zambia)**	**80 MW with ZPC (Zimbabwe)**



MODIFIED SINGLE BUYER MARKET PERFORMANCE

During the reporting year, a total of 28.7 MW was operational under the modified single buyer (MSB) market, generating 66 GWh of energy. Approximately 70% of this energy came from NamPower's Omburu Solar PV Power Station, supplied to the National Trader under the MSB Framework. The remainder was sourced from embedded generation (own supply) from the PV plants of Namib Poultry Industries and the Rosh Pinah Zinc Mine.

Modefied Single Buyer market performance



IMPLEMENTATION OF THE MODIFIED SINGLE BUYER MARKET

Following the implementation of the MSB market in 2019, NamPower (under the MSB office) allowed market participants to trade under an interim Market Participation Agreement until May 2024. In June 2024, the following agreements were successfully concluded and approved for use under the MSB market:

- Market Participation Agreement (MPA)
- Transmission Use of System Agreement (TUOSA)
- Transmission Connection Agreement (TCA)

Three participants, namely Namib Poultry Industries (3 MW), the Rosh Pinah Zinc Mine (5.7MW) and the NamPower Omburu Solar PV Power Station (20 MW), are currently active under the MSB market. A total of 1,785 MW is pre-registered with the market operator, only 310 MW are intended for local customers, and the remaining capacity is intended for the export market.

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LOOKING AHEAD TO 2025 AND BEYOND

NamPower has successfully implemented several projects outlined in the ISBP, and numerous others are currently in various stages of development.

Looking beyond 2024, NamPower will be guided by strategic directives by the Government, as outlined in the NIRP, NDP5, and the HPP II. Additionally, NamPower is in the final stages of its integrated system planning (ISP).

The primary objective of the ISP is to align investments identified in the Transmission Master Plan with generation projects and energy trading 131 opportunities. This alignment aims to secure a cost-effective and sustainable supply portfolio, considering financial constraints, the development of the MSB market, and national demand.

NamPower is committed to minimising unscheduled system minutes losses in the transmission network, ensuring high reliability and security of supply. Moreover, NamPower is actively exploring various local energy sources to reduce energy imports. These efforts include investigating generation options from local energy sources that are both economically and environmentally sustainable.

Strategic Pillar 2

UNLOCKING THE VALUE OF ELECTRICITY SECTOR COLLABORATION

OUR STRATEGIC OBJECTIVES AND HOW WE PERFORMED AGAINST OUR TARGETS

NamPower's focus on its customer perspective is driven by unlocking the value of electricity sector collaboration, which includes three strategic objectives. These three objectives are outlined below, showing the performance of each one against the targets set for the year.

Strategic objective 5: Support the development of the electricity industry and the economy

Key: Actual | Difference between actual and target

KPI: Number of ESI initiatives
Target: 4 | Actual: 6

KPI: Locally procured goods and services (% of APP spending)
Target: 20% | Actual: 63%

Strategic objective 6: Develop new products and services (solutions)
KPI: % Customer satisfaction
Target 75% | Actual 81%

KPI: Number of new products and services introduced into the market
Target: 1 | Actual: 3

Strategic objective 7: Support the acceleration of electrification
KPI: Electrification investment (including CSI investment) (% of revenue)
Target: 0.50% | Actual: 0.071%

KPI: Completion of rural electrification projects (milestones)
Target: 75% | Actual: 92%

Namibia's electricity sector, alongside the broader SADC region, is experiencing significant transformation. Key drivers include the entry of IPPs into the SAPP and the rise of prosumers, who generate their electricity and feed surplus power back into the grid.

This shift is further accelerated by a growing focus on renewable energy, cross-border electricity trading, and the need for advanced energy storage and grid modernisation to handle the complexity of new market participants. NamPower remains committed to collaborating with stakeholders to drive industry development, expand electrification, and deliver innovative energy solutions while aligning with regional sustainability goals.

SUPPORTING THE DEVELOPMENT OF THE ELECTRICITY INDUSTRY AND THE ECONOMY

OUR 2024 PERFORMANCE

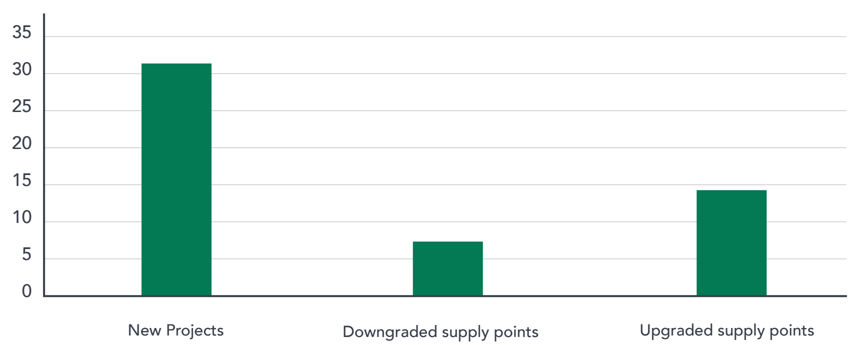
NamPower continues to expand the Namibian distribution network within its licensed area. Despite seven customers requesting electricity capacity downgrades, totalling 725 kVA, 31 new supply points were added, contributing 3,555 kVA. Additionally, 14 customers upgraded their supply points, resulting in a combined increase of 858 kVA. This led to a net increase in power demand of 3,688 kVA, as shown in the following graphs.

The addition of new supply points not only strengthens the network but also supports new economic activities, contributing to broader economic development.

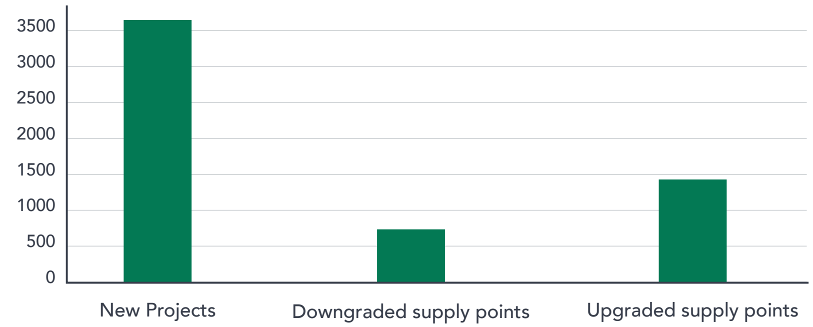
New distribution projects, downgraded and upgraded supply points and total kVA

	New distribution projects	Downgraded supply points	Upgraded supply points
Total quantity	31	7	14
Total kVA	3,555	725	858

Number of new projects and upgrades/downgrades on distribution networks



Total kVA



DEVELOPING NEW PRODUCTS AND SERVICES (SOLUTIONS) FOR OUR CUSTOMERS

OUR 2024 PERFORMANCE

SYSTEM AND CUSTOMER-RELATED TRANSMISSION INTEGRATED STUDIES

The Transmission Master Plan is built on three pillars: load/demand growth, generation integration, and regional interconnectivity. The plan is guided by the Grid Code, which requires the Transmission Business Unit to produce an annual network expansion plan. This expansion plan outlines significant capital investments necessary to ensure system stability, availability, and reliability.

Throughout the review period, multiple customer-related studies were conducted to integrate distribution, transmission, and generation customers, while addressing future load growth, generation, and wheeling opportunities. Transmission has also developed a process flowchart to assist customers in tracking their project status more easily. A web-based customer portal is currently being developed to facilitate this.

The customer-related studies carried out during the review period are listed in the following table.

Applicant	Preferred Supply Point	Capacity: generation (MW), load (MVA)
Sorexa Sun Energy	Osona II Solar PV Plant	44.876 MW
Terasun	Terasun Energy	80 MW
Nathaniel Maxuilili Power Plant	Nathaniel Maxuilili Power Plant	586 MW
Erongo RED	New Farm 58 supply point	40 MVA
NORED	Otjongava upgrade	10 MVA
NP Distribution	Ongopolo Mine - Van Eck Substation 66/22kV	2 MVA
NP Generation	NamPower Lithops BESS	45 MVA
Valencia Uranium (Pty) Ltd	Norasa Uranium Mine	37 MVA
Namibia Rare Earths (Pty) Ltd	Lofdal Heavy Rare Earths Project	13.33 MVA
Reptile Uranium	Tumas Mine	27 MVA
SolNam Energy (Pty) Ltd (IPP)	SolNam Energy PV Plant, Kokerboom	55 MW
ANIREP Solar Energy	ANIREP Solar Kokerboom Solar Park	20 MW
Oshakati Premier Electric	Okakukiipupu Solar Park	10 MW

EXISTING AND NEW PROJECTS

- Oshakati Premier Electric – supply upgrade
- Lutwein Substation – upgrade
- Navachab – supply upgrade
- Kuiseb Substation – upgrade
- Osino Gold Resources – new supply
- Namwater – new desalination supply

NETWORK PROTECTION

In addition to the above projects, over 40 protection settings were completed, including for the following major projects:

- Omburu Substation – 330 kV Kunene feeder 1
- Omatando Substation – 330 kV busbar reactor 1
- Shiyambi Substation – 132 kV Masivi feeder 1
- Kokerboom Substation – 400 kV bus zone
- Rundu Substation – 40 MVA 132/11 kV transformer 21
- Ruacana Substation – 330 kV Kunene feeder 1
- Auas Substation – 400 kV Gerus feeder 1
- Auas Substation – 400 kV Gerus line reactor 1
- Kunene Substation – 330 kV Omatando feeder 1
- Kunene Substation – 330 kV busbar and line reactors

REVISED PROTECTION SETTINGS

Several protection settings were effectively revised and provided in response to requests from Network Operations, Protection Telecommunication Metering and Control (PTM&C), and the MSB. Some of these requests were made for emergency operations or as a result of protection refurbishment projects.

The received requests for revisions include:

- Gerus Substation – 66 kV bus coupler
- Omburu Substation – 220 kV Gerus bypass feeder
- Otjikoto Substation – 40 MVA 220/66/22 kV transformers 2 and 3
- Okahandja Substation – 10 MVA Solaris Mobile Substation
- Omatando Substation – 132 MVA 330/132/33 kV transformer 21 + tie

FAULT INVESTIGATIONS

A number of fault investigations were conducted within the network, and remedial measures were provided to safeguard the network against future interruptions.

Some of the major fault investigations during the year include:

- Ohama Substation – 20 MVA transformer, 2 trips
- Otjikoto-Eldorado – Gerus 1, 220 kV feeder trips
- Omaere Substation – 132 kV Auas feeder, 1 trip
- Otjikoto Substation – 132 kV Rundu feeder, 1 trip

LITHIUM BATTERIES DEPLOYMENT

Deployment of lithium-based auxiliary supply systems

NamPower has deployed its first lithium-based auxiliary backup systems along the Zambezi Link Interconnector (ZLI) HVDC Regen stations 1-6. These systems are designed to extend the 48 V DC backup supply, which is essential for maintaining communication nodes along the HVDC lines during planned and unplanned power outages. This deployment is also expected to enhance the availability of the GridOnline statistics by improving system availability.

Initial findings indicate that lithium-based batteries could offer significant financial benefits, particularly when considering their total cost of ownership compared with the existing substation battery technologies.

Given the advantages of lithium-based battery technology over traditional substation battery systems, NamPower is currently investigating the practicality of adopting this technology and extending it to the 400 kV backbone repeater stations. Pilot projects are underway to assess its integration.

ENSURING EFFICIENT CUSTOMER CONNECTIONS TO NAMPOWER'S NETWORK

OUR 2024 PERFORMANCE

UPGRADE AND MAINTENANCE OF SUBSTATIONS AND TRANSMISSION LINES

As NamPower's first line of maintenance, Transmission Network Operations always strives to improve its approach to addressing network failures by conducting regular substation and line inspections. The section also plans and executes regular line maintenance activities according to international best practices.

During the review period, NamPower upgraded the transformer at the Kombat Substation, increasing its capacity from 1 MVA to 2.5 MVA. This upgrade enhances the substation's capacity to supply the Kombat Mine, the Kombat valley area, and parts of Otavi. Valued at N$12 million, NamPower's transmission team executed the project in-house, demonstrating the Company's commitment to meeting growing regional demand. This proactive approach enhances reliability and supports continuous supply to key areas.

NamPower ensures efficient customer connections by regularly maintaining and upgrading its infrastructure, such as the Kombat Substation, and replacing the aged 40 MVA transformer at the Otjikoto Substation in order to meet the increased demand and ensure healthy equipment

LOOKING AHEAD TO 2025 AND BEYOND

NamPower's Transmission Business Unit, particularly the Systems Security and Planning Section, will continue to conduct power system demand studies and customer integration studies, including customer-related analyses, network protection assessments, and specialised studies, to meet internal and external customer needs while ensuring ongoing compliance with the Grid Code requirements. The unit has also revised the Transmission Master Plan, which determines future infrastructure development needs.

Furthermore, NamPower will focus on enhancing its approach to addressing network failures through regular substation and line inspections. These are the first-line maintenance activities that are planned and executed to improve system reliability and efficiency.

INNOVATIVE INFORMATION COMMUNICATION TECHNOLOGY SOLUTIONS

In the evolving energy sector, NamPower leverages advanced information communication technology (ICT) solutions to improve operational efficiency, governance, and customer service. During the reporting period, notable progress was made in information technology (IT) governance, cybersecurity, and implementing engineering document management systems. Through innovations such as the SAP Smart Prepayment Solution and corporate dashboards, NamPower enhances performance monitoring and financial management.

OUR 2024 PERFORMANCE

NamPower's Information Services (iServ) maintained exceptional availability during the review period, ensuring minimal disruption to the Company's operations.

	2024	2023
Network	99.32%	99.35%
Services	99.97%	99.35%

INFORMATION TECHNOLOGY SERVICES

iServ experienced minimal downtime, primarily due to scheduled maintenance and a power outage at the Brakwater office during the December holidays. However, the proactive maintenance strategy ensured sustained high performance.

INFORMATION TECHNOLOGY GOVERNANCE

Several IT policies and procedures were reviewed and approved during the reporting period, further strengthening NamPower's Information Technology Governance Framework.

The following policies were reviewed:

- The Cybersecurity Policy was revised to align with the latest international best practice frameworks and standards.
- The Information Technology Acceptable Use Policy was revised and approved to ensure the responsible use of IT resources.
- The Computer Equipment Replacement Policy was revised and approved to maintain an up-to-date efficient IT infrastructure.

CYBER RISK MITIGATION

NamPower implemented the following range of actions to enhance its cybersecurity posture:

- A network access control system was rolled out across the entire IT network, preventing unauthorised devices from connecting.
- The IT team continuously monitored and patched vulnerabilities, maintaining an overall "low" vulnerability rating.
- NamPower's cybersecurity score was assessed to be almost 30% higher than international companies of similar size, according to a reputable international organisation. This score could have been even higher had all the implemented cybersecurity technologies been measurable by the Company.
- Three external cybersecurity vulnerability scans conducted by two independent thirdparty firms identified only low-level information issues. NamPower reduced its external IT footprint by restricting access to countries where services were required, and closing access once these services were no longer needed.
- A robust document information protection system was implemented to safeguard all office documentation.
- Internet bandwidth was nearly tripled by switching to NamPower's internet services provided through the GridOnline.

ENGINEERING DOCUMENT MANAGEMENT

NamPower engaged DataCentrix to design and deploy the OpenText Extended ECM for Engineering (xECM4Eng), which is a specialised business solution that enables seamless collaboration on document-intensive processes for engineering teams, contractors, and vendors. Implementation began last year and will continue in the coming year.

CORPORATE DASHBOARD DEVELOPMENT

The Corporate Dashboard Project is a strategic initiative aimed at creating dashboards and reports to provide key insights into NamPower's performance. Using Microsoft Power BI, the team completed dashboards for human capital, finance, and fleet (phase 1). Additionally, dashboards for the NamPower Foundation were finalised, with transmission, generation, and other operational metrics to be developed in the coming year.

DEVELOPMENT OF NEW PRODUCTS AND SERVICES (SOLUTIONS)

SAP SMART PREPAYMENT SOLUTION FOR UTILITIES

The SAP Smart Prepayment Solution was successfully implemented for larger power users such as transmission customers. This solution uses a "wallet" system, where customers prepay for electricity and usage is deducted daily. This innovative approach integrates with NamPower's existing billing engine, ensuring an error-free solution.

The first trial customer went live in May 2024, and the system is expected to improve revenue collection, reduce debt, and give customers greater control over their electricity usage and cash flow.

FINANCIAL DISCLOSURE REPORTING SYSTEM

NamPower implemented the Certent Disclosure Management (CDM) System by Cortel for creating annual financial and regulatory reports. This system was successfully deployed and is now fully operational.

LOOKING AHEAD TO 2025 AND BEYOND

NamPower is committed to continued innovation and improvement, for which the following projects are planned:

- The new Itron Enterprise Edition Meter Data Management System (IEE MDMS) will be implemented, offering seamless integration with the current Head-end System (HES).
- The SAP S/HANA ERP upgrade will update NamPower's core ERP system to the next stable release.
- An asset verification project will introduce tools to assist with the annual financial asset register verification.
- The IT team has started upgrading various systems throughout the IT infrastructure, aiming to complete this process in the coming year.
- The core IT network will also be upgraded to enhance system performance and security.

THE GRIDONLINE: ADVANCING NAMIBIA'S INFORMATION COMMUNICATION TECHNOLOGY SECTOR

The GridOnline, NamPower's high bandwidth data transmission service for the ICT sector, experienced significant growth during the reporting period. Notably, the GridOnline sold more than double the capacity this year, compared with the total sold in the previous four years combined.

This reflects increasing market confidence in the service and highlights the growing demand for reliable and affordable connectivity in Namibia. By offering bandwidth options from a few megabits per second to multiple 100 gigabits, the GridOnline caters to all ICT service providers of all sizes.

NamPower continues to enhance its optic fibre network, improving connectivity for its regional offices and substations. Recent expansions in Otjiwarongo, Grootfontein and Tsumeb bolster network monitoring and operations while attracting greater commercial interest in the GridOnline. Leveraging a robust terrestrial fibre optic network and cutting-edge dense wavelength division multiplexing (DWDM) technology, NamPower is managing increased data traffic efficiently. This has contributed to lower per bitrate pricing for data backhauling, a success that has been acknowledged by the Communications Regulatory Authority of Namibia (CRAN).

As a key player in the ICT sector, NamPower remains committed to using its capacity and resources to support industry growth, fostering competitiveness and inclusivity. With a strategic focus on expanding its customer base, the GridOnline initiative aligns with NamPower's broader objectives to drive business opportunities and contribute to economic growth within Namibia's communications sector.

ACCELERATING ELECTRIFICATION TO RURAL AREAS IN NAMIBIA

Namibia's electrification rate currently stands at around 50%, highlighting the critical need for expanding electricity access, particularly in rural areas. To address this gap, NamPower, in alignment with the National Electrification Policy and the MME's Rural Electrification Programme, has intensified its efforts to bring electricity to these underserved communities. This initiative is crucial not only for enhancing living standards but also for stimulating economic development across rural Namibia.

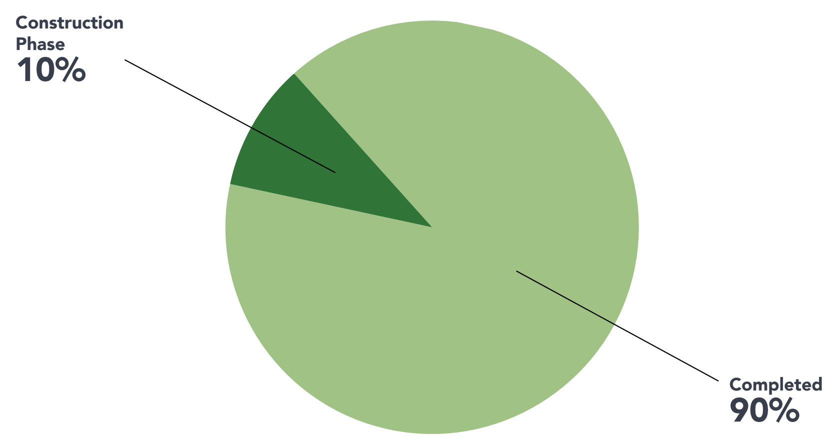
NamPower leverages both internal funding and external support from stakeholders, such as the MME and the European Investment Bank (EIB), to implement various projects aimed at expanding the national power network and deploying off-grid solutions.

These efforts go beyond merely building infrastructure: NamPower actively collaborates with local communities to tailor electrification projects to their specific needs. This approach ensures that the electrification initiatives are effective and sustainable, contributing to the broader national goal of achieving 100% electrification in line with Namibia's development objectives.

PROJECTS FUNDED BY NAMPOWER

As presented in the following chart, 10 projects have been completed and two are still under construction.

Completed and construction phase projects funded by NamPower



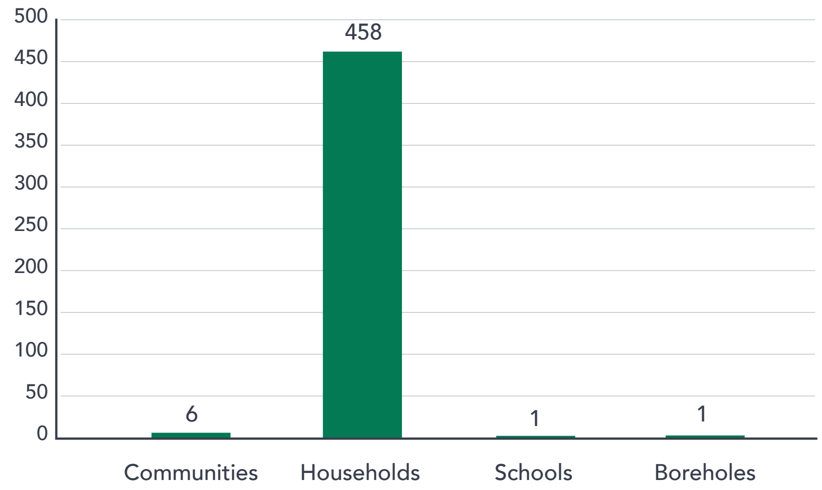
#	Region	Locality	Project progress	Project value (N$)	Beneficiaries
1, 2 & 3	Omaheke	**Goreses village**	Project construction was completed and energised on 13 September 2023.	**3,213,648**	Community
		Ozorongondo (phase 2)	Project construction was completed but not energised.	**2,366,629**	Community
		Okatumba Gate	Project construction was completed but not energised.	**3,227,795**	Community
4	Hardap	**August Dam and Kruiss villages**	Project construction was completed but not energised.	**3,172,222**	Community
5		**Swartdam**	Project construction was completed but not energised.	**3,032,651**	Community
6		**Farm Naris, Vleiveld B, Khoherab, Steynsdraai, Khoros, and the Schlip auction venue**	Project construction was completed and energised on 14 June 2024.	**19,621,206**	- 10 households at the August Dam - 20 households at Vleiveld B - 19 households at Khoros Steynsdraai - 10 households at Schlip - 22 households at Farm Naris - 9 households at Khoherab
7	Ohangwena	**Oshikango Ext. 1 and 7 (periurban)**	Project construction was completed and handed over to NORED on 28 March 2024.	**8,175,022**	284 households
8	Kavango West	**Mbore**	Project construction was completed and handed over to NORED on 12 December 2023.	**2,977,411**	1 school, 1 community borehole, 60 households
9 & 10	//Karas	**Jakkalsvlei Village**	Project construction was completed but not energised.	**3,098,159**	Community
		Kutenhoas	Project construction was completed but not energised.	**2,614,144**	24 households
TOTAL COST: N$51,498,887					

COMPLETED PROJECTS

As illustrated, 10 projects were completed during the reporting period, with a total expenditure of N$51,468,887. These projects directly benefited various recipients, including households and schools, while also supporting essential infrastructure such as community boreholes.

Among the major projects completed was the Hardap Combined Project, which provided electricity to the villages of Farm Naris, Vleiveld B, Khoherab, Steynsdraai, and the Schlip auction venue. This initiative electrified 90 different points for N$19,621,206. Additionally, the Oshikango Ext.1 and 7 peri-urban project electrified 284 households with a total investment of N$8,175,022.

Beneficiaries of completed projects funded by NamPower



PROJECTS IN PROGRESS

Two projects are currently in progress, each at different stages of construction, as shown in the following table.

#	Region	Location	Site handover	Project amount (N$)	Project duration	Remarks
1	//Karas	Jakkalsdraai and Nuwe Kalk	15 March 2024	4,422,959	10 months	The project is in progress. Construction is 80% complete.
2	Kavango West	Tondoro	5 April 2024	5,955,337	8 months	Project construction is 98% complete.

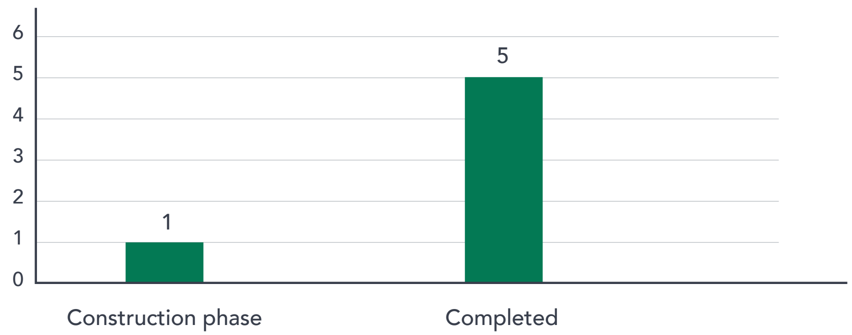
PROJECTS FUNDED BY THE MINISTRY OF MINES AND ENERGY

In addition to the internally funded projects, NamPower also manages electrification projects on behalf of the MME through a memorandum of understanding. The following table shows the different projects including their progress, with a graph illustrating the number of projects completed and those nearing completion.

#	Region and constituency	Schools	Site handover	Project duration	Project amount (N$)	Remarks
1	Ohangwena (2020/2021)	**- Eexwa Primary** **- Haixuxwa Primary** **- Okanaimbula Primary** **- Onamihonga Primary** **- Onehanga Primary** **- Oshitutuma Combined**	21 September 2022	10 months	**11,366,050**	Project was completed and energised on 15 August 2023.
2	Kavango East (2020/2021)	**- Shadimbungu Junior Primary** **- Kavitji Junior Primary** **- Dumushi Junior Primary** **- Ncorosa Junior Primary** **- Aloys Hashipara Junior Primary** **- Tam-Tam Junior Primary**	20 November 2023	9 months	**6,684,600**	Construction is 60% complete.
3	Kavango East (2021/2022)	**- Shamakuvi Junior Primary** **- Shividi Junior Primary** **- Mashi Junior Primary** **- Shayirungu Junior Primary** **- Shamambungu Junior Primary** **- Pikinini Junior Primary** **- Shamburu Junior Primary** **- Shinunga Junior Primary**	10 November 2022	17 months	**6,806,262**	Project was completed and energised on 10 April 2024.
4	Ohangwena (2021/2022)	**- Omuuni Combined** **- Shatiwa Primary** **- Udeiko Haufiku Primary** **- Shiweda Primary** **- Okadidiya Primary**	24 November 2022	10 months	**13,357,261**	Project was completed and energised on 26 September 2023.
5	Kavango West (2021/2022)	**- Sava Primary** **- Nandingwa Primary** **- Wiwi Primary** **- Hema Primary**	26 October 2022	9 months	**14,664,473**	Project was completed and energised on 21 July 2023.
6	Zambezi (2020/2021)	**- Mukorofu Primary** **- Namiyundu Combined** **- Nankuntwe Combined**	3 August 2021	28 months	**6,621,881**	Project was completed and energised on 8 December 2023.

Progress summary of projects funded by the Ministry of Mines and Energy and managed by NamPower

Five projects were completed during the reporting period, with one project nearing completion. A total of 32 schools have benefited from the electrification projects funded by the MME.



PROJECTS FUNDED BY THE EUROPEAN INVESTMENT BANK

The European Investment Bank (EIB) is another key stakeholder funding electrification projects managed by NamPower. During the review period, three projects were funded in the Omaheke, Oshikoto and Zambezi regions at a total cost of N$18,481,814.

#	Region	Location	Site handover	Project duration	Project amount (N$)	Remarks
1	Omaheke	**Ezorongondo**	30 August 2022	21 months	**8,705,744**	Project construction was completed but not energised.
2	Oshikoto	**Hedimbi**	2 November 2023	9 months	**7,061,397**	Project construction is 90% complete.
3	Zambezi	**Kalumba**	22 May 2024	8 months	**7,121,409**	Project construction is 20% complete.

Strategic Pillar 3

OPTIMISING FINANCIAL SUSTAINABILITY

FINANCIAL PERFORMANCE OVERVIEW

NamPower's commitment to financial sustainability aligns with our role as a critical player in Namibia's energy landscape. As we navigate the ever-evolving electricity sector, we understand that our financial health is not just a corporate concern but a vital component of national well-being.

Our strategic alignment with the Government and the Regulator in shaping regulatory changes and tariff structures underscores our dedication to ensuring the electricity sector's fiscal robustness.

To achieve these goals, we are charting a course that maintains our financial stability and enhances our competitive edge in a dynamic energy market. This strategy centres on delivering customer-centric solutions that inspire trust and confidence. By responding to the unique needs of our customers, we not only boost our revenue but also bolster our shareholders' value, secure liquidity, and optimise profitability. In essence, financial sustainability is a multifaceted commitment that involves managing costs and ensuring all stakeholders' satisfaction.

The prevailing weak economic conditions, unpredictable weather patterns, rising commodity prices, and currency fluctuations have tested our resilience. However, NamPower remains steadfast in fulfilling its mandate.

We continue to provide uninterrupted electricity services to our nation. The severe power shortages in the region, exacerbated by drought conditions in neighbouring countries, have emphasised the critical nature of supply security, and we are unwavering in our commitment to meeting this demand.

The year under review saw a record generation output of 2,067 GWh from the Ruacana Power Station, marking a 56.2% increase compared to the previous year's output of 1,323 GWh. These results demonstrate how the Group effectively capitalised on environmental opportunities to optimise available trading options, improve the supply mix, and increase revenue generation.

GROWING REVENUE

Group revenue for the financial year under review increased with 18.7% (2023: 11.2%) from N$7.2 billion to N$8.6 billion. Total energy sales volume increased with 11.2% (2023: 4.2%) from 3,856 GWh to 4,288 GWh. Sales in the SAPP market during the year increased to N$695.1 million (540 GWh) compared to N$170.1 million (198 GWh) achieved in the previous financial year. The growth in revenue was also aided by the tariff increase of 8.97% awarded by the Regulator, the Electricity Control Board (ECB) for the financial year under review.

Maximum demand increased to 672 MW compared to 633 MW achieved in June 2023.

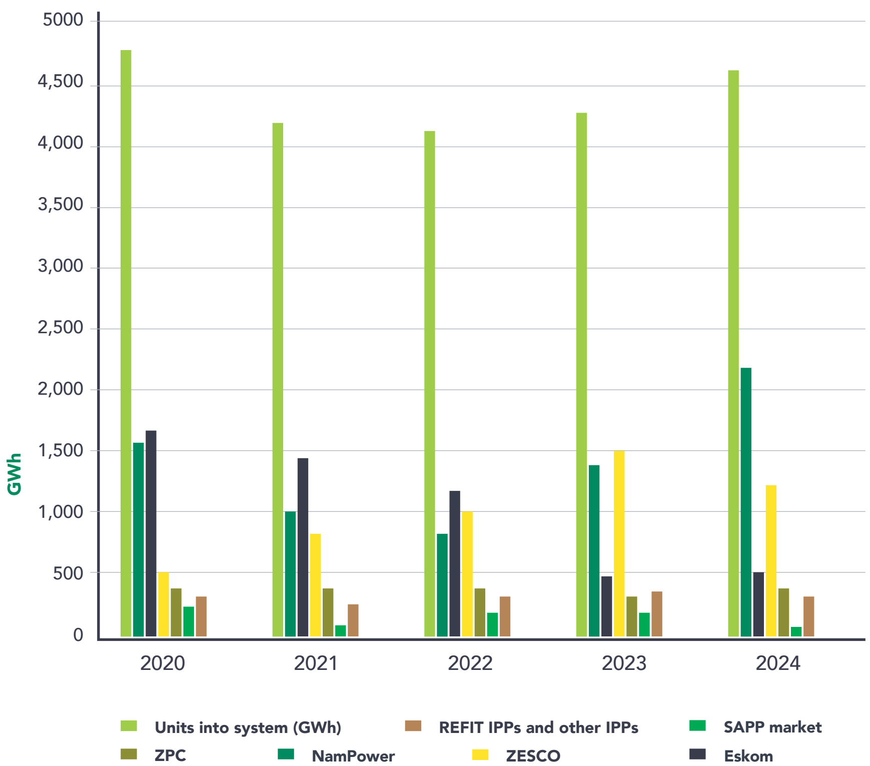
In 2013, the ECB introduced the long-run marginal cost (LRMC) levy to establish a financial reserve to shield Namibian consumers from significant future price increases. At inception, this levy was included in the 2013 financial year tariff at 2.54 cents/kWh and subsequently varied from year to year as determined by the ECB considering various factors, including prevailing economic conditions. As in the preceding financial period, no LRMC levy was included in the tariff for the year under review. To comply with the directives of the ECB, the LRMC levy has been ring-fenced in the Group's financial records and invested in a separate interest-bearing account, effective 1 July 2018. These funds, totalling N$116 million as at the reporting date, are accounted for as deferred revenue and can only be accessed with explicit approval from the ECB.

IMPROVED LOCAL GENERATION OUTPUT

A significant achievement arising out of the improvement in local electricity generation has been our reduction in reliance on imported electricity. The Group managed to limit imports within our total energy requirements. This achievement highlights our dedication to domestic energy production whenever possible and furthers our financial sustainability by reducing import costs. The cost of electricity decreased by 3.0% (2023: 0.85%), dropping from N$5.0 billion incurred in the previous financial year to N$4.9 billion for the year under review. This cost reduction is directly attributed to the improved generation output of the Ruacana Power Station, one of the Group's cheapest sources of electricity, that generated 2,067 GWh compared to the previous year's 1,323 GWh.

The average water flow in the Kunene River catchment area increased from 140 cumecs achieved in the prior year to 238 cumecs during the year under review. The improved river flow combined with the consistent availability of the plant resulted in an increase in NamPower's generation to 46.5% of the total units into the system compared to 33.3% achieved in the previous year. The reduction in imports was a welcome relief, as the significant driver of the electricity cost is the imports, mainly due to the depreciation of the Namibia Dollar against the United States Dollar, in which some major import contracts are denominated. Of the total 4,677 GWh units of electricity into the Namibian system during the year under review, only 45.8% (2023: 58.2%) was imported from the region.

Units into the system (GWh)



During the review period, IPPs contributed 7.7% of the total units into the system, down from 8.5% in the previous year. NamPower concluded fourteen Power Purchase Agreements (PPAs) of 5 MW each with IPPs in the renewable energy sector under the Renewable Energy Feed-In Tariffs (REFIT) during the 2016 financial year.

Through these PPAs, NamPower purchases power at an inception tariff of N$1.37/kWh (solar) and N$1.08/kWh (wind), adjusted annually on 1 July based on the Namibian Consumer Price Index (CPI). All fourteen REFITs are fully operational and together with the other two IPPs contracted subsequent to REFIT program contributed 361 GWh to the total electricity units into the system, down from 364 GWh in 2023.

GOVERNMENT SUPPORT

Other income for the Group amounted to N$304.0 million, compared to N$177.7 million in the previous year.

The Regulator allocated N$200 million from LRMC as part of NamPower energy revenue requirement for the 2024 financial year to ease the impact of high tariffs and provide relief to customers. The full amount of this grant was received and is included in other income during the year under review.

In addition, other income includes revenue from fibre optics rentals (N$14.3 million), gains from disposal of assets (N$15.4 million) and property rentals (N$3.2 million). As the sole shareholder, the Government pledged N$250 million for the construction of the Anixas Emergency Diesel Power Station in Walvis Bay in 2010. Of this amount, N$99.3 million has been recognised as income, with the remaining N$150.7 million scheduled for systematic recognition over the useful life of the power plant. An amount of N$8.9 million related to this grant was recognised in other income during the year under review.

In 2020, the Regulator approved the amount of N$342.0 million to be utilised from the LRMC towards the cost of the construction of a 20 MW Solar Power Station. The full amount was received and the construction of the power plant was completed in March 2022, and is fully operational. N$14.0 million (2023: N$13.3 million) of these funds was recognised as income during the current year, while N$311.4 million (2023: N$325.4) represents deferred income that will be recognised on a systematic basis over the useful life of the power plant.

MANAGING COSTS AND DEBT COLLECTION

Cost containment and reduction, as well as efficient debt collection remain central to our financial performance improvement. These strategies have borne fruit, evident in our financial performance for the year. Increases in controllable costs have been contained to within inflation levels, whilst reductions have been noticeable in other cost elements. Increase in employee head count was limited to 1.6%, from 1,077 to 1,094.

NamPower is executing projects to strengthen the transmission network and its interconnection with neighbouring countries. One of these projects involves creating infrastructure through capital contributions to Eskom for the 2nd interconnector. This expenditure is charged to the statement of profit or loss as part of other operating expenses and amounted to N$247.6 million for the year under review. Other operating expenses for the year, including contributions to Eskom, decreased by 4.7%, from N$777.4 million in the preceding year to N$740.7 million for the year under review. Also included in other operating expenses is expenditure pertaining to the upkeep and maintenance of transmission networks and power stations of the Group, ensuring the ongoing reliability of assets in the delivery of power to the nation. Costs associated with these activities amounted to N$233.1 million, compared to N$285.6 million in 2023.

The Group's debt collection initiatives produced mixed results, and debt collection remains a key focus area of the Board and management. While some customers settled their overdue accounts, there was a continued deterioration among other customer segments. During the year under review, the Group recognised a net impairment loss on financial assets totalling N$157.7 million in the statement of profit or loss, compared to the N$21.8 million net gain reported in 2023. The expected credit loss considers the potential effects of the challenging economic situation prevailing in the country, which may lead to delays in account settlements by some customers.

DEPRECIATION

Depreciation and amortisation for the year amounted to N$1.9 billion (2023: N$1.7 billion) which was driven by an increase in the value of revalued assets i.e., power stations, transmission systems, aircraft, and land and buildings as at 30 June 2023, as well as new additions to the asset base during the year under review.

MANAGING FOREIGN EXCHANGE RISKS

Some of the Group's transactions are exposed to movements in foreign exchange rates. It is the Group's policy to hedge a portion of committed foreign currency exposure. Changes in market conditions, particularly in the exchange rate of the Namibia Dollar against major trading currencies (US Dollar, Euro, and British Pound) positively impacted performance, resulting in a net fair value and foreign exchange gain on financial instruments of N$1.1 billion (2023: N$1.0 billion- loss), made up of the following:

- Net fair value gain on embedded derivatives of Power Purchase Agreements of N$1.3 billion million (2023: N$936.4 million loss).
- Fair value loss on firm commitments: Nil (2023: N$1.7 million).
- Net foreign exchange loss of N$234.3 million (2023: N$64.8 million).

IMPROVED CONTRIBUTION FROM INVESTMENTS

Investment income for the year increased by 21.2% (2023: 29.3%) from N$713.4 million to N$864.5 million for the period under review. Namibia repo rate remained unchanged at 7.75% during the year under review and was reduced with 25 basis point after the reporting date.

The next few years are expected to be characterised by major capital outlays, mainly in the expansion of generation capacity and upgrading the transmission backbone system. As a result of the increase in capital expenditure and the expected decrease in investment yields, investment income is therefore expected to decrease correspondingly over the same period.

PROFITABILITY

As a result of improved generation at the Ruacana Power Station, combined with the reduction in the cost of electricity, the net fair value gain on embedded derivatives on PPAs, and the increase in SAPP market sales, the Group made a profit before interest and tax amounting to N$1.1 billion compared with the loss of N$2.1 billion recorded in the previous year. Notably, the current tax liability amounting to N$283.8 million was paid during the year under review. After factoring in the deferred tax effects, the tax charge to the statement of profit or loss amounted to N$566.3 million compared with the tax credit of N$525.2 million in the previous financial year. Consequently, the Group reported a post-tax profit of N$1.4 billion compared to a post-tax loss of N$880.6 million in the previous year.

As a responsible corporate citizen, the Group made tax remittances to the authorities amounting to N$1.29 billion (2023: 772.1 million) as follows:

Description	2024 N$'000	2023 N$'000
Value added tax	785,060	601,286
Income tax	283,813	-
Pay-as-you-earn	218,354	168,251
Withholding taxes on interest on foreign loans	2,128	2,530
Withholding taxes on foreign consultants	157	-
Total	**1,289,512**	**772,067**

IMPROVEMENT IN CASH GENERATION FROM OPERATING ACTIVITIES

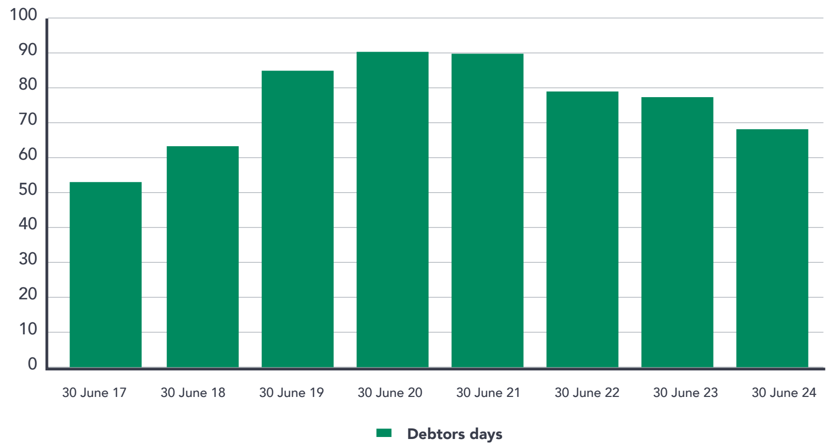
Cash flow analysis

The operational cash flow showed significant improvement, increasing from N$488.9 million in the previous year to N$2.1 billion for the year under review. This significant increase is attributed to the increase in profitability and the improvement in the collection of revenue from our customers. In our ongoing commitment to supporting our customers, we have actively engaged with them to explore mutually beneficial solutions for clearing outstanding debts.

NamPower acknowledges the financial challenges posed by the country's weak economic situation and the enduring impact of the effects of post COVID-19 pandemic still being experienced by businesses.

Despite the collection challenges still being experienced in certain segments of our customers, it is noteworthy that we have achieved a reduction in debtors' collection days, moving from 75.98 days to 69.49 days during the reporting period. We continue to pride ourselves in our ability to effect payments to service providers within just over 30 days.

Debtors' and creditors' days

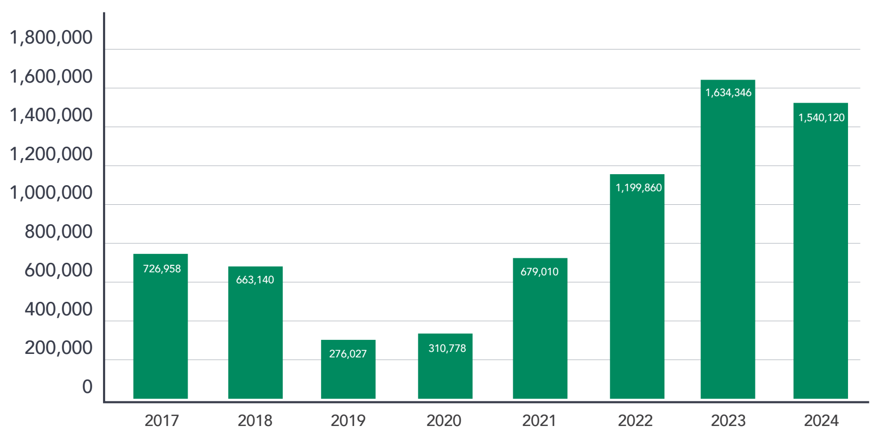


The improvement in the collection rate from customers resulted in a positive cash flow, which enabled NamPower to meet debt service obligations. As a result, the Group has complied with all the financial covenants under the various financing contracts, in particular the debt service coverage ratio (DSCR) as at the reporting date.

INVESTMENTS IN CORE OPERATIONS

Capital expenditure for the year under review totalled N$1.5 billion, showing a decrease from N$1.6 billion in the previous year. Anticipated projects and their progress suggest that the Group will continue reporting substantially higher capital expenditure in future periods. These projects encompass generation and transmission infrastructure and align with the approved ISBP 2020 – 2025.

Capital expenditure (N$'000)



Total assets for the Group increased to N$54.9 billion from N$49.2 billion, due mainly to the new additions to the asset base and a revaluation of the aircraft fleet, generation, strategic inventory and transmission networks which resulted in a net increase in the value of property, plant and equipment by N$ 4.4 billion.

OUR FUNDING PLAN

Outstanding short- and long-term interest-bearing debt amounts to N$346 million (2023: N$438 million). The DBN loan matured on 29 February 2024 and was fully settled. Our existing loans include EIB 3, AFD 2, and KFW 3, with debt service obligations of N$112 million expected in the 2025 financial year.

In line with our ISBP 2020–2025, NamPower is advancing its key capital projects to enhance security of supply and risk diversification. These projects are at various stages of implementation as reported on in more detail earlier.

Through a capital investment programme valued in excess of N$14 billion over the next five years, we have secured funding of approximately N$5 billion from international development funding institutions and we have also received financial support as well as guarantees from the Government to bridge the funding gap. Our funding programme, which has been ongoing since July 2019, has progressed well, resulting in signed loan agreements.

In addition, the registration process of the NamPower Bond Programme on the Namibian Stock Exchange (NSX) as well as the associated Sustainable Funding Framework is progressing well. The successful conclusion of these initiatives will enable NamPower to tap into the available funding options for green renewable projects through the NSX.

Approximately N$6.8 billion has been allocated in our capital/infrastructure projects budget for generation projects, with N$2.6 billion planned to be spent in the 2025 financial year. Similarly, N$6.8 billion has been allocated to transmission projects over the next five (5) years, with N$1.7 billion allocated in the 2025 financial year.

NamPower remains committed to electrifying underserved communities, and an amount of N$98.0 million is allocated for distribution projects in the next financial year. In addition to capital projects, we have allocated N$75.9 million for Direct Asset Purchases (DAP) in the 2025 financial year.

NamPower continues to seek independent credit ratings to enhance its debt raising initiatives. In the Ratings Review Report, issued in March 2024, Fitch affirmed NamPower's issuer default risk (IDR) rating at BB-/Stable, the same credit rating as the Namibian Government.

For the national long-term rating, NamPower received a rating of AA+(zaf), which reflects its monopolistic position in energy trading and transmission in Namibia with a strong financial profile. In the report, Fitch anticipates a high capital expenditure, especially from the financial year ending 30 June 2025. This will progressively transition NamPower from a net-cash position to a net-debt position in 2027 financial year.

> Funding our capital development projects underscores our commitment to maintaining and expanding NamPower's infrastructure while ensuring financial sustainability.

LOOKING AHEAD TO 2025 AND BEYOND

In the forthcoming fiscal year, we anticipate a 0.6% rise in electricity demand. No tariff adjustment was awarded by the Regulator for the financial year 2025 with the Government committing an amount of N$251 million to subsidise part of the Group's revenue shortfall aimed at meeting necessary cost increases.

The cost of electricity is expected to surge by 13.8% compared to the year under review. We intend to continue utilising our contracted import agreements to supplement local generation. Consequently, our gross profit margin is predicted to reduce in comparison with the achievement experienced in the current financial year.

Operating project costs, which include critical infrastructure maintenance, are budgeted at N$ 426.1 million. Our projected investment income is anticipated to decrease, mainly due to the allocation of funds towards capital projects. We anticipate the Bank of Namibia to continue cutting the repo rate as inflation eases. As a result, we have budgeted for a lower average yield than that achieved during the 2024 financial year, to determine the investment income budget for the upcoming financial year.

Strategic Pillar 4

DRIVING ORGANISATIONAL AND OPERATIONAL EXCELLENCE

OUR STRATEGIC OBJECTIVES AND HOW WE PERFORMED AGAINST OUR TARGETS

NamPower's focus on learning and growth is driven by its goal of achieving organisational and operational excellence, which includes three strategic objectives. These three objectives are outlined below, showing the performance of each one against the targets set for the year.

Strategic objective 12: Develop additional capabilities to meet the competitive market requirements

Key: Actual | Difference between actual and target

KPI: New capabilities developed (aligned to new market requirements) (%)
Target: 50% | Actual: 60%

KPI: Development of approved strategic and critical positions (with ready-now backups) (%)
Target: 80% | Actual: 88%

Strategic objective 13: Achieve and retain top employer status

KPI: Employer status rating (%)
Target: 65% | Actual: 66%

Strategic objective 14: Build an ethical, engaging and high-performance culture

KPI: Employees trained annually (%)
Target: 50% | Actual: 75%

KPI: Training and development cost (as a % of labour cost)
Target: 75% | Actual: 89%

NamPower has made notable strides in capacity building, employee engagement, and maintaining quality standards, positioning itself towards operational excellence and market competitiveness.

INVESTING IN OUR PEOPLE

We remained focused on our strategic objectives and key human capital initiatives including employee attraction, retention, and development as we concluded the penultimate cycle of our ISBP 2020-2025.

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

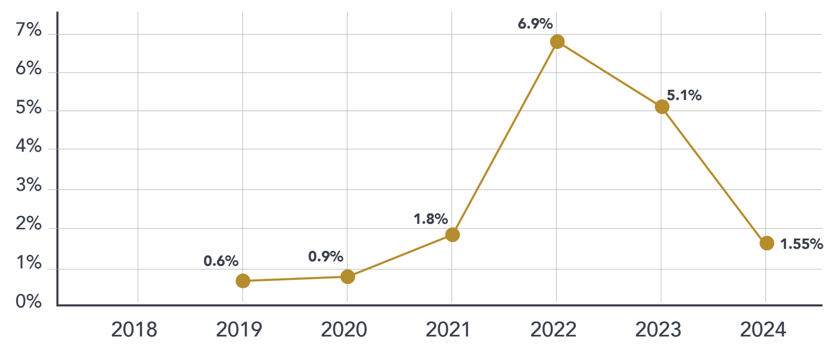
Our employee profile, 2024 vs 2023

	2024	2023
Employee distribution	1,094	1,077
Average age	1,094	1,077
Employee turnover	1.55%	5%
Female employees	27%	27,5%

The employee data from 2023 to 2024 indicates notable changes. The total number of employees (permanent and contractual) increased by 1.6%, rising from 1,077 to 1,094 employees, and the average age remained steady at 41, indicating a stable profile within the Company.

Employee turnover saw a significant reduction, dropping from 5.1% to 1.55%, which points to improved retention efforts. However, the proportion of female employees experienced a slight decline, decreasing from 27.5% to 27%, indicating a subtle shift in gender diversity. Overall, the data reflects workforce growth and enhanced retention, with a slight variation in gender representation.

Employee turnover (%)

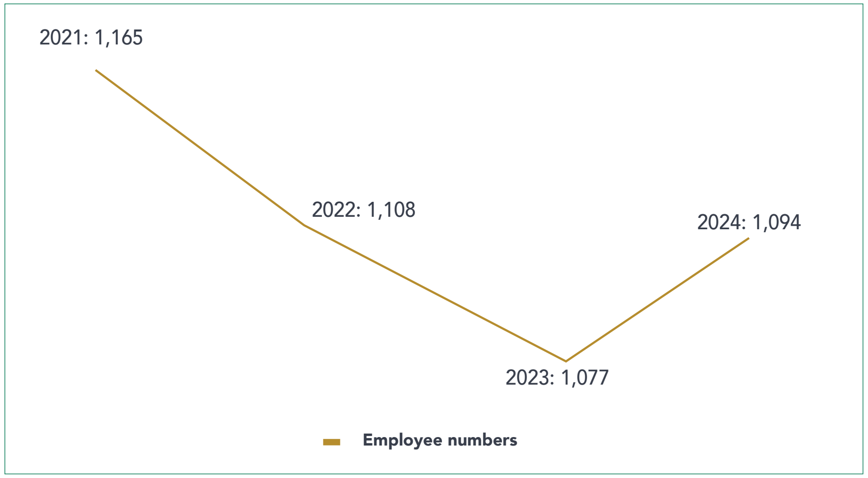


The employee turnover data from 2019 to 2024 shows notable fluctuations. Turnover rates were low between 2019 and 2021, rising gradually from 0.6% to 1.8%. In 2022, there was a sharp spike to 6.9%, most likely due to external factors such as the aftermath of the COVID-19 pandemic and increased job market competition.

However, the rate decreased in the following years, falling to 5.1% in 2023 and further to 1.55% in 2024. This trend suggests that while the organisation faced retention challenges in 2022, it has since effectively stabilised and reduced turnover, nearing pre-2022 levels.

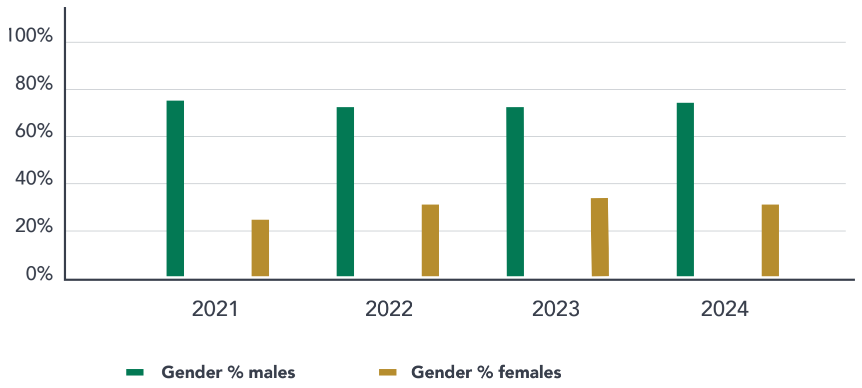
The following graph shows the staff distribution trend from 2021 to 2024. In 2022, the staff count was 1,108, which decreased to 1,077 in 2023 primarily as a result of the Voluntary Early Retirement Incentive Programme, employee cost containment measures, and other external factors previously mentioned. However, there was a slight recovery in 2024, with the staff count rising to 1,094. The overall trend reflects a decline in 2023, followed by a partial rebound in 2024.

Employee distribution trend



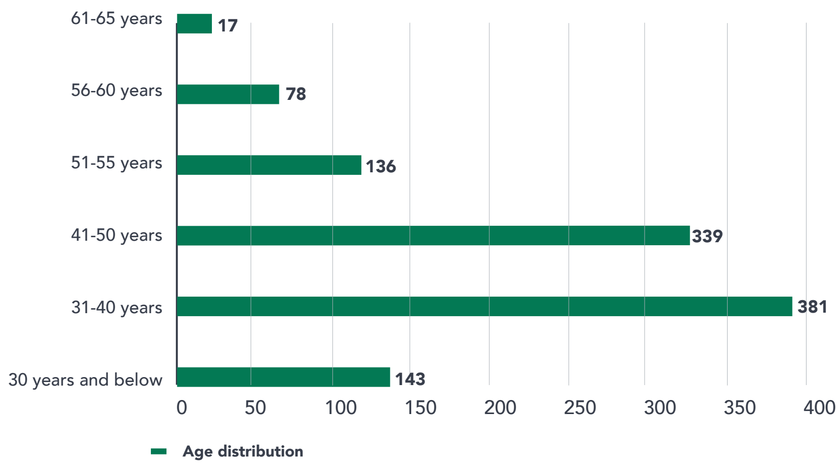
Our gender distribution for the past four years has shown slight improvement towards our affirmative action target of 30% female representation. Despite the measures implemented to assist the Company in achieving this target, it may take more time for the affirmative action target of 30% female representation to materialise.

Gender distribution



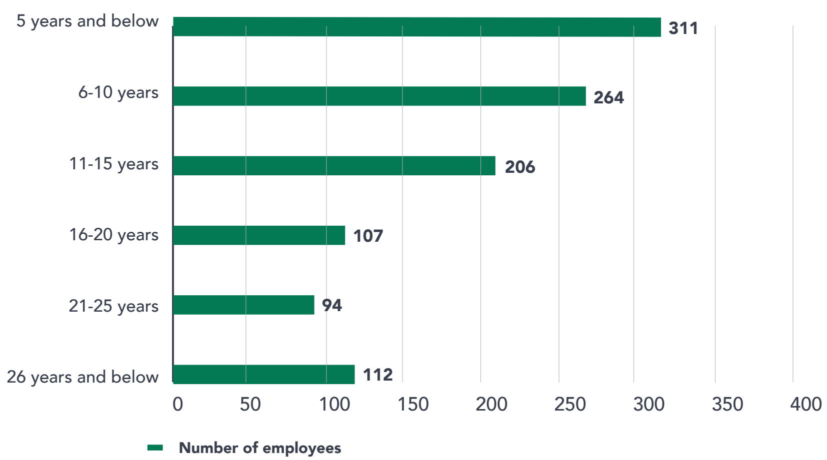
The Company's workforce ranges in age from 22 to 65 years, with an average age of 41.65, slightly above the global labour force median of 39.5. The majority of employees are in the 31 - 40 and 41-50 age brackets, with 381 and 339 individuals, respectively. Employee numbers decline in the older age groups: 136 are aged 51-55, 78 are aged 56-60, and only 17 are aged 61-65. The youngest group, those of 30 years and below, includes 143 employees. This distribution indicates a workforce mainly concentrated in the mid-career stages, with fewer employees in both the younger and older age brackets.

Age distribution



The following graph shows that most employees have been with the Company for five years or less (311 employees), followed by six to 10 years (264 employees). The number of employees decreases as the years of service increase, with the fewest in the 21-25 years (94 employees) and 26 years or more (112 employees) categories.

Workforce tenure

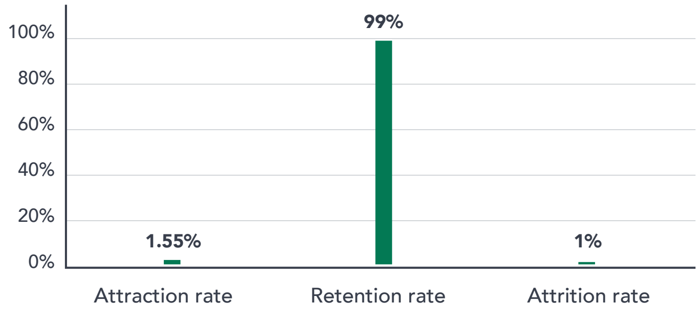


OUR 2024 PERFORMANCE

NamPower has made significant strides in implementing the strategic initiatives set out in its ISBP and the Human Capital Business Unit scorecard.

ATTRACTION AND RETENTION

We have been striving to attract and retain talent during the review period. Our success is based on NamPower's well-established retention strategies, including market-related remuneration, long-service awards, the strength of the NamPower brand, and a commitment to our values. Our attraction rate stands at 1.55%, and our retention rate is 99% against an attrition rate of 1%. These ratios are well within acceptable limits, demonstrating NamPower's commitment to attracting and retaining a talented workforce from a diverse Namibian pool.

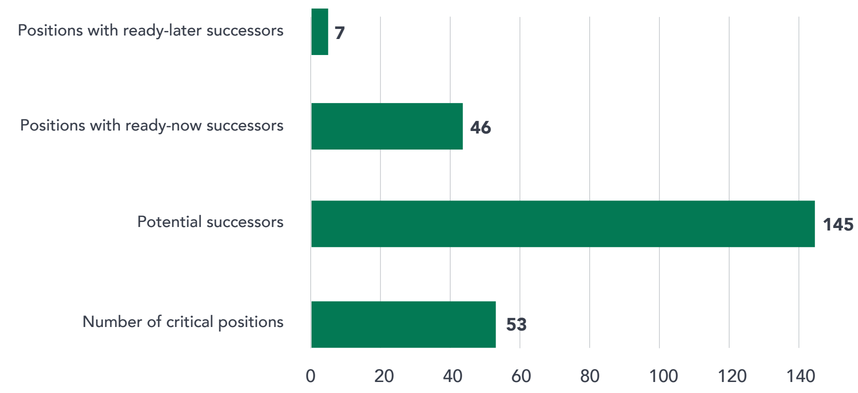


SUCCESSION MANAGEMENT

We have developed and managed the succession plan for critical roles to address the key risk of skills retention. A total of 53 positions have been identified across all the business units, with 145 potential successors. Of these potential successors, 60% are "ready now", while the remaining 40% are "ready later". Among the 53 critical positions, 44 positions (83%) have one or more "ready-now" successors.

On average, 88% of the critical positions across all business units have at least one "ready-now" backup. We are committed to managing the risk of skills retention, and the succession planning and management process is reviewed quarterly. Potential successors are continuously developed to address any identified development gaps.

Succession distribution



Diversity and inclusion

We remain committed to gender equality, equity, and social inclusion. Employees are treated fairly and provided equal opportunities in the workplace. We remain committed to fostering an inclusive and conducive working environment for our employees from various cultures and ethnic and racial backgrounds.

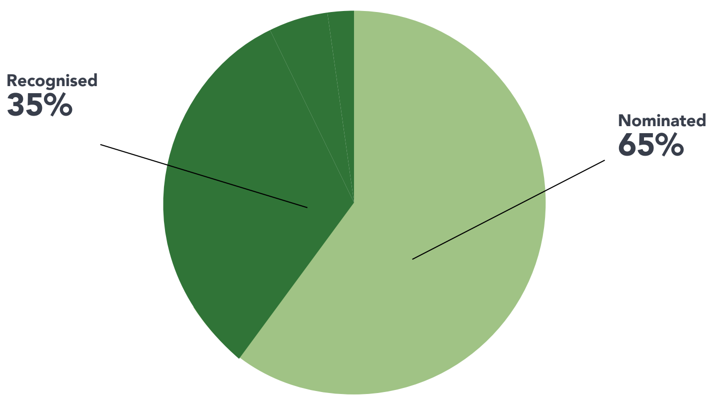
Our Gender Equality, Equity, Diversity and Inclusion Policy, approved by the Board, is supported by the Gender Equality and Social Inclusion Advisory Committee. This committee, which comprises representatives from all business units, ensures equal rights, opportunities, and access for individuals of all genders and for those facing social exclusion, adopting a gender-responsive approach that reflects Namibia's diverse population.

NamPower complies with the Affirmative Action Act, 1998 (No. 29 of 1998), and holds a compliance certificate based on annual reporting and the evaluation of our affirmative action measures. Our Affirmative Action Consultative Committee monitors progress in achieving these objectives and reports progress in this regard.

EMPLOYEE RECOGNITION PROGRAMME

Our Employee Recognition Programme (ERP) has gained momentum, with employees actively participating by nominating peers for their significant contributions. The internal customer satisfaction survey rated the programme at 80%, indicating strong satisfaction among the employees. The ERP, which was launched in the 2021/2022 financial year, recognises outstanding work and dedication. So far, 68 employees have been nominated for the Employee of the Quarter, and 37 have received recognition in other categories, including Employee of the Year and the Managing Director's Award.

Employee nomination and recognition



68 **employees nominated for Employee of the Quarter**
37 **employees received recognition in other categories, including Employee of the Year and the Managing Director's Award**

MANAGING OUR PERFORMANCE

We conduct bi-annual employee performance reviews to assess progress on performance goals and objectives. Our annual self-assessments and 360-degree feedback reviews help evaluate employee competencies. Short-term incentive rewards are linked to key performance indicators (KPIs) based on corporate, business unit, and individual performance.

Each employee's performance agreement includes KPIs aligned with the balanced scorecard's perspectives: financial, customer, internal processes, and learning and growth. These KPIs are also aligned with NamPower's vision, mission, and strategic objectives.

NamPower achieved an overall company performance score of 3.24 out of 4, indicating solid progress toward its strategic objectives. While key areas performed well, the score highlights opportunities for further improvement to enhance efficiency and sustainability.

ACHIEVE AND RETAIN TOP EMPLOYER STATUS

NamPower embarked on several initiatives across its business units to promote collaboration and to improve employee engagement and retention. The initiatives employed included competitive compensation and benefit packages, ensuring job security and stability, employee recognition, providing learning and development opportunities, employee engagement activities, and extending leadership and management support.

LOOKING AHEAD TO 2025 AND BEYOND

NamPower will remain focused on strengthening its human capital and operational efficiency through the following key initiatives:

- We will embed and maintain the Employee Recognition Framework by closely monitoring the implementation of the improvements to the revised framework.
- Employee engagement initiatives will be developed and implemented with a focus on better addressing key areas within the Company and improving the coordination of events and activities.
- We aim to improve succession management processes by accelerating the development of potential successors who are not yet classified as "ready now". This will help to increase the percentage of critical positions with "ready-now" successors from the current 88% to 90%.
- The e-recruitment system will be further improved to enhance its user friendliness.
- We will implement cost containment measures through ongoing monitoring to ensure expenses remain within budget, with efforts to reduce costs where possible.

PROVIDING A SAFE AND HEALTHY ENVIRONMENT

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

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

STRATEGIC FOCUS ON SHEW INITIATIVES IMPLEMENTED

NamPower's SHEW Policy, aligned with Namibian legislation, SAPP guidelines and international standards, underpins our proactive approach to minimising risks and safeguarding operational continuity.

Our core principles include:

- ensuring strict adherence to safety, health, and environmental policies by all personnel and stakeholders;
- implementing robust SHEW programmes aimed at mitigating risks and preventing incidents;
- conducting mandatory inductions for all new employees, contractors, and visitors before site access; and
- providing targeted safety and health training as part of each employee's Personal Development Plan (PDP), including compulsory courses on first aid, environmental awareness, and firefighting.

COMPLIANCE ACTIVITIES

NamPower remains in full compliance with regulatory and licence conditions for occupational health, safety, and environmental performance.

Our safety strategy is monitored through the lost time injury rate (LTIR), which for the year was recorded at 0.64 across all business units, reflecting our commitment to maintaining operational safety and regulatory adherence to the highest standards.

Fatalities: 0 Target: Zero
NamPower major vehicle incident(s) while on duty: 2 **Minor vehicle incidents: 18** Target: Zero
Lost time injury frequency rate: 0.64 Target: Less than 0.44
Lost time injuries: 7 Target: Zero

While we have successfully maintained a zero-fatality record, the data highlights areas for improvement in the reduction of vehicle incidents and lost time injuries to meet our safety targets.

NamPower remains focused on implementing enhanced safety measures to ensure continual progress towards our goal of zero incidents.

In addition to meeting statutory requirements, we will continue to actively pursue safety initiatives to reduce the number of injuries through training, awareness programmes, proactive risk assessments, and targeted improvement areas.

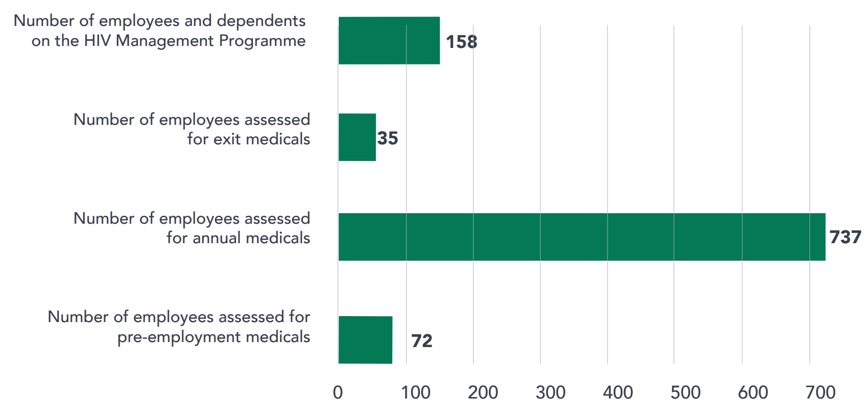
EMPLOYEE HEALTH AND WELLNESS

NamPower values its employees as their greatest asset and is dedicated to promoting their health and wellbeing. To foster a safe and supportive work environment, we have implemented proactive health and wellness initiatives. These include ongoing occupational health surveillance, health and wellness awareness programmes, and the Employee Assistance Programme, which offers counselling and support services.

Furthermore, as part of our commitment to employee wellbeing, NamPower has entered into service-level agreements with two medical aid providers. This arrangement allows employees to select their preferred provider, ensuring access to competitive and high-quality medical aid services.

The Company's focus on employee wellbeing aims to ensure a satisfied, productive, and thriving workforce.

The following graph illustrates the occupational health surveillance data for the 2023/2024 financial year.



The NamPower Employee Wellness Management Policy, endorsed on 17 July 2023, underpins our commitment to fostering a healthy and supportive work environment.

Throughout the year, a series of wellness initiatives focused on key areas such as mental health, trauma, stress management, cancer awareness, and cardiovascular health.

A total of 452 employees participated in activities including health screenings, face-to-face sessions and wellness challenges, further promoting a culture of wellbeing throughout the Company.

In addition to several positive health and wellness outcomes during the year, we successfully mitigated occupational and non-occupational health risks, revised critical policies related to SHEW activities, and developed our first comprehensive First Aid Training Manual, which was followed by the rollout of in-house training.

Furthermore, we secured 41 new and renewed ECCs, reinforcing our commitment to regulatory compliance and sustainability.

OUR ACTIVITIES IN MORE DETAIL

Looking at our activities in more detail, the Company:

- developed a training manual for incident and accident investigations;
- revised the SHEW policies and procedures to align with current NamPower operations and best practices;
- developed and approved four Emergency Preparedness and Response Procedures for the Omburu Solar PV Power Station, the Brakwater Depot, all the NamPower substations, and aviation (Eros Airport);
- developed chemical registers for eight sites as part of improved chemical management;
- hosted an environmental awareness event for our employees on World Environment Day, featuring guest speakers on land restoration, desertification, and drought resilience;
- commemorated International World Safety Day at the Ruacana Power Station, which included the participation of key stakeholders;
- obtained a Consumer Installation Certificate for the storage of petroleum products at the Ruacana Power Station;
- presented SHEW Legal Liability training to the ExCo;
- conducted ISO 14001 and ISO 45001 external gap audits across various NamPower sites;
- performed in-house medical examinations, resulting in savings of nearly N$300,000; and
- developed the Hazard Identification and Risk Assessment and Working at Heights internal training manuals.

LOOKING AHEAD TO 2025 AND BEYOND

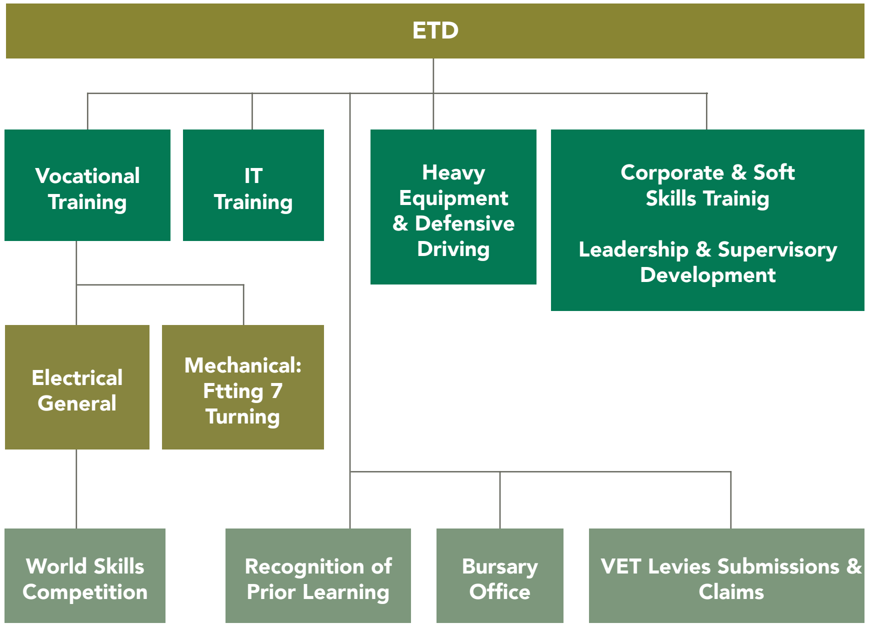
NamPower remains focused on advancing safety, environmental stewardship, and operational compliance, for which the following initiatives are planned for the coming year and beyond:

- We will continue prioritising safety performance by maintaining zero fatalities and intensifying efforts to further reduce our lost time injury frequency rate.
- A SHEW data management system will be implemented to capture, store and analyse SHEW data, facilitating better incident reporting, audit management, and regulatory compliance.
- We will enhance our environmental inspections nationwide, further strengthening compliance with NamPower policies, procedures, and environmental management plans (EMPs).
- SHEW responsibilities will continue to be delegated to supervisors and line managers, backed by ongoing legal liability training to ensure accountability in line with the Labour Act, 1992 (No. 6 of 1992).
- NamPower will further develop and assess the implementation of environmental aspects and impacts registers to fully align with ISO 14001:2015, demonstrating continued leadership in environmental management. New operational EMPs will be rolled out for older infrastructure, ensuring compliance with the Environmental Management Act, 2007 (No. 7 of 2007) and rigorous performance monitoring.
- We will expand SHEW awareness initiatives, including electricity safety campaigns and the recognition of global safety and environmental events, such as World Safety Day and World Environment Day.
- A Wellness Policy will be fully institutionalised, with strategic initiatives and budgetary provisions to proactively promote the health and wellbeing of our employees.

DEVELOPING ADDITIONAL CAPABILITIES TO MEET COMPETITIVE MARKET REQUIREMENTS

The Education Training and Development Unit, functioning under the Human Capital Business Unit, plays a central role in ensuring that the workforce is skilled to meet the requirements of new and competitive markets. The following figure illustrates the framework and functions of education training and development.

Education training and development framework and functions



OUR 2024 PERFORMANCE

In 2024, NamPower focused on identifying new capabilities for new emerging markets in the power industry and emphasis was placed on ensuring all employees undergo cybersecurity training. At least 224 employees completed the cybersecurity course on the NamPower eLearning platform, and 105 employees are engaged in the cybersecurity course on the same platform.

A total of 874 employees participated in various training programmes, including technical training, safety and security training, wellness, the Management Development Programme, coaching and mentoring, and International Financing Reporting Standards (IFRS) training, amounting to N$2.4 million (2023: N$3.2 million). In addition, all employees participated in several mandatory training courses, amounting to N$1,150,000.

KEY SKILLS GAPS AND CAPABILITIES IDENTIFIED

The skills gaps in various business units of the Company that were identified in the previous year remain relevant, and they are still being actively addressed. These include critical areas such as renewable energy integration, cybersecurity, advanced telecommunications, and Infrastructure maintenance. The Company continues to implement a phased training and development programme, which is aimed at bridging these gaps to ensure that the Company remains competitive and resilient in the evolving energy market.

NAMPOWER BURSARIES

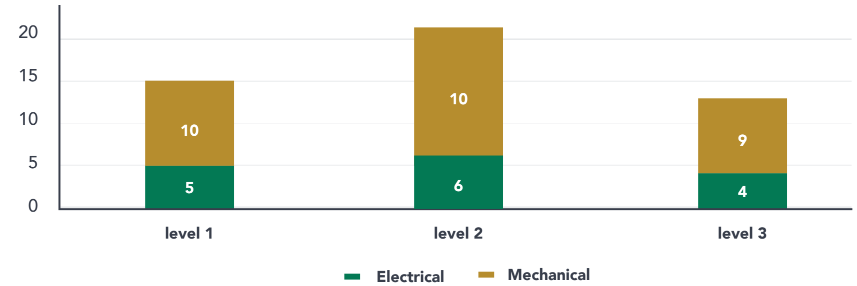
NamPower continues to invest in education and skills development through its bursary programmes. In 2024, the Company allocated 46 external bursaries and 44 vocational training bursaries, totalling 90 bursaries at the combined cost of N$12,698,992, as illustrated in the following table.

External bursaries	Vocational Training Bursaries	Total Bursaries
46	44	**90**
Combined cost of **N$12,698,992**		

VOCATIONAL EDUCATION AND TRAINING

Every year, the NamPower Training Centre admits a standard intake of 15 trainees. For the 2024 academic year, five new trainees were admitted for a National Certificate in Fitting and Turning and 10 trainees for a National Certificate in Electrical General (Artisan). Currently, 44 trainees are engaged in electrical and mechanical vocational programmes, as illustrated in the following graph.

Electrical and mechanical vocational trainees (2024)



ARTISAN GRADUATE DEVELOPMENT PROGRAMME

A total of 50 graduates are currently enrolled in the three-year Artisan Graduate Development Programme, with 17 in their first year, 15 in their second year, and 18 in their third year.

BUILDING AUTOMATION FOR SMART HOMES

The Education Training and Development Unit also introduced Building Automation for Smart Homes, which focuses on the electrical automation of homes. These skills are particularly relevant for NamPower's trainees, who participate in national and international competitions such as the WorldSkills Competition.

LOOKING AHEAD TO 2025 AND BEYOND

Looking ahead, NamPower remains committed to investing in developing its workforce and supporting the youth of Namibia while addressing critical skills gaps in the evolving energy sector. Through targeted training programmes, bursary support, and a continued focus on emerging technologies – such as renewable energy, cybersecurity, and the evolving oil and gas industry – NamPower is well-positioned to remain competitive and ensure the sustainability and reliability of its operations into the future.

ADOPTION OF INTERNATIONAL STANDARDS FOR SERVICE DELIVERY AND OPERATIONAL EXCELLENCE

INTERNATIONAL ORGANISATION FOR STANDARDISATION (ISO)

NamPower is committed to delivering exceptional service, as demonstrated by our implementation of the ISO 9001 certification requirements, an internationally recognised benchmark for quality management standards. This initiative underscores our dedication to maintaining uncompromised service delivery and operational excellence, particularly at our power stations.

To achieve ISO 9001 certification, NamPower developed and implemented a comprehensive Quality Management System (QMS) in line with international standards. The certification process involved a thorough audit by an accredited certification body, which assessed our operations against the ISO 9001:2015 standard requirements. This accomplishment reflects our ongoing commitment to enhancing our operations and customer service.

NamPower is adopting a phased approach towards ISO 9001 certification, in line with the ISBP. Currently, our focus is on the generation segment, particularly the Anixas and Ruacana power stations. ISO certification enables us to benchmark our performance against international standards, ensuring continuous improvement in service delivery and operational excellence.

ANIXAS POWER STATION: MAINTAINING ISO 9001 CERTIFICATION

In January 2022, the Anixas Power Station was awarded ISO 9001:2015 Quality Management System certification by the Bureau Veritas Namibia (Pty) Ltd, an accredited ISO certification body.

This accomplishment highlights our commitment to international standards and reflects NamPower's dedication to providing a safe, reliable, and high-quality electricity supply.

To ensure ongoing operational efficiency and reliability, the Anixas Power Station continuously monitors KPIs such as voltage frequencies, dips, harmonics, and load factors. ISO certification enables the station to benchmark its operations and performance against international standards, fostering a culture of continuous improvement and quality.

ISO certification is valid for three years, with annual monitoring through surveillance audits to ensure compliance. In October 2023, the second external surveillance audit was conducted, focusing on the station's operations and maintenance processes. No non-conformities were found, reaffirming our adherence to high-quality standards. Nonetheless, maintaining the QMS and pursuing continuous improvement remains a priority.

RUACANA POWER STATION: PROGRESS TOWARDS ISO 9001 CERTIFICATION

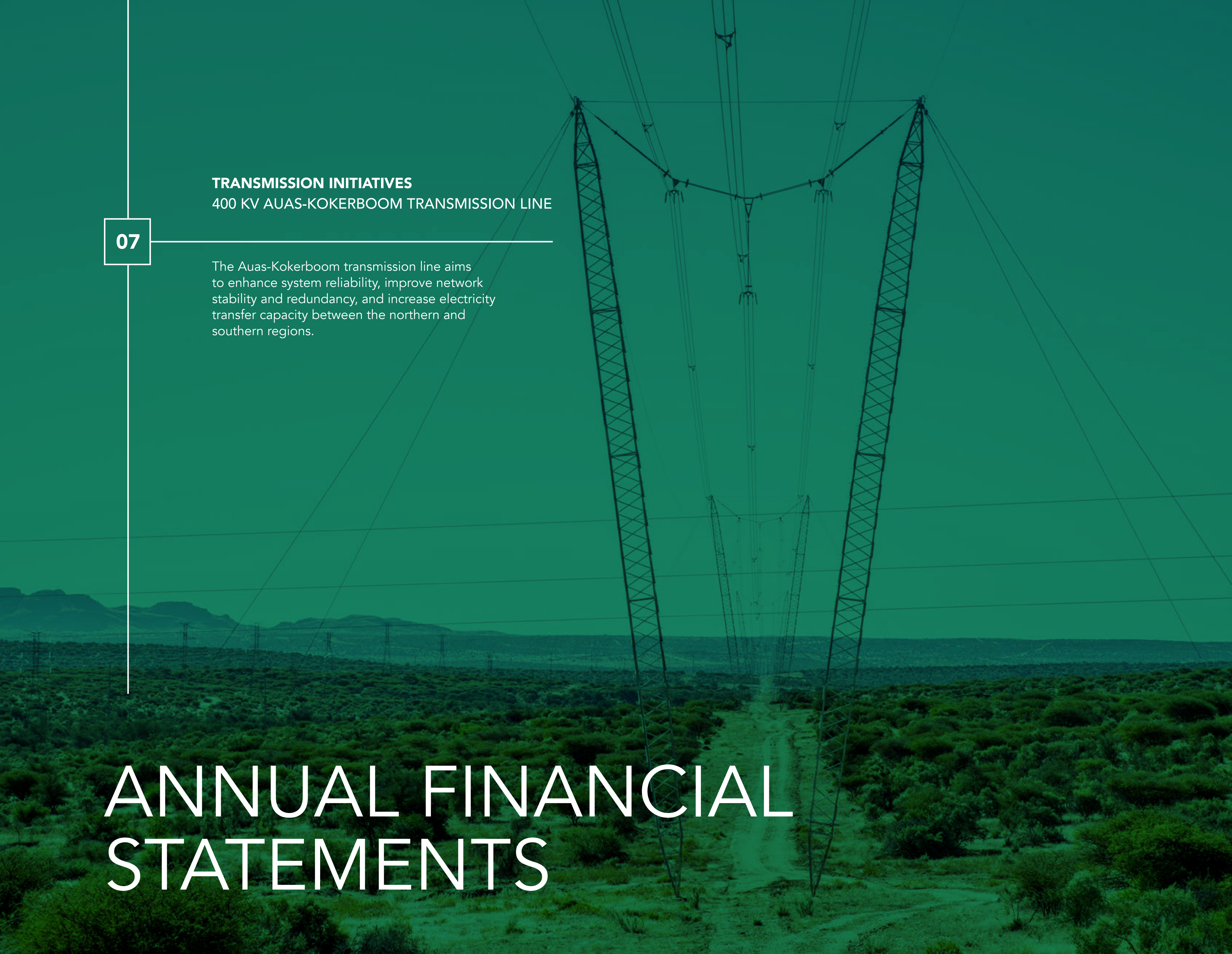
The Ruacana Power Station is actively preparing for ISO 9001 certification. Our dedicated team has already conducted a comprehensive gap audit, which assessed the station's current status and identified areas for improvement. We are currently drafting the required documentation and implementing best practices to meet certification requirements.

ONGOING TRAINING AND MANAGEMENT REVIEWS

In addition to ISO 9001 QMS-specific training, NamPower provides continuous training across all aspects of the business to ensure that staff are well-equipped to perform their duties with care and confidence. Management has also conducted comprehensive reviews of the QMS at both power stations to assess its effectiveness. This proactive approach ensures a consistent power supply, operational excellence, and superior customer service, addressing any gaps and driving continuous improvement.

LOOKING AHEAD TO 2025 AND BEYOND

- **Anixas Power Station:** Following the successful second surveillance audit, we have scheduled the re-certification audit for the 2024/2025 financial year, reaffirming our commitment to maintaining high standards.
- **Ruacana Power Station:** We expect to conduct Stage 1 of the external audit during the 2024/2025 financial year. The outcomes will provide valuable insights into the power station's readiness for certification.



TRANSMISSION INITIATIVES
400 KV AUAS-KOKERBOOM TRANSMISSION LINE

07

The Auas-Kokerboom transmission line aims to enhance system reliability, improve network stability and redundancy, and increase electricity transfer capacity between the northern and southern regions.

ANNUAL FINANCIAL STATEMENTS

Directors' Responsibility Statement

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements ("Financial Statements") of Namibia Power Corporation (Proprietary) Limited, comprising the statements of financial position at 30 June 2024, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in accordance with IFRS® Accounting Standards, and the requirements of the Companies Act of Namibia.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors of the Group and Company are responsible for the controls over, and the security of the website and, where applicable, for establishing and controlling the process for electronically distributing the integrated annual report and other financial information to shareholders.

The auditor is responsible for reporting on whether the consolidated and separate financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of consolidated and separate annual financial statements

The consolidated and separate financial statements of Namibia Power Corporation (Proprietary) Limited, as identified in the first paragraph, were approved by the board of directors on 15 March 2025 and signed by:

CLIVE KAVENDJII
Chairperson

KS HAULOFU
Managing Director

S HORNUNG
Audit & Risk Management Committee (Board Committee)

Value Added Statement

FOR THE YEAR ENDED 30 JUNE 2024

	CONSOLIDATED AND COMPANY			
	2024		2023	
	N$'000	%	N$'000	%
VALUE ADDED				
Turnover	**8,559,649**		7,208,687	
Less: Cost of primary energy, materials and services	**6,010,357**		5,852,550	
Value added by operations	**2,549,292**	**68.57**	1,356,137	60.35
Interest and sundry income	**1,168,554**	**31.43**	891,101	39.65
	3,717,846	**100.00**	2,247,238	100.00
VALUE DISTRIBUTED				
To remunerate employees	**1,216,390**	**32.72**	911,378	40.56
To providers of debt	**31,194**	**0.84**	38,624	1.72
	1,247,584	**33.55**	950,002	42.28
VALUE RETAINED				
To maintain and develop operations	**2,470,262**	**66.45**	1,297,236	57.72
	3,717,846	**100.00**	2,247,238	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 2024, 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 110 to 211 comprise:

- the directors' report for the year ended 30 June 2024;
- the consolidated and separate statements of financial position as at 30 June 2024;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

BASIS FOR QUALIFIED OPINION

Investments in associates

As at 30 June 2024 and 30 June 2023, the Group's investments in associates which is carried at N$ 1,183,989,000 and N$ 991,502,000 in the consolidated statement of financial position comprises its investments in Nored Electricity (Proprietary) Limited ('Nored') and Central-North Electricity Distribution Company (Proprietary) Limited ('Cenored'), respectively, which are equity accounted for purposes of the consolidated financial statements. As it relates to the years ended 30 June 2024 and 30 June 2023, the Group recognised a share of profit/(loss) from associates (net of taxation) of N$ 8,326,000 and (N$ 17,883,000) and a share of other comprehensive income from associates (net of taxation) of N$ 184,161,000 and of N$ 185,296,000, respectively, in the consolidated statement of profit or loss and other comprehensive income.

As it relates to the investment in Nored, audited financial statements for the years ended 30 June 2024 and 30 June 2023 were not available. As a result, we were unable to obtain sufficient appropriate audit evidence as it relates to the carrying values of the investment in Nored as at 30 June 2024 and 30 June 2023, deferred tax liabilities, the share of profit/(loss) from associates (net of taxation) and the share of other comprehensive income from associates for the years then ended. Our audit opinion for the year ended 30 June 2023 was also qualified in respect of this matter. Consequently, we were unable to determine whether any adjustments to the carrying values of investments in associates, deferred tax liabilities, share of profit/(loss) from associate (net of taxation), share of other comprehensive income from associates (net of taxation), and any related disclosures in the consolidated financial statements were necessary.

As it relates to the investment in Cenored, audited financial statements for the year ended 30 June 2024 were not available. As a result, we were unable to obtain sufficient appropriate audit evidence as it relates to the carrying value of the investment as at 30 June 2024, deferred tax liabilities, the share of profit/(loss) from associates (net of taxation) and share of other comprehensive income from associates for the year then ended. Consequently, we were unable to determine whether any adjustments to the carrying values of investments in associates, deferred tax liabilities, share of profit/(loss) from associate (net of taxation), share of other comprehensive income from associates (net of taxation) and any related disclosures in the consolidated financial statements were necessary.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Accounting for revaluations of Property, Plant and Equipment ('PPE') of Cenored in prior years

For the year ended 30 June 2023, the Group recognised a cumulative gain of N$155,817,000 which relates to cumulative revaluation gains on PPE of Cenored that arose during 2023 and multiple prior financial years. In accounting for the cumulative gain, the Group accounted for this prospectively as opposed to retrospectively in accordance with IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors* ('IAS 8'). Our audit opinion on the financial statements the year ended 30 June 2023 was modified accordingly. Our opinion on the current year's financial statements is also modified because of the possible effects of this matter on the comparability of the current period's figures and the corresponding figures.

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 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.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standard)* (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled *"NamPower Integrated Annual Report 2024"*. 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 CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate 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 and/or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 Group's and 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 Group's and 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 consolidated and separate 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 Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Samuel N Ndahangwapo
Partner
Windhoek, Namibia
Date: 24 March 2025

DIRECTORS' REPORT

The directors have the pleasure of presenting their report for the year ended 30 June 2024.

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:	CONSOLIDATED AND COMPANY	
	2024	2023
	GWh	GWh
Ruacana Hydro Power Station	**2,067**	1,323
Van Eck Power Station	**44**	30
Anixas Power Station	**5**	6
Omburu PV Power Station	**60**	60
Eskom	**516**	466
ZESCO	**1,201**	1,478
BPC	**-**	0.4
ZPC	**384**	330
SAPP Market	**39**	210
REFITs	**361**	364
Total units into system	**4,677**	4,267.4

Units sold:	CONSOLIDATED AND COMPANY	
	2024	2023
	GWh	GWh
To customers in Namibia	**3,618**	3,530
Exports	**540**	198
Orange River^	**130**	128
Total units sold	**4,288**	3,856

^ 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	**11.1%**	12.6%

Growth

During the year under review, there was an increase of 2.5% in GWh units sold to customers in Namibia (2023: increase of 0.5%). The power imported by the Company during the year under review decreased by 12.2% (2023: increase of 3.0%).

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 effectective 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$1.5 billion (2023: N$1.6 billion), and the expenditure on intangible assets during the financial year amounted to N$845 thousand (2023: N$6.5 million).

This expenditure is mainly attributable to:

5.1 Electrification:

- Pre-payment Meters TID Rollovers
- Combined Projects in the Hardap region

- Peri-Urban: Maltahohe Informal Settlement (portion 1)
- Rural electrification: August Dam 2 & Kruiss
- Rural electrification: MV & LV Jakkalsvlei

5.2 Substation Development:

- Zambezi Substationn: 1 x 40MVA 220/66/22kV Transformer
- Ohama Substation 132/66kV
- Externally funded: Sekelduin Substation
- 400kV Auas-Kokerboom Line & Substation
- Obib Substation - 120MVA Transformer

5.3 Refurbishment and Upgrading:

- Van Eck Power Station: Rehabilitation
- Zambezi/Omburu 330/220kV 315 MVA Transformer replacement

5.4 Transmission System Development:

- TXMP: Auas-Gerus Feeder Bay and Reactor
- TXMP: Masivi-Siyambi
- Omatando 330kV Transmission Station
- 400kV Obib-Oranjemund Development
- Ext Langer Heinrich Mine (Phase 2) 12 MV

5.5 Power Station Development:

- Lüderitz Wind Power Plant
- FIRM Power Project
- Otjikoto Biomass Power Station
- Rosh Pinah Wind 40 MW Power Plant

5.6 Intangible Assets:

- SAP AMI Implementation & Prepaid

6. SHAREHOLDER

The Government of the Republic of Namibia is the the Company's sole shareholder.

7. SHARE CAPITAL

7.1 Authorised

365 000 000 ordinary shares at N$1

7.2 Issued share capital

165 000 000 (2023: 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 213.

9. GOING CONCERN

The directors have assessed the Group's and Company's ability 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 15 March 2025.

STATEMENTS OF FINANCIAL POSTION AT 30 JUNE 2024

	Note	CONSOLIDATED 2024 N$'000	CONSOLIDATED 2023 N$'000 *Restated	CONSOLIDATED 01 July 2022 N$'000 *Restated	COMPANY 2024 N$'000	COMPANY 2023 N$'000 *Restated	COMPANY 01 July 2022 N$'000 *Restated
Assets							
Total non-current assets		**44,580,979**	39,912,752	40,907,962	**43,618,269**	39,142,529	40,305,152
Property, plant and equipment	6	**41,810,969**	37,627,345	37,651,243	**41,810,969**	37,627,345	37,651,243
Investment properties	8	**18,392**	22,578	18,473	**18,392**	22,578	18,473
Intangible assets	9	**13,190**	18,783	20,138	**13,190**	18,783	20,138
Investment in associates	7.2	**1,183,989**	991,502	824,089	**221,279**	221,279	221,279
Investments	11	**1,327,470**	1,232,366	2,373,659	**1,327,470**	1,232,366	2,373,659
Derivative assets	21.1	**204,151**	-	-	**204,151**	-	-
Loans receivable	10	**22,818**	20,178	20,360	**22,818**	20,178	20,360
Total current assets		**10,331,013**	9,299,247	8,860,942	**10,331,013**	9,299,247	8,860,942
Inventories	12	**119,017**	136,914	86,063	**119,017**	136,914	86,063
Trade and other receivables	13	**1,272,764**	1,262,971	1,591,145	**1,272,764**	1,262,971	1,591,145
Current tax receivable		**33,780**	33,780	33,780	**33,780**	33,780	33,780
Investments	11	**6,686,767**	6,397,183	5,340,527	**6,686,767**	6,397,183	5,340,527
Derivative assets	21.1	**44**	50,033	51,139	**44**	50,033	51,139
Cash and cash equivalents	14	**2,218,641**	1,418,366	1,758,288	**2,218,641**	1,418,366	1,758,288
Total assets		**54,911,992**	49,211,999	49,768,904	**53,949,282**	48,441,776	49,166,094
Equity							
Total equity attributable to equity holders		**38,037,948**	33,396,708	34,044,236	**37,078,732**	32,629,979	33,445,085
Issued share capital	16.2	**165,000**	165,000	165,000	**165,000**	165,000	165,000
Share premium	16.3	**900,000**	900,000	900,000	**900,000**	900,000	900,000
Reserve fund	16.4	**1,822,619**	1,752,080	1,816,305	**1,822,619**	1,752,080	1,816,305
Development fund	16.5	**7,238,318**	5,906,630	6,690,561	**7,078,495**	5,754,872	6,520,569
Capital revaluation reserve	16.6	**27,681,535**	24,523,165	24,273,809	**26,882,142**	23,908,194	23,844,650
Strategic inventory revaluation reserve	16.7	**111,572**	59,733	153,157	**111,572**	59,733	153,157
Investment valuation reserve	16.8	**118,904**	90,100	45,404	**118,904**	90,100	45,404
Total equity		**38,037,948**	33,396,708	34,044,236	**37,078,732**	32,629,979	33,445,085
Liabilities							
Total non-current liabilities		**14,790,267**	13,900,770	13,342,644	**14,786,765**	13,897,268	13,338,977
Interest bearing loans and borrowings	17	**253,358**	336,672	6,792	**253,358**	336,672	6,792
Derivative liabilities	21.2	**177,247**	1,035,339	358,681	**177,247**	1,035,339	358,681
Deferred revenue liabilities	18	**1,590,078**	1,549,543	1,413,832	**1,590,078**	1,549,543	1,413,832
Employee benefits provisions	22	**240,732**	241,673	277,441	**240,732**	241,673	277,441
Retention creditors	20.4	**139,167**	56,449	80,772	**139,167**	56,449	80,772
Deferred tax liabilities	19	**12,389,685**	10,681,094	11,205,126	**12,386,183**	10,677,592	11,201,459
Total current liabilities		**2,083,777**	1,914,521	2,382,024	**2,083,785**	1,914,529	2,382,032
Trade and other payables	20	**1,578,560**	1,087,843	1,410,650	**1,578,568**	1,087,851	1,410,658
Derivative liabilities	21.2	**89,272**	345,708	84,202	**89,272**	345,708	84,202
Current tax payable		**71,737**	-	-	**71,737**	-	-
Interest bearing loans and borrowings	17	**92,470**	100,944	523,721	**92,470**	100,944	523,721
Deferred revenue liabilities	18	**209,512**	380,026	363,451	**209,512**	380,026	363,451
Employee benefits provisions	22	**42,226**	-	-	**42,226**	-	-
Total liabilities		**16,874,044**	15,815,291	15,724,668	**16,870,550**	15,811,797	15,721,009
Total equity and liabilities		**54,911,992**	49,211,999	49,768,904	**53,949,282**	48,441,776	49,166,094

Certain amounts disclosed here do not correspond to the 2022 and 2023 financial statements due to errors and reflect corrections made, refer to note 18.7 and 21.3.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

		CONSOLIDATED		COMPANY	
		2024	2023	2024	2023
		N$'000	N$'000	N$'000	N$'000
	Note				
Revenue	25	8,559,649	7,208,687	8,559,649	7,208,687
Other income	25	304,015	177,663	304,015	177,663
Cost of Electricity	26 (b)	(4,879,860)	(5,032,172)	(4,879,860)	(5,032,172)
Employee costs	26 (e)	(1,216,390)	(911,378)	(1,216,390)	(911,378)
Depreciation and amortisation	26 (c)	(1,851,365)	(1,747,049)	(1,851,365)	(1,747,049)
Other expenses	26 (f)	(740,700)	(777,379)	(740,700)	(777,379)
Net impairment (loss)/gain on financial assets	26 (d)	(157,776)	21,828	(157,776)	21,828
Net fair value and foreign exchange loss on financial instruments	26 (g)	1,099,098	(1,002,993)	1,099,098	(1,002,993)
Profit/(loss) before net finance income		1,116,671	(2,062,793)	1,116,671	(2,062,793)
Finance income – net		833,345	674,814	833,345	674,814
Finance income	24	864,539	713,438	864,539	713,438
Finance costs	24	(31,194)	(38,624)	(31,194)	(38,624)
Share of profit/(loss) of associates, net of taxation	7.2	8,326	(17,883)	-	-
Profit/(loss) before taxation		1,958,342	(1,405,862)	1,950,016	(1,387,979)
Taxation	15	(566,345)	525,247	(566,345)	525,247
Profit/(loss) for the year		1,391,997	(880,615)	1,383,671	(862,732)
Other comprehensive income					
Items that may not be subsequently reclassified to profit or loss					
Revaluation of property, plant and equipment	15	4,370,676	93,447	4,370,676	93,447
Revaluation of strategic inventory	15	76,233	(137,388)	76,233	(137,388)
Net change in fair value of listed equity instruments	15	570	138	570	138
Net change in fair value of unlisted equity	15	24,161	53,009	24,161	53,009
Remeasurements of employee benefit provisions	22.3	15,428	48,249	15,428	48,249
Share of other comprehensive income of associates, net of taxation	15	184,161	185,296	-	-
Related tax	15	(1,426,059)	(1,214)	(1,426,059)	(1,379)
		3,245,170	241,537	3,061,009	56,076
Items that may be subsequently reclassified to profit or loss					
Net change in fair value of debt instruments	15	4,074	(8,451)	4,074	(8,451)
Related tax	15	-	-	-	-
		4,074	(8,451)	4,074	(8,451)
Other comprehensive income for the year, net of taxation		3,249,244	233,086	3,065,083	47,625
Total comprehensive income/(loss) for the year		4,641,241	(647,529)	4,448,754	(815,107)

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

CONSOLIDATED	Note	Issued Share Capital N$'000	Share Premium N$'000	Reserve Fund N$'000	Development Fund N$'000	Capital Revaluation Reserve N$'000	Strategic Inventory Revaluation Reserve N$'000	Investment Valuation Reserve N$'000	Retained Earnings N$'000	Total Equity N$'000
Balance at 1 July 2023	**16**	**165,000**	**900,000**	**1,752,080**	**5,906,630**	**24,523,165**	**59,733**	**90,100**	**-**	**33,396,708**
Total comprehensive income for the year										
Profit for the year		-	-	-	-	-	-	-	1,391,997	1,391,997
Other comprehensive income										
Revaluation of property plant and equipment, net of taxation	15	-	-	-	-	2,973,948	-	-	-	2,973,948
Revaluation of strategic inventory	15	-	-	-	-	-	51,839	-	-	51,839
Net changes in fair value of listed, unlisted equity and debt instruments	15	-	-	-	-	-	-	28,805	-	28,805
Share of other comprehensive income of associates, net of taxation		-	-	-	-	184,422	-	-	(261)	184,161
Remeasurements of employee benefit provisions, net of taxation	15	-	-	-	-	-	-	-	10,491	10,491
Total other comprehensive income		-	-	-	-	3,158,370	51,839	28,805	10,230	3,249,244
Total comprehensive income for the year		-	-	-	-	3,158,370	51,839	28,805	1,402,227	4,641,241
Allocation from retained income		-	-	70,539	1,331,688	-	-	-	(1,402,227)	-
Transfer to reserve fund	16.4	-	-	70,539	-	-	-	-	(70,539)	-
Funds for capital expenditure requirements	16.5	-	-	-	1,331,688	-	-	-	(1,331,688)	-
Balance at 30 June 2024		**165,000**	**900,000**	**1,822,619**	**7,238,318**	**27,681,535**	**111,572**	**118,905**	**-**	**38,037,948**

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

CONSOLIDATED	Note	Issued Share Capital N$'000	Share Premium N$'000	Reserve Fund N$'000	Development Fund N$'000	Capital Revaluation Reserve N$'000	Strategic Inventory Revaluation Reserve N$'000	Investment Valuation Reserve N$'000	Retained Earnings N$'000	Total Equity N$'000
Balance at 1 July 2022	**16**	**165,000**	**900,000**	**1,816,305**	**6,690,561**	**24,273,809**	**153,157**	**45,404**	**-**	**34,044,236**
Total comprehensive income for the year										
Loss for the year		-	-	-	-	-	-	-	(880,615)	(880,615)
Revaluation of property plant and equipment, net of taxation	**15**	-	-	-	-	63,544	-	-	-	63,544
Revaluation of strategic inventory	**15**	-	-	-	-	-	(93,424)	-	-	(93,424)
Net changes in fair value of listed, unlisted equity and debt instruments	**15**	-	-	-	-	-	-	44,696	-	44,696
Share of other comprehensive income of associates, net of taxation		-	-	-	-	185,812	-	-	(351)	185,461
Remeasurements of employee benefit provisions, net of taxation	**15**	-	-	-	-	-	-	-	32,810	32,810
Total other comprehensive income		**-**	**-**	**-**	**-**	**249,356**	**(93,424)**	**44,696**	**32,459**	**233,087**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**249,356**	**(93,424)**	**44,696**	**(848,156)**	**(647,528)**
Allocation from retained income		**-**	**-**	**(64,225)**	**(783,931)**	**-**	**-**	**-**	**848,156**	**-**
Transfer to reserve fund	**16.4**	-	-	(64,225)	-	-	-	-	64,225	-
Funds for capital expenditure requirements	**16.5**	-	-	-	(783,931)	-	-	-	783,931	-
Balance at 30 June 2023		**165,000**	**900,000**	**1,752,080**	**5,906,630**	**24,523,165**	**59,733**	**90,100**	**-**	**33,396,708**

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

COMPANY	Note	Issued Share Capital N$'000	Share Premium N$'000	Reserve Fund N$'000	Development Fund N$'000	Capital Revaluation Reserve N$'000	Strategic Inventory Revaluation Reserve N$'000	Investment Valuation Reserve N$'000	Retained Earnings N$'000	Total Equity N$'000
Balance at 1 July 2023	**16**	**165,000**	**900,000**	**1,752,080**	**5,754,872**	**23,908,194**	**59,733**	**90,100**	**-**	**32,629,978**
Total comprehensive income for the year										
Profit for the year		-	-	-	-	-	-	-	1,383,671	1,383,671
Other comprehensive income										
Revaluation of property plant and equipment, net of 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	1,394,162	4,448,754
Allocation from retained income		-	-	70,539	1,323,623	-	-	-	(1,394,162)	-
Transfer to reserve fund	16.4	-	-	70,539	-	-	-	-	(70,539)	-
Funds for capital expenditure requirements	16.5	-	-	-	1,323,623	-	-	-	(1,394,162)	-
Balance at 30 June 2024		**165,000**	**900,000**	**1,822,619**	**7,078,495**	**26,882,142**	**111,572**	**118,905**	**-**	**37,078,732**

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

COMPANY	Note	Issued Share Capital N$'000	Share Premium N$'000	Reserve Fund N$'000	Development Fund N$'000	Capital Revaluation Reserve N$'000	Strategic Inventory Revaluation Reserve N$'000	Investment Valuation Reserve N$'000	Retained Earnings N$'000	Total Equity N$'000
Balance at 1 July 2022		**165,000**	**900,000**	**1,816,305**	**6,520,569**	**23,844,650**	**153,157**	**45,404**	-	**33,445,085**
Total comprehensive income for the year										
Loss for the year		-	-	-	-	-	-	-	(862,732)	(862,732)
Other comprehensive income										
Revaluation of property plant and equipment, net of tax	15	-	-	-	-	63,544	-	-	-	63,544
Revaluation of strategic inventory	15	-	-	-	-	-	(93,424)	-	-	(93,424)
Net changes in fair value of listed, unlisted equity and debt instruments	15	-	-	-	-	-	-	44,696	-	44,696
Remeasurements of employee benefit provisions, net of taxation	15	-	-	-	-	-	-	-	32,810	32,810
Total other comprehensive income		**-**	**-**	**-**	**-**	**63,544**	**(93,424)**	**44,696**	**32,810**	**47,625**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**63,544**	**(93,424)**	**44,696**	**(829,922)**	**(815,106)**
Allocation from retained income		**-**	**-**	**(64,225)**	**(765,697)**	**-**	**-**	**-**	**829,922**	**-**
Transfer to reserve fund	16.4	-	-	(64,225)	-	-	-	-	64,225	-
Funds for capital expenditure requirements	16.5	-	-	-	(765,697)	-	-	-	765,697	-
Balance at 30 June 2023		**165,000**	**900,000**	**1,752,080**	**5,754,872**	**23,908,194**	**59,733**	**90,100**	**-**	**32,629,979**

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	CONSOLIDATED 2024 N$'000	CONSOLIDATED 2023 N$'000	COMPANY 2024 N$'000	COMPANY 2023 N$'000
Cash flows from operating activities					
Cash receipts from customers	30 (h)	8,423,988	7,390,185	8,423,988	7,390,185
Cash paid to suppliers and employees		(6,276,301)	(6,901,251)	(6,276,301)	(6,901,251)
Cash generated by operations	30 (a)	2,147,687	488,934	2,147,687	488,934
Interest received*	30 (c)	130,779	78,568	130,779	78,568
Taxation paid	31 (b)	(212,076)	-	(212,076)	-
Net cash inflow from operating activities		2,066,390	567,502	2,066,390	567,502
Cash flows from investing activities					
Proceeds from the sale of property, plant and equipment		18,399	-	18,399	-
Acquisitions of intangible assets	9.	(845)	(6,461)	(845)	(6,461)
Extension and replacement of property, plant and equipment to maintain operations	6.	(1,540,120)	(1,634,346)	(1,540,120)	(1,634,346)
Interest received*	30 (c)	380,166	359,091	380,166	359,091
Dividend received	26(a)	1,118	73	1,118	73
Proceeds from collective investment schemes		195,902	515,000	195,902	515,000
Proceeds from fixed deposits and treasury bills		2,862,684	1,922,525	2,862,684	1,922,525
Proceeds from money market funds		100,000	295,000	100,000	295,000
Payments for collective investment schemes		(100,000)	-	(100,000)	-
Payments for fixed deposits and treasury bills		(3,044,489)	(2,258,238)	(3,044,489)	(2,258,238)
Proceeds from loans receivable	30 (j)	984	2,641	984	2,641
Payments for loans advanced	30 (j)	(1,011)	-	(1,011)	-
Net cash (outflow) from investing activities		(1,127,211)	(804,715)	(1,127,211)	(804,715)
Cash flows from financing activities					
Interest paid	30 (d)	(35,222)	(42,639)	(35,222)	(42,639)
Repayment of borrowings	30 (i)	(89,841)	(91,298)	(89,841)	(91,298)
Net cash (outflow) from financing activities		(125,063)	(133,937)	(125,063)	(133,937)
Net increase / (decrease) in cash and cash equivalents		814,116	(371,150)	814,116	(371,150)
Cash and cash equivalents at 1 July		1,418,366	1,758,288	1,418,366	1,758,288
Effect of exchange rate fluctuations on cash held		(13,841)	31,228	(13,841)	31,228
Cash and cash equivalents at 30 June	14.	2,218,641	1,418,366	2,218,641	1,418,366

* The total interest received for the year amounted to N$510.9 million (2023: N$437.6 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 2024 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 2024 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 that 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.

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.

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

MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 valuators consider the trends in replacement costs for the desktop revaluation to arrive at a cost price adjustment to determine the replacement cost of the assets for the period under review. Any revaluation increase arising on the revaluation of such property, plant and equipment is recognised in other comprehensive income and presented in equity in the capital revaluation reserve, except to the extent that it reverses a revaluation decrease for the same assets previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount as a result of a revaluation is recognised in profit or loss.

The decrease is recognised in other comprehensive income only to reduce any credit balance existing in the revaluation reserve. On the subsequent sale or retirement of an item of revalued property, plant and equipment, the attributable revaluation surplus remaining in the capital revaluation reserve is transferred directly to retained earnings.

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.

MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 (mandatorily measured), 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.

MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

MATERIAL ACCOUNTING POLICIES (CONTINUED)

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, interest rate and cross currency swaps. 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 interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counterparties. 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 LMRC in compensation for those services.

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.

(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 Board of Directors have decided that the current level of funding is adequate. The Fund is credited with interest earned, 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.

MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 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 recover the cost of being the supplier of last resort previously part of electricity sales. These include 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) 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 2024. 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 2024.

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.

SIGNIFICANT JUDGEMENTS AND ESTIMATES (CONTINUED)

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 6.8.

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 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 100MW	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%

Assumptions at 30 June 2023 *

Input	Units	2024	2025	2026	2027	2028
US CPI	Year-on-year (%)	2.49%	2.38%	2.45%	2.52%	2.61%
United States PPI - ZESCO 100MW	Year-on-year (%)	2.46%	2.34%	2.42%	2.49%	2.58%
United States PPI - ZESCO 80MW	Year-on-year (%)	2.45%	2.34%	2.41%	2.49%	2.58%
NAD/USD	NAD per USD	19.5924	20.4191	21.5296	22.7730	24.2896
United States interest rates	Annual effective %	5.30%	4.74%	4.32%	4.04%	3.85%
Rand interest rates	Annual effective %	8.69%	8.60%	8.54%	8.63%	8.81%
Capacity factor - ZESCO 100MW	Annual effective %	90.60%	90.60%	90.60%	90.60%	90.60%
Capacity factor - ZESCO 80MW	Annual effective %	97.70%	97.70%	97.70%	97.70%	97.70%

* In current year, the Group added a disclosure for comparative assumptions to enhance the usefulness of the information presented.

5. STANDARDS AND INTERPRETATIONS

5.1 New standards, amendments and interpretations effective for the first time in the current year

Title of standard	Nature of change	Impact	Effective date
IFRS 17, 'Insurance contracts'	The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators. Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period. Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.	Assessed to have no material impact in the Group.	Annual periods beginning on or after 1 January 2023
IFRS 17, Insurance contracts Amendments	In response to some of the concerns and challenges raised, the Board developed targeted amendments and a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard.	Assessed to have no material impact in the Group.	Annual periods beginning on or after 1 January 2023
Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.	Assessed to have no impact in the Group as it already treats deferred tax in line with the new amendment.	Annual periods beginning on or after 1 January 2023. (Published May 2021)
Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.	Assessed to have no material impact in the Group.	Annual periods beginning on or after 1 January 2023.
Amendments to IAS 12 International Tax Reform—Pillar Two Model Rules	These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.	Assessed to have no impact in the Group as Namibia is not part of OECD yet.	The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023.

STANDARDS AND INTERPRETATIONS (CONTINUED)

5.2 New Standards, amendments and interpretations issued and not yet effective for the year ended 30 June 2024

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 primary users of general purpose financial reports in making decisions relating to providing resources to the entity.	The Group is currently assessing the impact of the standard.	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 primary users of general purpose financial reports in making decisions relating to providing resources to the entity.	The Group is currently assessing the impact of the standard.	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 in 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 impact in 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 impact in the Group.	Annual periods beginning on or after 1 January 2024
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 impact in the Group.	Annual periods beginning on or after 1 January 2025

STANDARDS AND INTERPRETATIONS (CONTINUED)

Title of standard	Nature of change	Impact	Effective date
IFRS 18, 'Presentation and Disclosure in Financial Statements'	In response to investors' concerns about the comparability and transparency of entities performance reporting, the Board introduced new requirements in IFRS 18. These will help achieve comparability of the financial performance of similar entities, especially related to how operating profit or loss is defined. The new disclosures required for some management- defined performance measures will also enhance transparency. **Key Takeaways:** **1. Main Business Activities Impact on Presentation:** IFRS 18 affects entities providing financing or investing in specific assets, requiring certain income and expenses to be categorized as operating, altering the presentation of operating profit. **2. Required Subtotals:** Mandates the inclusion of 'Operating profit or loss' alongside 'Profit or loss' and 'Profit or loss before financing and income taxes', with exceptions for entities with financing as their main activity. **3. Disclosures Related to the Statement of Profit or Loss:** Introduces disclosure requirements for management – defined performance measures and expenses, offering guidance on presentation by nature or function. **4. Aggregation and Disaggregation:** Offers enhanced guidance on grouping items based on shared characteristics, influencing both primarily financial statements and notes. **5. Other Limited Changes:** Includes amendments to IAS 7, specifying 'operating profit or loss' as the starting point for reconciling cash flows and removing options for presenting interest and dividends paid and received.	The Group is currently assessing the impact of the standard.	Annual periods beginning on or after 1 January 2027
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

6. PROPERTY, PLANT AND EQUIPMENT

	Cost/Valuation	Accumulated depreciation	Carrying amount
CONSOLIDATED AND COMPANY	**N$'000**	**N$'000**	**N$'000**
2024			
Ruacana power station	**9,196,699**	**(1,125,592)**	**8,071,107**
Van Eck power station	**1,411,811**	**(256,898)**	**1,154,913**
Anixas power station	**611,016**	**(54,291)**	**556,725**
Omburu PV station	**384,747**	**(28,281)**	**356,466**
Transmission and distribution systems	**28,649,080**	**(1,956,728)**	**26,692,352**
Aircraft fleet	**87,217**	**(8,975)**	**78,242**
Machinery and equipment	**258,390**	**(102,279)**	**156,111**
Land and buildings	**461,555**	**(28,640)**	**432,915**
Assets under construction	**3,449,900**	**-**	**3,449,900**
Strategic inventory	**862,239**	**-**	**862,239**
Total	**45,372,653**	**(3,561,684)**	**41,810,969**
2023			
Ruacana power station	7,973,226	(513,495)	7,459,731
Van Eck power station	1,282,933	(127,923)	1,155,010
Anixas power station	574,695	(27,033)	547,662
Omburu PV station	377,189	(13,825)	363,364
Transmission and distribution systems	25,558,822	(969,710)	24,589,112
Aircraft fleet	78,743	(3,608)	75,135
Machinery and equipment	234,640	(70,191)	164,449
Land and buildings	424,027	(13,448)	410,579
Assets under construction	2,015,320	-	2,015,320
Strategic inventory	846,983	-	846,983
Total	**39,366,578**	**(1,739,233)**	**37,627,345**

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
CONSOLIDATED AND COMPANY											
2024											
Carrying amount at 1 July 2023	**7,459,731**	**1,155,010**	**547,662**	**363,364**	**24,589,112**	**75,135**	**164,449**	**410,579**	**2,015,320**	**846,983**	**37,627,345**
- At cost/valuation	7,973,226	1,282,933	574,695	377,189	25,558,822	78,743	234,640	424,027	2,015,320	846,983	39,366,578
- Accumulated depreciation	(513,495)	(127,923)	(27,033)	(13,825)	(969,710)	(3,608)	(70,191)	(13,448)	-	-	(1,739,233)
Additions	-	-	-	-	10,853	-	43,320	8	1,364,467	121,472	1,540,120
Assets under construction completed	15,719	868	-	-	91,574	-	2,517	1,659	(112,336)	-	-
Strategic inventory items issued	-	-	-	-	-	-	-	-	182,449	(182,449)	-
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)	(5,367)	(54,010)	(15,192)	-	-	(1,844,927)
Carrying amount at 30 June 2024	**8,071,107**	**1,154,913**	**556,725**	**356,466**	**26,692,352**	**78,242**	**156,111**	**432,915**	**3,449,900**	**862,239**	**41,810,969**
- At cost/valuation	9,196,699	1,411,811	611,016	384,747	28,649,080	87,217	258,390	461,555	3,449,900	862,239	45,372,653
- Accumulated depreciation	(1,125,592)	(256,898)	(54,291)	(28,281)	(1,956,728)	(8,975)	(102,279)	(28,640)	-	-	(3,561,684)

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
CONSOLIDATED AND COMPANY												
2023												
Carrying amount at 1 July 2022		**7,644,500**	**1,278,296**	**518,879**	**359,872**	**24,866,124**	**58,250**	**163,586**	**370,741**	**1,659,116**	**731,879**	**37,651,243**
- At cost/valuation		8,005,484	1,389,808	540,314	361,018	25,661,566	61,122	226,978	384,020	1,659,116	731,879	39,021,305
- Accumulated depreciation		(360,984)	(111,512)	(21,435)	(1,146)	(795,442)	(2,872)	(63,392)	(13,279)	-	-	(1,370,062)
Additions		-	12	-	-	-	-	56,551	14	1,163,156	420,267	1,640,000
Assets under construction completed		1,717	5,030	51,187	10,628	877,022	-	20,156	8,987	(974,727)	-	-
Strategic inventory items issued		-	-	-	-	-	-	-	-	167,775	(167,775)	-
Transfer to intangible assets	9	-	-	-	-	-	-	(5,653)	-	-	-	(5,653)
Assets transferred from customers		-	-	-	-	124,929	-	-	-	-	-	124,929
Revaluation		327,009	(405)	4,629	6,689	(309,253)	20,493	-	44,285	-	(137,388)	(43,941)
Depreciation for the year		(513,495)	(127,923)	(27,033)	(13,825)	(969,710)	(3,608)	(70,191)	(13,448)	-	-	(1,739,233)
Carrying amount at 30 June 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)

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

6.1 Assets under construction

	Power Stations	Transmission and Distribution systems	Machinery and equipment	Land and buildings	Total
	N$'000	N$'000	N$'000	N$'000	N$'000
CONSOLIDATED AND COMPANY					
2024					
Opening balance	692,121	1,291,027	23,266	8,906	2,015,320
Additions	460,155	1,035,324	37,450	13,987	1,546,916
Assets under construction completed	(16,586)	(91,574)	(2,517)	(1,659)	(112,336)
Closing balance	**1,135,690**	**2,234,777**	**58,199**	**21,234**	**3,449,900**
2023					
Opening balance	267,112	1,351,150	29,009	11,845	1,659,116
Additions	493,573	816,898	14,412	6,048	1,330,931
Assets under construction completed	(68,564)	(877,021)	(20,155)	(8,987)	(974,727)
Closing balance	**692,121**	**1,291,027**	**23,266**	**8,906**	**2,015,320**

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

6.2 Land and buildings (owner-occupied properties)

The revaluation of land and buildings were performed externally effective 30 June 2024 by an independent valuer, JnS Empire Investment CC. JnS Empire Investment CC is not connected to the Group.

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

- Income Capitalisation method, which determines the fair market value property based on the income it can generate.
- Direct Comparable approach comparing the subject properties characteristics with those of comparable properties which have recently sold in similar transactions.

Details of properties registered in the Company's name are available for inspection at the registered office of the Company.

6.3 Transmission and Distribution Systems

A number of distribution lines and transmission substations are erected on or are under construction on land which does not belong to the Company. Occupational rights are secured by agreements between the owners and Namibia Power Corporation (Proprietary) Limited. Servitudes in favour of Namibia Power Corporation (Proprietary) Limited in respect of these occupational rights are registered with the registrar of deeds and are available for inspection at the Company's premises.

6.4 Ruacana Power Station

The Ruacana Power Station is erected on land in the Kunene region for which occupational rights were obtained. The Diversion Weir is erected in Angola and acts as water storage for Ruacana Power Station.

6.5 Valuation of power stations, transmission and distribution systems and aircraft fleet

The Group performs an independent external revaluation every three years, and an independent desktop revaluation in between to ensure that the carrying amount does not differ significantly from the fair value.

A full revaluation was performed effective 30 June 2024 and a desktop revaluation 30 June 2023 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 valuators are not connected to the Group and have extensive experience in the valuation of generation, transmission and distribution assets.

The replacement value of the Power stations increased mainly due to increases 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 and CPI.

The increase in the replacement value of the Transmission systems is mainly attributed to the cost of foundations for transmission lines in the current valuation. This cost represents 10% of the total replacement value of transmission lines. In prior periods, it was assumed that it was not required to replace foundations when transmission lines are replaced. However, recent damages to the transmission infrastructure caused by the impact of climate change resulted in a change of assumption. 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 DRC estimate.

The valuators derived the annual price change for 2024 for the various components of each asset class by analysing the corresponding regional and international price indices. Then 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 full revaluation was performed for the strategic inventory as at 30 June 2024 by independent valuers namely, MPAMOT Africa Pty Ltd, on the basis of their replacement value to ensure that the carrying amount does not differ significantly from the fair value. The valuators are not connected to the Group. Escalations are applied based on relevant indices for the individual equipment types. The items in strategic inventory are broken down into the escalation categories i.e. CPI – Electrical Components, Conductor Steel Core (ACSR), transformer, switchgear, copper conductors and cables, tower, insulator, fittings and poles. These escalation categories are created to account for specific asset types and their makeup. The Steel and Engineering Industries Federation of Southern Africa (SEIFSA) indices are used to account for such market fluctuations as these track the prices of commodities and other indicators used in adjusting for pricing over time.

6.7 Reconciliation of the carrying amount

Cost

The carrying amount that would have been recognised had the assets been measured under the cost model, for each revalued class of property, plant and equipment is not disclosed because it is impracticable. The Group's core assets have always been carried at the revalued amount before the implementation of IFRS Accounting Standards and the historical values were not separately disclosed and are therefore not available.

6.8 Reconciliation of the revaluation surplus

	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
2024				
Opening balance at 1 July 2023	**(24,184,425)**	**(23,960,039)**	**(59,733)**	**(59,733)**
Change for the period	(2,973,948)	(2,973,948)	(51,839)	(51,839)
Revaluation	(2,973,948)	(2,973,948)	(51,839)	(51,839)
Closing balance at 30 June 2024	**(27,158,373)**	**(26,933,987)**	**(111,572)**	**(111,572)**

	CONSOLIDATED	COMPANY	CONSOLIDATED	COMPANY
	Capital Revaluation	Capital Revaluation	Strategic Inventory	Strategic Inventory
2023	N$'000	N$'000	N$'000	N$'000
Opening balance at 1 July 2022	**(24,120,881)**	**(23,896,495)**	**(153,157)**	**(153,157)**
Change for the period	(63,544)	(63,544)	93,424	93,424
Revaluation	(63,544)	(63,544)	93,424	93,424
Closing balance at 30 June 2023	**(24,184,425)**	**(23,960,039)**	**(59,733)**	**(59,733)**

The distribution of the balance to the shareholder is only available on retirement or sale of the asset.

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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.

	2024 N$'000	2023 N$'000
CONSOLIDATED AND COMPANY		
Power stations, transmission and distribution systems and strategic inventory		
Opening balance 1 July	**34,979,880**	**35,417,568**
Additions and transfers from property, plant and equipment	102,603	1,323,017
Depreciation	(1,770,359)	(1,651,986)
Loss included in other comprehensive income		
- Changes in fair value (unrealised)	4,402,574	(108,720)
Closing balance 30 June	**37,714,698**	**34,979,880**
Land and buildings		
Opening balance 1 July	**410,581**	**370,741**
Additions and transfers from property, plant and equipment	1,667	9,001
Depreciation	(15,191)	(13,448)
Loss included in other comprehensive income		
- Changes in fair value (unrealised)	35,861	44,285
Closing balance 30 June	**432,917**	**410,581**

(iii) ***Transfers between levels***

There were no transfers between the fair value hierarchy levels.

(iv) ***Valuation techniques and significant observable and unobservable inputs used***

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.

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property, plant and equipment item	Level	Valuation technique	Valuation: The description of valuation technique	Observable inputs	Significant unobservable inputs of level 3 item	Inter-relationship between key unobservable inputs and fair value measurement
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 were considered:** • Equipment costs • Labour costs • Exchange rates • Asset age and assigned useful life • Relevant published indices and commodity prices	Increases in the cost of supply (equipment, materials, labour, etc) will increase the fair value and vice versa. A decrease in the assigned useful life will result in a reduced fair value measurement.
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 were considered:** • Equipment costs • Labour costs • Exchange rates • Asset age and assigned useful life • Probable remnant lives • Relevant published indices and commodity prices • Maximum lives of equipment types • Namibian Network Assessment Register (NENA) database for the distribution assets	An increase in labour and materials costs would result in an increase in the fair value and vice versa. A decrease in maximum lives results in a decrease in fair value and vice versa.
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% - 14% (2023: 11.5%) Expected vacancy rate 5% - 12% (2023: 10%) Expenses 10% - 20% (2023: 20%)	**The estimated fair value would increase (decrease) if:** • the capitalisation rate was lower (higher) • vacancy rate lower (higher) • the expenses were lower (higher)
Land and buildings	3	Direct Comparable Approach	Compares the subject properties characteristics with those of comparable properties which have recently sold in similar transactions.	Market prices	Not applicable	Not applicable
Strategic inventory	3	Replacement cost (RC) method	This method determines the present market value. The annual price change for the strategic inventory was determined by applying escalations for the individual equipment type and market movements based on indices relevant to that asset grouping.	Not applicable	The replacement costs for the equipment is based on costs from purchases and are indexed from this date to obtain the current market rate. - Respective indices - Consumer price index (CPI)	An increase in labour and materials costs would result in an increase in the fair value and vice versa. An increase in commodity price would result in an increase in fair value.

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

6.9 Measurement of fair value (continued):

Sensitivity analysis for property, plant and equipment categorised into Level 3 of the fair value hierarchy:

The higher the capitalisation rate and expected vacancy rate, the lower the fair value of the land and buildings, and vice versa.

The higher the rental growth rate, the higher the fair value of the land and buildings, and vice versa.

An increase in the US$ and equipment cost and a decrease or increase in labour cost would result in a slight increase in the fair value of the power stations and a significant decrease in the fair value of the transmission and distribution systems.

An decrease in the US$ and equipment cost and a decrease or increase in labour cost would result in a slight decrease in the fair value of the power stations and a significant decrease in the fair value of the transmission and distribution systems.

	2024		2023	
	N$'000		N$'000	
	1% increase in US$ and Equipment cost		1% increase in US$ and Equipment cost	
	- 1% Labour cost	+ 1% Labour cost	- 1% Labour cost	+ 1% Labour cost
Ruacana power station	**8,093,127**	**8,115,347**	7,478,776	7,498,724
Van Eck power station	**1,156,425**	**1,157,913**	1,156,441	1,157,945
Anixas power station	**558,303**	**560,097**	549,183	550,982
Distribution lines	**753,982**	**757,243**	761,349	765,164
Transmission lines	**18,901,866**	**18,784,297**	30,357,695	30,543,023
Transmission substations	**6,937,500**	**6,927,544**	6,892,848	6,921,597
Strategic inventory	**862,861**	**863,241**	847,085	847,194
	1% decrease in US$ and Equipment cost		**1% decrease in US$ and Equipment cost**	
	- 1% Labour cost	**+ 1% Labour cost**	**- 1% Labour cost**	**+ 1% Labour cost**
Ruacana power station	**8,026,865**	**8,049,085**	7,420,736	7,440,684
Van Eck power station	**1,151,916**	**1,153,404**	1,152,078	1,153,582
Anixas power station	**553,356**	**555,150**	544,344	546,143
Distribution lines	**745,270**	**748,532**	751,738	755,553
Transmission lines	**19,095,794**	**18,976,020**	30,032,963	30,218,291
Transmission substations	**6,990,615**	**6,980,254**	6,798,767	6,827,516
Strategic inventory	**861,237**	**861,617**	846,772	846,881

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 marketobservable 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

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	
					2024	2023	**2024**	2023	**2024**	2023
				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.*

7.2 Associates

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Carrying amount of associates				
Carrying amount at beginning of year	**991,502**	824,089	**221,279**	221,279
Equity accounted earnings	**8,326**	(17,883)	**-**	-
Share of other comprehensive income of associates - gain on property valuation, net of tax	**184,422**	185,812	**-**	-
Share of other comprehensive income of associates - remeasurement of employee benefits	**(261)**	(516)	**-**	-
	1,183,989	991,502	**221,279**	221,279
Post-acquisition reserves				
Retained earnings	**726,811**	534,324		
Share of opening retained earnings	**534,324**	366,911		
Share of current year income	**192,487**	167,413		
Non-distributable reserves	**457,178**	457,178		
Share of opening revaluation and development reserve	**457,178**	457,178		
	1,183,989	991,502		

INTEREST IN SUBSIDIARIES AND ASSOCIATES (CONTINUED)

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

	CONSOLIDATED	
	2024	2023
	N$'000	N$'000
Statement of financial position		
Non-current assets	**2,546,857**	2,719,919
Current assets	**232,726**	233,941
Non-current liabilities	**(1,136,024)**	(1,026,970)
Current liabilities	**(433,416)**	(542,948)
	1,210,143	1,383,942
Statement of comprehensive income		
Revenue	**1,505,648**	1,298,347
Expenditure	**(1,494,876)**	(1,291,751)
Profit/(loss) before taxation	**10,772**	6,596
Profit/(loss) from continuing operations for the year	**10,772**	6,596
Total comprehensive income/(loss)	**10,772**	6,596

The Company holds a 33.33% equity interest in Nored Electricity (Pty) Ltd but has less than 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 follow:

	CONSOLIDATED	
	2024	2023
	N$'000	N$'000
Statement of financial position		
Non-current assets	**695,241**	645,223
Current assets	**201,345**	210,851
Non-current liabilities	**(188,483)**	(215,522)
Current liabilities	**(190,815)**	(165,408)
	517,288	475,144
Statement of comprehensive income		
Revenue	**944,622**	692,758
Expenditure	**(898,666)**	(677,619)
Profit before taxation	**45,956**	15,139
Taxation	**(301)**	(25)
Profit from continuing operations for the year	**45,655**	15,114
Other comprehensive income	**(638)**	(54)
Total comprehensive income	**45,017**	15,060

The Company holds a 40.95% (2023: 45.00%) equity interest in Central-North Electricity Distribution Company (Pty) Ltd (Cenored) but has less than 40.95% (2023: 45.00%) of the voting rights. Okahandja Municipality acquired 9% shares resulting in changes in the sharehodling structure. 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	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Opening balance	**22,578**	18,473	**22,578**	18,473
Fair value adjustment	**(4,186)**	4,105	**(4,186)**	4,105
Closing balance	**18,392**	22,578	**18,392**	22,578

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 2024 by an independent qualified property valuer, JnS Empire Investment CC 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$18.4 million (2023: N$22.6 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.

Opening balance	**22,578**	18,473	**22,578**	18,473
Additions and reclassification from property, plant and equipment	**-**	-	**-**	-
Gain included in 'other income'				
- Changes in fair value (unrealised)	**(4,186)**	4,105	**(4,186)**	4,105
Closing balance	**18,392**	22,578	**18,392**	22,578

INVESTMENT PROPERTIES (CONTINUED)

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Observable inputs	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement	Sensitivity
Income Capitalisation Method:			The estimated fair value would increase (decrease) if:	
The commercial properties' fair values were based on this valuation technique which involves determining the net income of the property that will be capitalised at a rate sought by prudent investors to determine the capitalised value of the subject property.	• Not applicable	• Capitalisation rate: 10% (2023: 11.5%) • Vacancy rate: 10% (2023: 10%) • Expenses: 15% (2023: 20%)	• The capitalisation rate was lower (higher) • The vacancy rate was lower (higher) • Expenses were lower (higher)	A slight increase in the capitalisation rate used would result a significant decrease in fair value, and vice versa.
Direct Sales Comparison Method: This valuation technique was used in determining the fair values of the vacant plots which are classified as investment property. The method calculates the market value by comparing the property's characteristics with those of comparable properties which have recently sold in similar transactions.	• Market prices	• Not applicable	• Not applicable	Not applicable.

Details of the properties registered in the Group and Company's name are available for inspection at the registered office of the Group.

9. INTANGIBLE ASSETS

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Computer software - purchased				
Opening carrying amount - 1 July	**18,783**	20,138	**18,783**	20,138
- At cost	**143,051**	136,590	**143,051**	136,590
- Accumulated amortisation and accumulated impairment	**(124,268)**	(116,452)	**(124,268)**	(116,452)
Additions	**845**	808	**845**	808
Transfer from property, plant and equipment (purchased software)	**-**	5,653	**-**	5,653
Amortisation	**(6,438)**	(7,816)	**(6,438)**	(7,816)
Closing carrying amount - 30 June	**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)

Included in the carrying amount of computer software at 30 June 2024 is an amount of N$6.1 million related to SAP HANA with a remaining amortisation period of 2 years.

10. LOANS RECEIVABLE

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Employee loans	**4,154**	3,454	**4,154**	3,454
Loan to the Alten Solar Power (Hardap) Pty Ltd	**18,703**	16,761	**18,703**	16,761
- Expected credit losses	**(39)**	(37)	**(39)**	(37)
	22,818	20,178	**22,818**	20,178

The fair value amount of the loans receivable for Alten Solar Power (Hardap) Pty Ltd amount to N$15.6 million (2023: N$14.4 million).

The fair value was based on a rate of 12.7% (2023: 13.4%) 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.

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	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Non-current investments	**1,327,470**	1,232,366	**1,327,470**	1,232,366
Financial assets at amortised cost:				
Debt instruments and fixed deposits	**1,108,459**	1,032,604	**1,108,459**	1,032,604
- Expected credit losses	**(2,422)**	(1,890)	**(2,422)**	(1,890)
Debt instruments at amortised cost *	**708,459**	1,032,604	**708,459**	1,032,604
- Expected credit losses	**(1,567)**	(1,890)	**(1,567)**	(1,890)
Fixed deposits at amortised cost *	**400,000**	-	**400,000**	-
- Expected credit losses	**(855)**	-	**(855)**	-
Financial assets at fair value through other comprehensive income:				
Inflation linked bonds	**86,734**	91,112	**86,734**	91,112
Expected credit losses	**(241)**	(240)	**(241)**	(240)
Investment in unlisted equities	**134,940**	110,780	**134,940**	110,780
- Erongored (Pty) Ltd	**103,891**	69,675	**103,891**	69,675
- Alten Solar Power (Hardap) Pty Ltd	**31,049**	41,105	**31,049**	41,105
Current investments	**6,686,767**	6,397,183	**6,686,767**	6,397,183
Financial assets at amortised cost:				
Debt instruments, fixed deposits and treasury bills	**3,098,170**	2,925,578	**3,098,170**	2,925,578
- Expected credit losses	**(2,931)**	(3,013)	**(2,931)**	(3,013)
Debt instruments at amortised cost *	**363,833**	632,250	**363,833**	632,250
- Expected credit losses	**(466)**	(373)	**(466)**	(373)
Fixed deposits at amortised cost *	**2,662,483**	2,129,894	**2,662,483**	2,129,894
- Expected credit losses	**(2,391)**	(2,569)	**(2,391)**	(2,569)
Treasury bills at amortised cost *	**71,854**	163,434	**71,854**	163,434
- Expected credit losses	**(74)**	(71)	**(74)**	(71)
Financial assets at fair value through other comprehensive income:				
Listed equity: Sanlam shares	**2,043**	1,473	**2,043**	1,473
Inflation linked bonds	**2,182**	2,049	**2,182**	2,049
Financial assets at fair value through profit or loss:				
Collective investment schemes	**1,787,612**	1,721,160	**1,787,612**	1,721,160
Money market funds	**1,800,146**	1,750,148	**1,800,146**	1,750,148
- Expected credit losses	**(455)**	(212)	**(455)**	(212)
Total investments	**8,014,237**	7,629,549	**8,014,237**	7,629,549

* In the prior periods, the Group incorrectly aggregated debt instruments, fixed deposits, and treasury bills within a single category/class. However, these financial instruments differ in nature, risk profiles, and returns, making such aggregation inappropriate. In the current year, the Group corrected the error by restating the comparative balances and disclosing these instruments separately.

The fair value amount of the debt instruments measured at amortised cost approximate N$1.1 billion (2023: N$1.7 billion).

The fair value amount of the fixed deposits measured at amortised cost approximate N$3.1 billion (2023: N$2.2 billion).

The fair value amount of the treasury bills measured at amortised cost approximate N$72 million (2023: N$163.4 million).

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$1.1 million (2023: N$73 thousand) were received from these equity investments for the period under review. The current and non-current investments splits were determined based on the underlying maturity dates.

Fair value measurements for investments

This section explains the judgements and estimates made in determining the fair values of the investments that are recognised and measured at fair value in the financial statements and investments for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair values, the group has classified its investments into the three levels prescribed under the IFRS accounting standards. An explanation of each level follows underneath the table.

(i) ***Fair value hierarchy for investments***

	CONSOLIDATED AND COMPANY			
	Level 1	Level 2	Level 3	Total
	N$'000	N$'000	N$'000	N$'000
As at 30 June 2024				
Financial assets at fair value through profit or loss				
Collective Investment Schemes	-	1,787,612	-	1,787,612
Money market funds	-	1,800,146	-	1,800,146
Financial assets at fair value through other comprehensive income:				
Inflation linked bonds	-	88,916	-	88,916
Listed equity: Sanlam shares	2,043	-	-	2,043
Investment in unlisted equities:				
- Erongored (Pty) Ltd	-	-	103,891	103,891
- Alten Solar Power (Hardap) Pty Ltd	-	-	31,049	31,049
Financial Assets for which the fair value is disclosed				
Financial Assets at Amortised Cost:				
- Debt instruments	-	1,097,464	-	1,097,464
- Fixed deposits	-	3,107,422	-	3,107,422
- Treasury bills	-	72,048	-	72,048
Total investments	**2,043**	**7,953,608**	**134,940**	**8,090,591**

INVESTMENTS (CONTINUED)

	CONSOLIDATED AND COMPANY			
	Level 1	Level 2	Level 3	Total
	N$'000	N$'000	N$'000	N$'000
As at 30 June 2023				
Financial assets at fair value through profit or loss				
Collective investment schemes	-	1,721,160	-	1,721,160
Money market funds	-	1,750,148	-	1,750,148
Financial assets at fair value through other comprehensive income:				
Inflation linked bonds	-	93,161	-	93,161
Listed equity: Sanlam shares	-	1,473	-	1,473
Investment in unlisted equities:				
- Erongored (Pty) Ltd	-	-	69,675	69,675
- Alten Solar Power (Hardap) Pty Ltd	-	-	41,105	41,105
Financial Assets for which the fair value is disclosed				
Financial Assets at Amortised Cost:				
- Debt instruments	-	1,672,371	-	1,672,371
- Fixed deposits	-	2,193,615	-	2,193,615
- Treasury bills	-	163,404	-	163,404
Total investments	**-**	**7,595,333**	**110,780**	**7,706,112**

There were no transfers between fair levels during the year.

IFRS specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the group and company's market assumptions. These two types of inputs have created the following value hierarchy:

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities. This level includes listed equity securities and debt instruments on exchanges.

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is as prices) or indirectly (that is, derived from prices). This level includes the majority of the over-the-counter derivative contracts, traded loans and issued structured debt. The sources of input parameters 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 and debt instruments with significant unobservable components.

INVESTMENTS (CONTINUED)

(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
Balance at 1 July 2023	110,780
Total gains or losses:	
– in other comprehensive income	24,160
Balance at 30 June 2024	**134,940**

There were no disposals for the year under review.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of unlisted equity instruments, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to fair value
Discounted cash flow method: This approach utilises forecasts and budgets prepared by management.	Free cash flow based on projected revenues and expenses.	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.	The higher the cost of equity, the lower the fair value and vice versa.
	Growth rate determined using forecasted macroeconomic indicators.	The higher the net projected free cash flow the higher the fair value and vice versa.

The sensitivity of the unlisted investments to an increase or decrease in the principal assumptions are:

Sensitivity analysis	CONSOLIDATED AND COMPANY		CONSOLIDATED AND COMPANY	
	2024		2023	
	Increase	Decrease	Increase	Decrease
	N$'000	N$'000	N$'000	N$'000
Erongored (Pty) Ltd:				
1% change in free cash flows	**105,552**	**102,242**	70,693	68,663
1% change in cost of equity rate	**96,518**	**112,245**	65,838	73,943
1% change in growth rate	**108,296**	**99,970**	71,662	67,876
Alten Solar Power (Hardap) Pty Ltd:				
1% change in free cash flows	**31,360**	**30,739**	41,516	40,694
1% change in cost of equity	**12,875**	**13,724**	38,034	44,572

The Group's exposure to credit, currency and interest rate risks related to investments is disclosed in note 29.

12. INVENTORIES

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Maintenance spares and consumables	**25,952**	29,005	**25,952**	29,005
Fuel and coal	**93,065**	140,409	**93,065**	140,409
Obsolete stock recognised in profit or loss	**-**	(32,500)	**-**	(32,500)
	119,017	136,914	**119,017**	136,914

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 2024 amounted to N$11.1 million (2023: N$9.2 million).

13. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Financial instruments:				
Trade receivables at amortised cost	**1,103,156**	1,124,575	**1,103,156**	1,124,575
- Gross receivables	**1,938,560**	1,802,899	**1,938,560**	1,802,899
- expected credit losses	**(835,404)**	(678,324)	**(835,404)**	(678,324)
Non-financial instruments:				
Prepayments	**166,946**	137,266	**166,946**	137,266
Project and other advances	**2,659**	1,115	**2,659**	1,115
Other receivables	**3**	15	**3**	15
Total trade and other receivables	**1,272,764**	1,262,971	**1,272,764**	1,262,971
13.1 Categorisation of trade and other receivables				
Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:				
At amortised cost	**1,103,156**	1,124,575	**1,103,156**	1,124,575
Non-financial instruments	**169,608**	138,396	**169,608**	138,396
	1,272,764	1,262,971	**1,272,764**	1,262,971

Expected credit losses (ECL) of N$157.1 million - raised (2023: N$21.5 million - reversed) in respect of trade receivables were recognised in profit or loss.

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.

TRADE AND OTHER RECEIVABLES (CONTINUED)

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.

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 4.5% (2023: 3.0%);
- Prime lending interest rate of 11.5% (2023: 11.5%);
- Inflation rate (CPI) of 4.6% (2023: 5.3%) and the Namibian Unemployment Rate of 33.4% (2023: the Namibian Unemployment Rate was not considered in the valuation)

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 and NORED continued to fall into arrears during the course of the financial year. The timely collection of revenue from these customers remains a challenge. These customers debts are monitored on a regular basis and receive ongoing management attention. Interventions pursued included entering into repayment arrangements and approaching relevant stakeholders to assist with resolving the growing debt. There has been slow progress on payments achieved from these initiatives and the accounts continued to escalate unabated.

Power supply suspension to these customers was initiated in June 2023. However, the suspension was later halted taking into consideration the impact that disconnections will have on the economy and the communities in general and to allow for consultative engagements with the customers, Regulator and Central Government to seek alternative solutions to settle the debts. The payment profile of these customers continues to deteriorate and it is on that basis that they were grouped into a separate category, to better account for the higher loss rate applicable to them.

Category E customers and some customers in Category A and C are assessed individually and expected credit loss based on the individual customer history.

TRADE AND OTHER RECEIVABLES (CONTINUED)

	Impairment Analysis: Trade receivables – days past due				
30 June 2024	**Not past due**	**30 days past due**	**60 days past due**	**90 days past due**	**Total**
	N$'000	**N$'000**	**N$'000**	**N$'000**	**N$'000**
Collectively assessed for impairment: Category A Customers - Electricity transmission customers [1]					
Expected credit loss rate (%)	0.69%	21.74%	65.11%	98.97%	
Net carrying amount at default [2]	365,299	6,186	3,071	1,596	376,152
Loss allowance	2,520	1,345	2,000	1,580	7,445
Individually assessed for impairment: Category A Customers - Electricity transmission customers					
Expected credit loss rate (%)	-	-	100.00%	100.00%	
Net carrying amount at default [2]	-	-	382	45,949	46,331
Loss allowance	-	-	382	45,949	46,331
Collectively assessed for impairment: Certain regional and local authorities, government agencies and NORED - Category A and D Customers - Electricity transmission customers [1]					
Expected credit loss rate (%)	41.83%	65.71%	77.36%	90.73%	
Net carrying amount at default [2]	109,053	23,984	25,333	706,087	864,457
Loss allowance	45,616	15,761	19,598	640,633	721,608
Collectively assessed for impairment: Category B Customers - Electricity cross border customers					
Expected credit loss rate (%)	41.50%	57.44%	75.68%	75.96%	
Net carrying amount at default [2]	12,045	9,195	6,293	36,215	63,748
Loss allowance	4,999	5,281	4,763	27,508	42,551
Collectively assessed for impairment: Category C Customers - Electricity distribution customers					
Expected credit loss rate (%)	1.10%	20.24%	40.95%	67.51%	
Net carrying amount at default [2]	18,882	2,188	3	3,249	24,322
Loss allowance	208	443	1	2,193	2,845
Individually assessed for impairment: Category C Customers - Electricity distribution customers					
Expected credit loss rate (%)	100.00%	100.00%	-	100.00%	
Net carrying amount at default [2]	7	2	-	3,870	3,879
Loss allowance	7	2	-	3,870	3,879
Collectively assessed for impairment: Category D Customers - Government departments/ agents electricity customers					
Expected credit loss rate (%)	0.68%	9.50%	19.24%	54.30%	
Net carrying amount at default [2]	11,403	567	-	77	12,047
Loss allowance	78	54	-	42	174
Individually assessed for impairment: Category E Customers - Sundry					
Expected credit loss rate (%)	3.82%	91.69%	1.36%	11.38%	
Estimated total gross carrying amount at default	11,164	373	29,968	82,589	124,094
Loss allowance	427	342	406	9,395	10,570
Total loss allowance	53,855	23,228	27,150	731,171	835,403

[1] For category A and D customers we noted high loss rates for current balances but based on management's assessment it is still appropriate to recognise revenue. It is still probable that the Group will collect the consideration. Certain Local Authorities, Regional Councils and NORED under Category A and D were grouped into a separate category, to better account for the higher loss rate applicable to them.

[2] The Net carrying amount at default balance is the Trade Receivables Balance minus the corresponding Value Added Tax "VAT", the sum of the adjusted security deposits (cash and guarantees) and debtors with credit balances

TRADE AND OTHER RECEIVABLES (CONTINUED)

30 June 2023	Impairment Analysis: Trade receivables – days past due				
	Not past due	30 days past due	60 days past due	90 days past due	Total
	N$'000	N$'000	N$'000	N$'000	N$'000
Collectively assessed for impairment: Category A Customers - Electricity transmission customers [1]					
Expected credit loss rate (%)	8.19%	37.56%	61.91%	88.20%	
Net carrying amount at default [2]	413,221	95,364	100,428	406,284	1,015,297
Loss allowance	33,831	35,818	62,177	358,362	490,189
Individually assessed for impairment: Category A Customers - Electricity transmission customers					
Expected credit loss rate (%)	-	-	-	100.00%	
Net carrying amount at default [2]	-	-	-	25,195	25,195
Loss allowance	-	-	-	25,195	25,195
Collectively assessed for impairment: Category B Customers - Electricity cross border customers					
Expected credit loss rate (%)	43.90%	65.61%	78.14%	84.26%	
Net carrying amount at default [2]	10,964	8,382	1	-	19,347
Loss allowance	4,813	5,500	-	-	10,313
Collectively assessed for impairment: Category C Customers - Electricity distribution customers					
Expected credit loss rate (%)	1.23%	22.59%	41.84%	80.66%	
Net carrying amount at default [2]	14,921	1,130	1,378	806	18,235
Loss allowance	183	255	577	650	1,665
Individually assessed for impairment: Category C Customers - Electricity distribution customers					
Expected credit loss rate (%)	-	-	100.00%	100.00%	
Net carrying amount at default [2]	-	-	2	4,004	4,006
Loss allowance	-	-	2	4,004	4,006
Collectively assessed for impairment: Category D Customers - Government departments/ agents electricity customers					
Expected credit loss rate (%)	8.22%	47.29%	65.55%	95.53%	
Net carrying amount at default [2]	31,519	12,329	10,506	126,112	180,466
Loss allowance	2,590	5,830	6,886	120,470	135,777
Individually assessed for impairment: Category E Customers - Sundry					
Expected credit loss rate (%)	2.59%	86.21%	23.68%	7.66%	
Estimated total gross carrying amount at default	60,103	507	240	119,193	180,043
Loss allowance	1,555	437	57	9,130	11,178
Total loss allowance	**42,972**	**47,841**	**69,700**	**517,811**	**678,324**

TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	Category A	Certain regional and local authorities, government agencies and NORED - 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
Reconciliation of movements in allowance for impairment							
Opening loss allowance as at 01 July 2022	**198,339**	**144,171**	**339,520**	**5,321**	**11,274**	**10,318**	**708,943**
(Decrease)/increase in loss allowance recognised in profit loss during the year	(116,679)	409,943	(320,377)	437	4,152	1,019	(21,506)
Receivables written off during the year as uncollectible	-	-	(8,830)	(125)	-	(158)	(9,112)
Opening loss allowance as at 01 July 2023	**81,660**	**554,115**	**10,313**	**5,632**	**15,425**	**11,179**	**678,324**
Increase/(decrease) in loss allowance recognised in profit loss during the year	(27,884)	167,494	32,238	1,092	(15,252)	(609)	157,079
Closing loss allowance as at 30 June 2024	**53,776**	**721,607**	**42,551**	**6,725**	**174**	**10,570**	**835,403**

14. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		COMPANY	
	2024	**2023**	**2024**	**2023**
	N$'000	N$'000	**N$'000**	N$'000
Cash and cash equivalents consist of:				
Cash on hand	**51**	31	**51**	31
Call account - Long run marginal cost[1]	**115,955**	290,259	**115,955**	290,259
Bank balances	**823,640**	380,552	**823,640**	380,552
Short term deposits[2]	**1,278,995**	747,524	**1,278,995**	747,524
	2,218,641	1,418,366	**2,218,641**	1,418,366

[1] The Long run marginal cost (LRMC) call account is restricted and may only be utilised with the approval of the Electricity Control Board (ECB). These funds are generally classified as available for use within the Group.

[2] Deposits at notice include call accounts. There are no restrictions on the funds which are managed according to the Group's investment policy statement.

The Group's exposure to credit, currency and interest rate risks related to cash and cash equivalents is disclosed in note 29.

The carrying amounts of cash and cash equivalents approximate its fair values, due to its liquid and short-term nature.

15. TAXATION

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Namibian company tax				
Current taxation	**283,813**	-	**283,813**	-
Deferred taxation	**282,532**	(525,247)	**282,532**	(525,247)
Taxation recognised in profit or loss	**566,345**	(525,247)	**566,345**	(525,247)
Taxation recognised in other comprehensive income	**1,426,059**	1,213	**1,426,059**	1,379
Total taxation	**1,992,404**	(524,034)	**1,992,404**	(523,868)
Tax rate reconciliation	**%**	%	**%**	%
Standard Tax Rate	**32.00**	32.00	**32.00**	32.00
Social Responsibility	**0.16**	(0.18)	**0.16**	(0.18)
Donations	**-**	(0.01)	**-**	(0.01)
Other Items not deductible for tax purposes				
Research cost	**-**	(0.01)	**-**	(0.01)
Investment properties	**0.07**	0.08	**0.07**	0.08
Short term insurance	**0.03**	(0.03)	**0.03**	(0.03)
Government grant	**(3.66)**	2.55	**(3.66)**	2.55
Capital contributions by customers	**(1.35)**	1.80	**(1.35)**	1.80
Deferred tax on assets with no tax values	**1.40**	(5.13)	**1.40**	(5.13)
Dividends received	**(0.02)**	-	**(0.02)**	-
Manufacturing deduction	**0.43**	-	**0.43**	-
Gains & losses on non-current financial instruments	**(0.03)**	0.16	**(0.03)**	0.16
Prior year charge	**-**	3.03	**-**	3.03
Effective tax rate	**29.04**	34.26	**29.04**	34.26

Taxation recognised in other comprehensive income

	CONSOLIDATED			COMPANY		
		Tax expense			Tax expense	
2024	Before tax	(benefit)	Net of tax	Before tax	(benefit)	Net of tax
Remeasurements of employee benefit provisions	**(15,428)**	**4,937**	**(10,491)**	**(15,428)**	**4,937**	**(10,491)**
Share of other comprehensive income of associates	**(184,161)**	**-**	**(184,161)**	**-**	**-**	**-**
Valuation of listed equity instruments	**(570)**	**-**	**(570)**	**(570)**	**-**	**(570)**
Valuation of debt-instruments	**(4,074)**	**-**	**(4,074)**	**(4,074)**	**-**	**(4,074)**
Valuation of unlisted equity instruments	**(24,161)**	**-**	**(24,161)**	**(24,161)**	**-**	**(24,161)**
Revaluation of property, plant and equipment	**(4,364,775)**	**1,396,728**	**(2,968,047)**	**(4,364,775)**	**1,396,728**	**(2,968,047)**
Revaluation of land	**(5,901)**	**-**	**(5,901)**	**(5,901)**	**-**	**(5,901)**
Revaluation of strategic inventory	**(76,233)**	**24,395**	**(51,839)**	**(76,233)**	**24,395**	**(51,839)**
	(4,675,303)	**1,426,060**	**(3,249,244)**	**(4,491,142)**	**1,426,060**	**(3,065,083)**
2023						
Remeasurements of employee benefit provisions	(48,249)	15,440	(32,809)	(48,249)	15,440	(32,810)
Share of other comprehensive income of associates	(185,296)	-	(185,296)	-	-	-
Valuation of listed equity instruments	(138)	-	(138)	(138)	-	(138)
Valuation of debt-instruments	8,451	-	8,451	8,451	-	8,451
Valuation of unlisted equity instruments	(53,009)	-	(53,009)	(53,009)	-	(53,009)
Revaluation of property, plant and equipment	(93,447)	29,903	(63,544)	(93,447)	29,903	(63,544)
Revaluation of strategic inventory	137,388	(43,964)	93,424	137,388	(43,964)	93,424
	(234,300)	1,213	(233,086)	(49,003)	1,379	(47,625)

16. SHARE CAPITAL AND RESERVES

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
16.1 Authorised				
365 000 000 ordinary shares at N$1	**365,000**	365,000	**365,000**	365,000
16.2 Issued and fully paid share capital				
165 000 000 (2023: 165 000 000) ordinary shares at N$1	**165,000**	165,000	**165,000**	165,000
The unissued share capital is under the control of the Government of the Republic of Namibia, represented by the Ministry of Mines and Energy, as the sole shareholder.				
16.3 Share premium				
Share premium arising on shares issued	**900,000**	900,000	**900,000**	900,000

100 000 000 Ordinary shares of N$1 each and share premium of N$9.

(2023: 100 000 000 Ordinary shares of N$1 each and share premium of N$9.)

Holders of the ordinary shares are entitled to dividends whenever dividends to ordinary shareholders are declared and are entitled to one vote per share at general meetings of the Company.

16. 4 Reserve Fund

The reserve fund is utilised to fund costs associated with potential energy crises. There are no restrictions on the distribution of the balance to the shareholders.

16.5 Development Fund

The development fund is utilised for the total or partial financing of capital works and extensions to power stations, transmission and distribution networks. There are no restrictions on the distribution of the balance to the shareholders.

16.6 Capital revaluation reserve

The revaluation reserve relates to the increments and decrements on the revaluation of property, plant and equipment. There are no restrictions on the distribution of the balance to the shareholders.

16.7 Strategic inventory revaluation reserve

The revaluation reserve relates to the revaluation of strategic inventory items. The revaluation is performed in line with the Group's property, plant and equipment policy. There are no restrictions on the distribution of the balance to the shareholders.

16.8 Investment valuation reserve

The reserve consists of all fair value movements relating to financial instruments classified as fair value through other comprehensive income.

The fair value adjustment relates to 25 249 shares held in Sanlam Ltd, 57 shares held in Alten Solar Power (Hardap) Pty Ltd, 1 267 500 shares held in 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:

					30 June 2024		30 June 2023	
		Coupon	Effective	Year of	Carrying	Face	Carrying	Face
17.1 Interest bearing borrowings	Currency	interest rate	interest rate	maturity	amount	value	amount	value
					N$'000	N$'000	N$'000	N$'000
17.1.1 Development Bank of Namibia	NAD	Prime less 4.5%	Prime less 4.5%	2024	-	-	5,888	5,888
17.1.2 European Investment Bank - loan III	ZAR	9.26%	9.26%	2029	124,183	120,917	146,762	142,902
17.1.3 Agence Francaise de Development II	ZAR	9.10%	9.10%	2027	79,265	77,206	101,913	99,265
17.1.4 KFW Bankengruppe	ZAR	8.26%	8.26%	2027	142,380	138,991	183,053	178,702
					345,828	337,114	437,616	426,757
Less: Instalments payable within one year transferred to current liabilities					92,470	83,755	100,944	90,086
					253,358	253,359	336,672	336,671

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 2024.

The ratios below are calculated based on/aligned to the definitions as per loan agreements with lenders.

Ratios	Agreement requirement	2024	2023
Debt Service Coverage (12 months)	Above 1.3	22.24	9.12
Two-year average debt service coverage ratio	Above 1.4	15.68	4.99
Debt to total debt and equity ratio	Below 65%	0.99%	1.29%
Net debt to EBITDA ratio	Below 4	(5.5)	(11.9)

Defaults and breaches

There were no defaults or breaches of the loan agreements during the year under review.

18. DEFERRED REVENUE LIABILITIES

		CONSOLIDATED			COMPANY		
		2024	2023	01 July 2022	**2024**	2023	01 July 2022
	Notes	**N$'000**	N$'000	N$'000	**N$'000**	N$'000	N$'000
			*Restated	*Restated		*Restated	*Restated
Non-current liability							
Generation assets: Anixas	**18.1**	**141,830**	152,702	161,567	**141,830**	152,702	161,567
Transfers of assets from customers	**18.3**	**236,989**	268,817	254,965	**236,989**	268,817	254,965
Interest rate subsidy - EIB Loan III	**18.2**	**3,415**	5,498	7,581	**3,415**	5,498	7,581
Capital contributions received	**18.4**	**910,092**	810,773	674,451	**910,092**	810,773	674,451
Omburu PV Plant	**18.6**	**297,752**	311,753	315,268	**297,752**	311,753	315,268
		1,590,078	1,549,543	1,413,832	**1,590,078**	1,549,543	1,413,832
Current liability							
Interest rate subsidy - EIB Loan III	**18.2**	**2,083**	2,083	2,416	**2,083**	2,083	2,416
Generation assets: Anixas	**18.1**	**8,864**	6,857	6,857	**8,864**	6,857	6,857
Long-run marginal cost	**18.5**	**115,955**	290,259	309,849	**115,955**	290,259	309,849
Transfers of assets from customers	**18.3**	**68,920**	67,137	31,055	**68,920**	67,137	31,055
Omburu PV Plant	**18.6**	**13,690**	13,690	13,274	**13,690**	13,690	13,274
		209,512	380,026	363,451	**209,512**	380,026	363,451

18.1 Deferred revenue - Government Grants

Generation assets: Anixas						
Opening balance	**159,560**	168,424	177,288	**159,560**	168,424	177,288
Recognised in profit or loss	**(8,864)**	(8,864)	(8,864)	**(8,864)**	(8,864)	(8,864)
Closing balance	**150,696**	159,560	168,424	**150,696**	159,560	168,424

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 (2023: N$8.9 million) was recognised as income during the current year while the N$150.7 million (2023: N$159.6 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.

DEFERRED REVENUE LIABILITIES (CONTINUED)

	CONSOLIDATED			COMPANY		
	2024	2023	01 July 2022	**2024**	2023	01 July 2022
	N$'000	N$'000	N$'000	**N$'000**	N$'000	N$'000
		*Restated	*Restated		*Restated	*Restated
18.2 Interest rate subsidy - EIB Loan III						
Reconciliation of deferred revenue - Interest rate subsidy						
Opening balance	**7,581**	9,997	12,746	**7,581**	9,997	12,746
Recognised in profit or loss	**(2,083)**	(2,416)	(2,749)	**(2,083)**	(2,416)	(2,749)
Closing balance	**5,498**	7,581	9,997	**5,498**	7,581	9,997

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$2.1 million (2023: N$2.4 million) was recognised as income during the current year whilst the remaining N$5.5 million (2023: N$7.6 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	**335,954**	286,020	259,047	**335,954**	286,020	259,047
Additions in the current period	**44,566**	124,929	119,845	**44,566**	124,929	119,845
Recognised in profit or loss	**(74,611)**	(74,995)	(92,872)	**(74,611)**	(74,995)	(92,872)
Closing balance	**305,909**	335,954	286,020	**305,909**	335,954	286,020
Current	**68,920**	67,137	31,055	**68,920**	67,137	31,055
Non-current	**236,989**	268,817	254,965	**236,989**	268,817	254,965
	305,909	335,954	286,020	**305,909**	335,954	286,020

The N$44.6 million (2023: N$124.9 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 23% (N$68.9 million) of the unsatisfied performance obligations as of 30 June 2024 will be recognised as revenue during the next reporting period. The remaining 77% (N$237 million) will be recognised over the shorter of remaining useful lives of the assets and the PSA.

DEFERRED REVENUE LIABILITIES (CONTINUED)

18.4 Deferred revenue: Capital contributions received

Capital contributions received include upfront payments received from Transmission customers for the construction of assets. The upfront capital contribution is initially recognised in deferred revenue, once the construction of the asset is complete, the deferred revenue is recognised in revenue in accordance with IFRS 15 over the period of the Power Supply Agreement (PSA) or the useful life of the asset whichever is shorter.

	CONSOLIDATED			COMPANY		
	2024	2023	01 July 2022	**2024**	2023	01 July 2022
	N$'000	N$'000	N$'000	**N$'000**	N$'000	N$'000
		*Restated	*Restated		*Restated	*Restated
Opening balance	**810,773**	674,451	725,513	**810,773**	674,451	725,513
Payments received	**107,947**	174,059	45,678	**107,947**	174,059	45,678
Transfers to assets from customers	**-**	-	(87,460)	**-**	-	(87,460)
Project costs incurred	**(8,628)**	(37,737)	(9,280)	**(8,628)**	(37,737)	(9,280)
Closing balance	**910,092**	810,773	674,451	**910,092**	810,773	674,451

The increase in capital contributions received from customers is mainly as a result of contributions in respect of new customer contracts amounting to N$150.7 million (2023: N$174.1 million).

The Group expects that 17% (N$150.7 million) of the unsatisfied performance obligations as of 30 June 2024 will be recognised as transfers of assets from customers during the next reporting period.

The remaining 17% (N$759.4 million) will be recognised in the financial periods from 2024 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$200 million (2023: N$32.4 million) of the LRMC utilised as fuel cost subsidy for the Van Eck and Anixas Power Stations in respect of the 2023 financial year.

Opening balance	**290,259**	309,849	495,483	**290,259**	309,849	495,483
Interest received	**25,696**	23,020	21,238	**25,696**	23,020	21,238
LRMC utilised - Van Eck and Anixas Power Stations fuel cost subsidy	**(200,000)**	(32,435)	(50,000)	**(200,000)**	(32,435)	(50,000)
LRMC utilised-Subsidy to Omburu PV	**-**	(10,175)	(156,872)	**-**	(10,175)	(156,872)
Closing balance	**115,954**	290,259	309,849	**115,955**	290,259	309,849

18.6 Deferred revenue: Omburu PV Plant

Opening balance	**325,443**	328,542	174,989	**325,443**	328,542	174,989
Recognised in profit or loss	**(14,001)**	(13,274)	(3,319)	**(14,001)**	(13,274)	(3,319)
Received from LRMC	**-**	10,175	156,872	**-**	10,175	156,872
Closing balance	**311,442**	325,443	328,542	**311,442**	325,443	328,542

The Group constructed a 20MW PV plant which was commissioned during 2022. The Electricity Control Board approved an amount of N$342 million to be utilised from the LRMC towards the cost of the construction. The funds were claimed as and when the Group incurred the cost of construction. During the year under review, N$Nil (2023: N$10.2 million) was withdrawn from the LRMC fund with the approval of the ECB. Of these funds N$14 million (2023: N$13.3 million) was recognised as income during the current year while the N$311 million (2023: N$325.4 million) represents deferred income and will be recognised on a systematic basis over the useful life of the power plant.

18.7 Deferred revenue prior period restatement

In the prior periods, the Group received a government grant to subsidise the construction costs for the Omburu PV. The Group initially recognises government grants relating to construction of electricity In the prior periods, the Regulator, the Electricity Control Board approved withdrawal of funds from the LRMC fund to subsidise the construction costs for the Omburu PV plant. As a result, the Group treated the costs incurred to construct the Omburu PV plant as a transfer from one category of deferred revenue (LRMC) to another category of deferred revenue (Omburu PV plant), since these categories of deferred revenue have different performance obligations attached to them to activate revenue recognition in accordance with IFRS 15 (refer to note 3(k) of the accounting policies). The deferred revenue that is expected to be recognised in the profit or loss within twelve months after year end are classified as current deferred revenue liabilities.

During 2024, the Group discovered that, in prior financial years, the portion of the Omburu PV plant deferred revenue liability that was expected to be recognised as revenue more than twelve months after year-end was erroneously classified as a current deferred revenue liability as opposed to non-current deferred revenue liability. The error resulted in a material understatement of non-current deferred revenue liabilities in the prior financial periods, and a corresponding overstatement of current deferred revenue liabilities.

The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

	CONSOLIDATED AND COMPANY		
	Previously reported	Impact of change	Restated
	N$'000	N$'000	N$'000
Statement of financial position at 30 June 2023 (extract)			
Liabilities			
Total non-current liabilities			
Deferred revenue liabilities	1,237,790	311,753	1,549,543
Total current liabilities			
Deferred revenue liabilities	691,779	(311,753)	380,026
Statement of financial position at 01 July 2022 (extract)			
Liabilities			
Total non-current liabilities			
Deferred revenue liabilities	1,098,564	315,268	1,413,832
Total current liabilities			
Deferred revenue liabilities	678,719	(315,268)	363,451

19. DEFERRED TAX LIABILITIES

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Balance at the beginning of the year	**10,681,094**	11,205,126	**10,677,592**	11,201,459
Current charge recognised in profit or loss	**255,202**	(603,872)	**255,202**	(603,872)
Current year (loss)/profit	**255,202**	(603,872)	**255,202**	(603,872)
Temporary differences	**13,686**	(502,695)	**13,686**	(502,695)
Unused tax loss	**241,516**	(101,177)	**241,516**	(101,177)
Timing differences for current period recognised through profit/loss - decrease in PPE with no corresponding decrease in tax value	**27,330**	78,626	**27,330**	78,626
Current charge recognised in other comprehensive income	**1,426,059**	1,214	**1,426,059**	1,379
Balance at end of year	**12,389,685**	10,681,094	**12,386,183**	10,677,592
The balance comprises:				
Deferred tax liabilities	**12,803,466**	11,704,638	**12,799,964**	11,701,136
Deferred tax assets	**(413,781)**	(1,023,544)	**(413,781)**	(1,023,544)
Total net deferred tax liability/asset	**12,389,685**	10,681,094	**12,386,183**	10,677,592
Deferred tax liabilities:				
Deferred tax liabilities to be recovered after more than 12 months	**12,799,084**	11,691,372	**12,795,582**	11,687,870
Deferred tax liability to be recovered within 12 months	**4,382**	13,266	**4,382**	13,266
	12,803,466	11,704,638	**12,799,964**	11,701,136
Deferred tax assets:				
Deferred tax assets to be recovered after more than 12 months	**(413,781)**	(1,023,544)	**(413,781)**	(1,023,544)
	(413,781)	(1,023,544)	**(413,781)**	(1,023,544)
Property, plant and equipment	**12,518,883**	11,358,780	**12,515,381**	11,355,278
Strategic inventory	**275,917**	271,035	**275,917**	271,035
Inventory write off	**-**	(10,400)	**-**	(10,400)
Prepayments	**4,382**	13,266	**4,382**	13,266
Inventories	**5,508**	4,637	**5,508**	4,637
Unused tax loss	**-**	(241,516)	**-**	(241,516)
Expected credit losses on investments	**(1,935)**	(1,714)	**(1,935)**	(1,714)
Severance pay liability	**(13,777)**	(13,449)	**(13,777)**	(13,449)
Fair value swaps, loans and unrealised foreign exchange losses	**(1,225)**	56,920	**(1,225)**	56,920
Retention creditors	**(44,533)**	(36,238)	**(44,533)**	(36,238)
Post retirement medical benefit	**(76,770)**	(63,887)	**(76,770)**	(63,887)
Power purchase and power sales agreement- embedded derivative	**(15,252)**	(441,210)	**(15,252)**	(441,210)
Provisions and advance payments	**(68,801)**	(60,146)	**(68,801)**	(60,146)
Trade receivables	**(192,712)**	(154,984)	**(192,712)**	(154,984)
	12,389,685	10,681,094	**12,386,183**	10,677,592

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
At 1 July 2022	**-**	**(88,781)**	**-**	**(63,530)**	**(162,173)**	**(310,356)**	**(624,840)**
(Charged)/credited							
- to profit or loss	-	-	-	3,384	7,189	(420,722)	(410,149)
- to other comprehensive income	-	11,446	-	-	-	-	11,445
At 1 July 2023	**-**	**(77,336)**	**-**	**(60,146)**	**(154,984)**	**(731,078)**	**(1,023,544)**
(Charged)/credited							
- to profit or loss	-	-	-	(8,656)	(37,728)	669,357	622,973
- to other comprehensive income	-	(13,210)	-	-	-	-	(13,210)
At 30 June 2024	**-**	**(90,546)**	**-**	**(68,802)**	**(192,712)**	**(61,721)**	**(413,781)**
Movements - Deferred tax liabilities							
At 1 July 2022	**11,526,533**	**-**	**180,577**	**-**	**-**	**119,188**	**11,826,298**
(Charged)/credited							
- to profit or loss	**-**	-	-	-	-	46,093	46,093
- to other comprehensive income	(171,255)	-	-	**-**	**-**	**-**	(171,255)
At 1 July 2023	**11,355,278**	**-**	**180,577**	**-**	**-**	**165,281**	**11,701,136**
(Charged)/credited							
- to profit or loss	-	-	-	-	-	(61,275)	(61,275)
- to other comprehensive income	1,160,103	-	-	-	-	-	1,160,103
At 30 June 2024	**12,515,381**	**-**	**180,577**	**-**	**-**	**104,006**	**12,799,964**

20. TRADE AND OTHER PAYABLES

	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
	N$'000	N$'000	N$'000	N$'000
Financial instruments:				
Trade payables	**1,181,855**	794,842	**1,181,863**	794,850
Value Added Tax	**48,439**	74,908	**48,439**	74,908
Retention creditors	**-**	56,795	**-**	56,795
Non-financial instruments:				
Leave and bonus accruals	**348,266**	161,298	**348,266**	161,298
Total trade and other payables	**1,578,560**	1,087,843	**1,578,568**	1,087,851

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	**1,230,294**	926,553	**1,230,302**	926,553
Non-financial instruments	**348,266**	161,298	**348,266**	161,298
	1,578,560	1,087,843	**1,578,568**	1,087,851

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 2024 for leave accruals were N$151.9 million (2023: N$141.6 million) and bonus accruals were N$196.4 million (2023:N$19.7 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	**139,167**	56,449	**139,167**	56,449
Current (included in trade payables)	**-**	56,795	**-**	56,795
	139,167	113,244	**139,167**	113,244

This represents retentions held by the Company in respect of defect clauses in contracts with suppliers.

21. DERIVATIVES

	CONSOLIDATED			COMPANY		
	2024	2023	01 July 2022	**2024**	2023	01 July 2022
	N$'000	N$'000 *Restated	N$'000 *Restated	**N$'000**	N$'000 *Restated	N$'000 *Restated
21.1 Derivative assets						
Non-current assets						
Embedded derivative - Power Purchase Agreement (PPA)	**204,151**	-	-	**204,151**	-	-
	204,151	-	-	**204,151**	-	-
Current assets						
Forward exchange contract assets	**-**	50,033	51,139	**-**	50,033	51,139
Valuation firm commitments	**44**	-	-	**44**	-	-
	44	50,033	51,139	**44**	50,033	51,139
21.2 Derivative liabilities						
Non-current liabilities						
Embedded derivative - Power Purchase Agreement (PPA)	**177,247**	1,035,339	358,681	**177,247**	1,035,339	358,681
	177,247	1,035,339	358,681	**177,247**	1,035,339	358,681
Current liabilities						
Forward exchange contract liabilities	**14,706**	-	-	**14,706**	-	-
Valuation firm commitments	**-**	2,265	526	**-**	2,265	526
Embedded derivative - Power Purchase Agreement (PPA)	**74,566**	343,443	83,676	**74,566**	343,443	83,676
	89,272	345,708	84,202	**89,272**	345,708	84,202

DERIVATIVES (CONTINUED)

21.3 Derivatives prior period restatement

During 2024, the Group discovered that, in prior financial years, the portion of the embedded derivative liabilities that were expected to be settled more than twelve months after year-end was erroneously classified as current derivative liabilities as opposed to non-current derivative liabilities. The error resulted in a material understatement of non-current derivative liabilities in the prior financial periods, and a corresponding overstatement of current derivative liabilities.

The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

	CONSOLIDATED AND COMPANY		
	Previously reported	Impact of change	Restated
	N$'000	N$'000	N$'000
Statement of financial position at 30 June 2023 (extract)			
Liabilities			
Total non-current liabilities			
Derivative liabilities	-	1,035,339	1,035,339
Total current liabilities			
Derivative liabilities	1,381,047	(1,035,339)	345,708
Statement of financial position at 01 July 2022 (extract)			
Liabilities			
Total non-current liabilities			
Derivative liabilities	-	358,681	358,681
Total current liabilities			
Derivative liabilities	442,883	(358,681)	84,202

The Group hedges its risk to interest rate and currency risks in terms of the foreign loans by entering into interest rate and cross currency swaps.

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 significant decrease in the liability is the appreciation in the NAD:USD exchange rate. The lower average forecasted US PPI index is an additional factor which contributed to the decreased liability for the 80MW contract. The lower average forecasted US PPI index as well as the lower forecasted capacity factors are additional factors 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 supply under the 80MW power purchase agreement was reduced by 60MW to 20MW. The reduction in supply is effective from 1 July 2024 until 30 June 2025, after which the supply will reset to the originally agreed upon capacity of 80MW. The agreement gave rise to a substantial modification of the embedded derivative liability. On the date of the modification, the embedded derivative which was derecognised amounted to N$721.7 million (liability) as determined using the initially agreed upon capacity of 80MW. Following the modification, the embedded derivative recognised amounted to N$119.5 million (asset), thereby giving rise to a modification date gain of N$841.2 million.

22. EMPLOYEE BENEFIT PROVISIONS

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Post Retirement Medical Benefits	**239,906**	199,646	**239,906**	199,646
Severance pay liability	**43,052**	42,027	**43,052**	42,027
	282,958	241,673	**282,958**	241,673
Current	**42,226**	-	**42,226**	-
Non-current	**240,732**	241,673	**240,732**	241,673
	282,958	241,673	**282,958**	241,673

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 2024, as determined by an actuarial valuation, was N$239.9 million (2023: N$199.6 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$34.4 million (2023: N$31.5 million) in contributions to the defined benefit plans in 2025.

Membership data

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

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Current (in service) employees				
Number of active employees	**263**	303	**263**	303
Subsidy weighted average age	**55.90**	55.70	**55.90**	55.70
Subsidy weighted average past service	**29.20**	28.45	**29.20**	28.45
Average monthly subsidy payable during retirement (N$)	**4,800**	4,200	**4,800**	4,200
Continuation members (pensioners)				
Number of continuation members	**147**	144	**147**	144
Subsidy weighted average age	**70.80**	70.46	**70.80**	70.46
Average monthly subsidy (N$)	**5,120**	4,650	**5,120**	4,650
Liability for defined benefit obligations				
The following were the principal actuarial assumptions at the reporting date:				
Discount rate at 30 June (%)	**13.34**	13.37	**13.34**	13.37
Medical cost trend rate (%)	**9.28**	9.37	**9.28**	9.37
Consumer price inflation (%)	**7.78**	7.87	**7.78**	7.87
Net effective discount rate	**3.72**	3.66	**3.72**	3.66

Discount rate

The nominal and real zero yield curves as at 28 June 2024, 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 12.9 (2023: 13.4) 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.

EMPLOYEE BENEFIT PROVISIONS (CONTINUED)

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:

	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

Changes to in service membership as at the valuation dates:	30-06-2024 Valuation	30-06-2023 Valuation	% Change
Number of active employees	**263**	303	-13.2%
Subsidy weighted average age	**55.90**	55.70	0.4%
Subsidy weighted average age	**29.17**	28.45	2.5%
Average monthly subsidy (N$)	**4,800**	4,200	14.3%

Changes to continuation membership (pensioners' membership) as at the valuation dates:

Number of principal members	**147**	144	2.1%
Subsidy weighted average age	**70.81**	70.46	0.5%
Average monthly subsidy (N$)	**5,120**	4,650	10.1%

Changes in the valuation assumptions as at the valuation dates:

Financial variable			
Discount rate	**13.34%**	13.37%	-0.2%
Consumer price inflation	**7.78%**	7.87%	-1.1%
Medical aid Inflation	**9.28%**	9.37%	-1.0%
Net effective discount rate	**3.72%**	3.66%	1.6%

EMPLOYEE BENEFIT PROVISIONS (CONTINUED)

22.1.2 Movements in the net liability for defined benefit obligations recognised in the statement of financial position

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Net liability for defined obligations as at 1 July	**199,646**	221,089	**199,646**	221,089
Interest cost	**26,593**	28,992	**26,593**	28,992
Current service costs	**3,552**	4,658	**3,552**	4,658
Past service costs	**33,263**	-	**33,263**	-
Benefits paid				
- Employer	**(1,235)**	(1,046)	**(1,235)**	(1,046)
- Continuation members	**(6,484)**	(5,798)	**(6,484)**	(5,798)
Remeasurements				
- Gain from economic assumptions	**(2,077)**	(25,543)	**(2,077)**	(25,543)
- Gain from experience	**(13,351)**	(22,706)	**(13,351)**	(22,706)
Net liability for defined obligations as at 30 June	**239,906**	199,646	**239,906**	199,646

The main reasons for the actuarial loss 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$2.1 million.

Change in membership and other smaller assumptions – Over the past year, there has been a change in the membership. In-service membership decreased from 303 to 263, which is a larger decrease than expected. This, together with a number of other smaller changes resulted in a decrease in liability of around N$13.4 million.

Changes in demographic assumptions – From the previous valuation to the current valuation, there were changes in the retirement ages used in the valuation. Previously a normal retirement age of 65 was used, but for this valuation all active members employed after 1 July 1995 had a normal retirement age of 60. An earlier retirement age means there are additional years that have subsidies paid out, which increases the liability. This resulted in an increase in the liability of around N$33.3 million.

EMPLOYEE BENEFIT PROVISIONS (CONTINUED)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are:

Discount rate	-1% discount rate		+1% discount rate	
	2024	2023	**2024**	2023
Defined benefit obligation	**268,972**	224,704	**215,513**	178,718
Service cost	**5,248**	4,173	**3,926**	3,047
Interest cost	**33,154**	27,760	**30,729**	25,520

Medical aid inflation / Consumer Price Inflation (CPI)	-1% medical aid inflation / CPI		+1% medical aid inflation / CPI	
	2024	2023	**2024**	2023
Defined benefit obligation	**214,471**	177,839	**269,857**	225,451
Service cost	**3,901**	3,026	**5,271**	4,192
Interest cost	**28,445**	23,624	**35,961**	30,106

Mortality rate	-20% mortality rate		+20% mortality rate	
	2024	2023	**2024**	2023
Defined benefit obligation	**258,469**	216,634	**224,606**	185,694
Service cost	**4,870**	3,891	**4,230**	3,270
Interest cost	**34,367**	28,857	**29,862**	24,735

Risk exposure

Through its post retirement medical benefit plan, the Group is exposed to a number of risks, the most significant of which are detailed below:

Discount rate

The value of the liability is directly dependent on the discount rate, as a change in discount rate will result in the liabilities being discounted more or less than the current assumed value.

Medical aid inflation

The cost of the subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have a direct effect on the liability of future retirees.

Consumer Price Inflation (CPI)

The value of the liability is directly dependent on the rate of CPI, as the level at which the liabilities grow are directly linked to CPI.

Mortality rate

Deviations from the assumed level of mortality experience of the current employees and the continuation members (pensioners) will have a large impact on the actual cost to the Group. If the actual rate of mortality turns out higher than the rates assumed in the valuation basis, the cost to the Group in the form of subsidies will reduce and vice versa.

The total liability for key management is given below.

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Key Management	**4,026**	2,552	**4,026**	2,552
Expected maturity analysis of the post retirement medical benefits:				
Within one year	**9,455**	8,424	**9,455**	8,424
Between 1 - 5 years	**40,581**	36,230	**40,581**	36,230
More than 5 years	**189,870**	154,992	**189,870**	154,992
Total	**239,906**	199,646	**239,906**	199,646

22.1.3 Expense recognised in profit or loss

Current service costs	**3,552**	4,658	**3,552**	4,658
Past service costs	**33,263**	-	**33,263**	-
Interest cost	**26,593**	28,992	**26,593**	28,992
	63,408	33,650	**63,408**	33,650

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

22.2 Severance pay liability

Present value of net obligations	**43,052**	42,027	**43,052**	42,027
Present value of unfunded obligations	**43,052**	42,027	**43,052**	42,027
Recognised liability for defined benefit obligations	**43,052**	42,027	**43,052**	42,027

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$8.3 million (2023: N$1.8 million) in contributions to this plan in 2025.

Membership data

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

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Current employees	**1,136**	1,107	**1,136**	1,107
Average annual salary (N$)	**610,288**	599,462	**610,288**	599,462
Salary weighted average past service (Years)	**14.82**	14.52	**14.82**	14.52

22.2.1 Liability for severance pay obligations

The following were the principal actuarial assumptions at the reporting date:

Discount rate at 30 June (%)	**10.44**	10.79	**10.44**	10.79
Salary inflation rate at 30 June (%)	**6.38**	6.90	**6.38**	6.90
Net effective discount rate	**3.81**	3.64	**3.81**	3.64

Discount rate

The nominal and real zero yield curves as at 28 June 2024, 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 5.69 (2023: 6.12) years.

The net effective discount rate is based on the relationship between the (yield curve based) discount rate for the relevant duration and the (yield curve based) salary inflation for the relevant duration.

Salary inflation

The underlying future rate of consumer price index inflation (CPI inflation) was derived from the point on the yield curve which matches the implied duration of the liability. The assumed rate of salary inflation was set as the calculated value of CPI plus 1%.

Mortality rates

Mortality before retirement has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry.

The current longevities underlying the values of the severance pay liability at the reporting date were as follows:

	Longevity (years) at age 65	Longevity (years) at age 60
Males	**11.2**	**15.3**
Females	**16.1**	**19.1**

The sensitivity of the severance pay obligation to changes in the weighted principal assumption is:

Discount rate	-1% discount rate		+1% discount rate	
	2024	2023	**2024**	2023
Severance pay obligation	**45,339**	44,424	**40,963**	39,843
Service cost	**1,652**	1,645	**1,460**	1,445
Interest cost	**4,070**	4,292	**4,421**	4,617

Normal salary inflation	-1% normal salary inflation		+1% normal salary inflation	
	2024	2023	**2024**	2023
Severance pay obligation	**40,867**	39,747	**45,407**	44,491
Service cost	**1,456**	1,441	**1,655**	1,648
Interest cost	**4,025**	4,215	**4,509**	4,738

Mortality rate	-20% mortality rate		+20% mortality rate	
	2024	2023	**2024**	2023
Severance pay obligation	**41,529**	40,611	**44,546**	43,416
Service cost	**1,444**	1,438	**1,654**	1,638
Interest cost	**4,107**	4,322	**4,405**	4,608

The severance pay liability is 100% unfunded. No dedicated assets had been set aside to meet this liability in the future.

EMPLOYEE BENEFIT PROVISIONS (CONTINUED)

Risk exposure

Through its post retirement medical benefit plan, the Group is exposed to a number of risks, the most significant of which are detailed below:

Discount rate

The cost of the long service awards is dependent on the rate at which the future benefit payments are discounted at. This discount rate therefore has a direct effect on the level of the liabilities

Normal salary inflation

The cost of the long service awards is dependent on the increase in the annual salaries paid to employees. The rate at which salaries increase will thus have a direct effect on the liability.

Mortality rate

Deviations from the assumed level of mortality experience of the current employees will have a large impact on the actual cost to the Group. If the actual rate of mortality turns out higher than the rates assumed in the valuation basis, the cost to the Group will reduce and vice versa.

22.2.2 Movements in the net liability for defined benefit obligations recognised in the Group and Company statements of financial position

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Net liability for defined obligations as at 1 July	**42,027**	56,352	**42,027**	56,352
Interest cost	**4,467**	6,410	**4,467**	6,410
Current service costs	**1,539**	2,323	**1,539**	2,323
Benefits paid	**(2,732)**	(4,800)	**(2,732)**	(4,800)
Actuarial gain on obligation:	**-**	-	**-**	-
- Financial assumptions	**(689)**	(8,529)	**(689)**	(8,529)
- Gain from experience	**(1,560)**	(9,729)	**(1,560)**	(9,729)
Net liability for defined obligations as at 30 June	**43,052**	42,027	**43,052**	42,027

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$399.3 thousand.

Changes in salary increase – Over the past year, the average salary increased by a smaller percentage than expected. It was assumed the salaries would increase by 6.9%, but the average salary only increased by 1.8%. This resulted in a decrease in the liability of around N$289.1 thousand.

Changes in membership data and other smaller assumptions – Over the past year, there were various changes in membership data. Despite an overall increase in the total members, there was a reduction in members who receive benefits of both death and retirement. These benefits are larger, so a reduction in their members will result in the liability decreasing. The average past service also increased with a smaller percentage than expected. This, along with some other smaller assumption changes, resulted in a decrease in liability of around N$1.6 million.

Expected maturity analysis of the severance pay liability:

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Within one year	**6,075**	2,838	**6,075**	2,838
Between 1 - 5 years	**15,304**	19,042	**15,304**	19,042
More than 5 years	**21,673**	20,147	**21,673**	20,147
Total	**43,052**	42,027	**43,052**	42,027

22.2.3 Expense recognised in the Group and Company statements of profit or loss

Current service costs	**1,539**	2,323	**1,539**	2,323
Interest on obligation	**4,467**	6,410	**4,467**	6,410
	6,006	8,733	**6,006**	8,733

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)	**(15,428)**	(48,249)	**(15,428)**	(48,249)

22.4 Actuarial gain recognised in profit or loss

Remeasurements of severance pay liability - actuarial gain	**(2,249)**	(18,258)	**(2,249)**	(18,258)

23. CAPITAL COMMITMENTS

	CONSOLIDATED		COMPANY	
	2024	**2023**	**2024**	**2023**
	N$'000	N$'000	**N$'000**	N$'000
Projects for Capital Expenditure				
Approved by Board of Directors	**12,670,876**	12,521,135	**12,670,876**	12,521,135
Less: Expenditure to 30 June	**(3,238,570)**	(1,306,207)	**(3,238,570)**	(1,306,207)
Amount still to be expended	**9,432,306**	11,214,928	**9,432,306**	11,214,928
Amounts contracted for year end	**61,029**	719,941	**61,029**	719,941
	61,029	719,941	**61,029**	719,941

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

Recognised in profit or loss				
Interest income on:	**864,539**	713,438	**864,539**	713,438
• Financial assets at amortised cost	**577,421**	391,150	**577,421**	391,150
• Financial assets at fair value through profit or loss	**287,118**	322,288	**287,118**	322,288
Interest costs on:	**(31,194)**	(38,624)	**(31,194)**	(38,624)
• Financial liabilities mandatorily measured at fair value through profit or loss	**-**	(116)	**-**	(116)
• Financial liabilities at amortised cost	**(31,194)**	(38,508)	**(31,194)**	(38,508)
	833,345	674,814	**833,345**	674,814

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 33).

Disaggregation of revenue - Per performance obligation

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Revenue Comprises				
Over time				
- Sales of electricity	**4,819,502**	4,224,075	**4,819,502**	4,224,075
- Services	**36,404**	35,130	**36,404**	35,130
- SAPP market sales	**695,156**	170,131	**695,156**	170,131
- Transfer of assets from customers - Capital contributions by customers	**75,551**	83,177	**75,551**	83,177
- Maximum demand	**1,050,133**	966,333	**1,050,133**	966,333
- Network charges	**902,430**	842,115	**902,430**	842,115
- Reliability Charges	**372,860**	366,089	**372,860**	366,089
- Losses Charges	**468,275**	409,795	**468,275**	409,795
- Other	**139,338**	111,842	**139,338**	111,842
	8,559,649	7,208,687	**8,559,649**	7,208,687
Per customer type - Revenue Comprises				
Transmission customers				
- Sales of electricity	**4,348,740**	3,827,952	**4,348,740**	3,827,952
- Services	**14,887**	13,738	**14,887**	13,738
- Maximum demand	**862,042**	800,490	**862,042**	800,490
- Network charges	**902,430**	841,886	**902,430**	841,886
- Reliability Charges	**372,860**	366,089	**372,860**	366,089
- Losses Charges	**468,275**	409,795	**468,275**	409,795
- Other charges	**97,283**	73,124	**97,283**	73,124
- Transfer of assets from customers - Capital contributions by customers	**75,551**	83,174	**75,551**	83,174
	7,142,068	6,416,248	**7,142,068**	6,416,248
Support services customers				
- Sales of electricity	**459,494**	384,883	**459,494**	384,883
- Sales of electricity - prepaid	**11,268**	11,241	**11,268**	11,241
- Services	**21,517**	21,391	**21,517**	21,391
- Maximum demand	**188,091**	165,843	**188,091**	165,843
- Network charges	**-**	229	**-**	229
- SAPP market sales	**695,156**	170,131	**695,156**	170,131
- Other charges	**42,055**	38,721	**42,055**	38,721
	1,417,581	792,439	**1,417,581**	792,439
	8,559,649	7,208,687	**8,559,649**	7,208,687

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 for a performance obligation since either of the following conditions is met for all revenue streams except for capital contributions by customers:

(i) the performance obligation is part of a contract that has an original expected duration of one year or less; or
(ii) 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	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Other income comprises of:				
- Government grant and subsidies	**222,866**	122,139	**222,866**	122,139
- Other grant funding	**5,654**	525	**5,654**	525
- Fibre optic lease revenue	**14,280**	15,578	**14,280**	15,578
- Sundry income	**61,215**	39,421	**61,215**	39,421
	304,015	177,663	**304,015**	177,663

REVENUE AND OTHER INCOME (CONTINUED)

Government grant comprises of N$22.9 million (2023: N$22.1 million) accrued in respect of generation assets and subsidies of N$200.0 million from the LRMC (2023: N$100.0 million - NEF) in respect of fuel cost of Van Eck and Anixas Power Stations that was included in the 2024 approved tariffs. The NEF and LRMC were allowed as part of NamPower's generation revenue to mitigate the impact of the high tariff and provide relief to customers.

Fibre optic lease revenue comprises revenue received from fibre optic leasing arrangements with reference to the service level agreements with the counterparties in respect of managed services and dark fibre leases.

Sundry income includes rent received, scrap sales and license renewal of electrical contractors.

26. PROFIT BEFORE TAXATION

		CONSOLIDATED		COMPANY	
		2024	2023	**2024**	2023
	Profit before taxation is stated after charging/(crediting):	**N$'000**	N$'000	**N$'000**	N$'000
	Fair value adjustment on investment properties	**4,186**	(4,105)	**4,186**	(4,105)
(a)	**Other income**				
	- Dividends received	**(1,118)**	(73)	**(1,118)**	(73)
	- Gain on disposal of property, plant and equipment	**(15,357)**	-	**(15,357)**	-
	- Government grants recognised in profit or loss	**(222,866)**	(122,139)	**(222,866)**	(122,139)
	- Rental income	**(3,203)**	(3,119)	**(3,203)**	(3,119)
(b)	**Cost of Electricity**	**4,879,860**	5,032,172	**4,879,860**	5,032,172
	- Imports	**4,257,500**	4,475,625	**4,257,500**	4,475,625
	- Local	**100,793**	55,667	**100,793**	55,667
	- REFIT IPPs and Other IPPs	**521,567**	500,880	**521,567**	500,880
(c)	**Depreciation and amortisation**	**1,851,365**	1,747,049	**1,851,365**	1,747,049
(d)	**Movement in expected credit losses**	**157,776**	(21,828)	**157,776**	(21,828)
	- Loans and receivables	**2**	(4)	**2**	(4)
	- Investments	**694**	(318)	**694**	(318)
	- Trade receivables	**157,080**	(21,506)	**157,080**	(21,506)
(e)	**Employee cost**	**1,216,390**	911,378	**1,216,390**	911,378
	Salaries and wages	**1,094,415**	808,705	**1,094,415**	808,705
	Company contribution: Provident Fund	**121,975**	102,673	**121,975**	102,673
(f)	**Other expenses**	**740,700**	777,379	**740,700**	777,379
	Directors' emoluments paid by Company for services as directors	**6,789**	6,594	**6,789**	6,594
	- paid to non-executive directors	**1,910**	2,008	**1,910**	2,008
	- paid to executive directors	**4,879**	4,586	**4,879**	4,586
	Auditors' remuneration	**3,522**	4,875	**3,522**	4,875
	- audit services	**3,457**	4,875	**3,457**	4,875
	- non-audit services	**65**	-	**65**	-
	Consultancy fees	**19,995**	26,164	**19,995**	26,164
	- managerial services	**-**	262	**-**	262
	- technical services	**19,173**	3,150	**19,173**	3,150
	- other professional services	**822**	22,752	**822**	22,752
	Marketing expenses	**-**	294	**-**	294
	Maintenance and repairs	**233,068**	285,567	**233,068**	285,567
	Eskom 400kV Connection	**247,630**	259,943	**247,630**	259,943
	Travel and accommodation	**36,362**	35,483	**36,362**	35,483
	Municipal levies	**17,558**	16,888	**17,558**	16,888
	Social responsibility	**24,351**	21,604	**24,351**	21,604
	Insurance cost	**22,487**	20,369	**22,487**	20,369
	Sundry expenses	**20,649**	24,611	**20,649**	24,611
	Fines and penalties	**14**	43	**14**	43
	Post Retirement Benefit	**78,451**	45,976	**78,451**	45,976
	Administrative expenses	**9,805**	7,889	**9,805**	7,889
	Other expenses	**20,019**	21,079	**20,019**	21,079

Financial income and expenses - Recognised in profit or loss

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
(g) Net fair value and foreign exchange (gain)/loss on financial instruments	**(1,099,098)**	1,002,993	**(1,099,098)**	1,002,993
Foreign exchange loss on financial assets and liabilities	**229,712**	64,829	**229,712**	64,829
IFRS 9 Fair value adjustments	**(1,328,810)**	938,164	**(1,328,810)**	938,164
- Unrealised (gain)/loss on embedded derivative Power Purchase Agreement (PPA)	**(1,331,119)**	936,425	**(1,331,119)**	936,425
- Fair value loss on firm commitments	**2,309**	1,739	**2,309**	1,739

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	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Short-term employee benefits	**19,039**	18,959	**19,039**	18,959
Post-retirement employment benefits	**1,137**	852	**1,137**	852
Other long-term employment benefits	**3,371**	2,664	**3,371**	2,664
	23,547	22,475	**23,547**	22,475

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	**1,083,489**	960,900	**1,083,489**	960,900
- Electricity sales	**1,071,293**	949,754	**1,071,293**	949,754
- Service level agreement and technical support	**35**	9	**35**	9
- Capital contribution received	**-**	106	**-**	106
- Dividend received	**1,037**	-	**1,037**	-
- Municipal services	**124**	31	**124**	31
- Guarantees received	**11,000**	11,000	**11,000**	11,000
Alten Solar Power (Hardap) Pty Ltd	**128,021**	104,208	**128,021**	104,208
- Electricity sales	**2,341**	1,445	**2,341**	1,445
- Electricity purchases	**125,680**	102,763	**125,680**	102,763
Associates				
Cenored (Pty) Ltd	**590,694**	483,722	**590,694**	483,722
- Electricity sales	**590,569**	483,421	**590,569**	483,421
- Service level agreement and technical support	**125**	301	**125**	301

RELATED PARTIES (CONTINUED)

	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
	N$'000	N$'000	N$'000	N$'000
Nored Electricity (Pty) Ltd	**971,487**	875,227	**971,487**	875,227
- Electricity sales	**971,405**	874,891	**971,405**	874,891
- Rental income	**57**	336	**57**	336
- Service level agreement and technical support	**25**	-	**25**	-
Municipal services from related parties	**4,018**	5,280	**4,018**	5,280
- Nored Electricity (Pty) Ltd	**3,323**	4,287	**3,323**	4,287
- Cenored (Pty) Ltd	**695**	993	**695**	993

Fellow government owned entities

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

Electricity Sales	**2,274,003**	2,074,310	**2,274,003**	2,074,310
- Namibia Water Corporation	**158,542**	58,275	**158,542**	58,275
- City of Windhoek	**1,747,953**	1,687,312	**1,747,953**	1,687,312
- Namdeb Diamond Corporation (Pty) Ltd	**236,441**	212,747	**236,441**	212,747
- Rehoboth Municipality	**73,608**	66,410	**73,608**	66,410
- Mariental Municipality	**57,459**	49,566	**57,459**	49,566

Related party balances from electricity sales and other purchases

Due from / (due to)

Investments	**106,581**	97,385	**106,581**	97,385
- Erongored (Pty) Ltd	**106,591**	97,388	**106,591**	97,388
- Erongored (Pty) Ltd	**(10)**	(3)	**(10)**	(3)
Associates	**383,534**	458,337	**383,534**	458,337
- Cenored (Pty) Ltd	**61,585**	47,781	**61,585**	47,781
- Cenored (Pty) Ltd	**(51)**	(54)	**(51)**	(54)
- Nored Electricity (Pty) Ltd	**322,449**	411,680	**322,449**	411,680
- Nored Electricity (Pty) Ltd	**(449)**	(1,070)	**(449)**	(1,070)

RELATED PARTIES (CONTINUED)

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Fellow government owned entities	**652,860**	567,120	**652,860**	567,120
- Namdeb Diamond Corporation (Pty) Ltd	**31,429**	30,997	**31,429**	30,997
- City of Windhoek	**175,656**	247,020	**175,656**	247,020
- Namibia Water Corporation (Pty) Ltd	**51,386**	(23,338)	**51,386**	(23,338)
- Rehoboth Municipality	**222,719**	187,908	**222,719**	187,908
- Mariental Municipality	**171,670**	124,533	**171,670**	124,533
Guarantees received	**41,316**	17,978	**41,316**	17,978
- Cenored (Pty) Ltd	**2,849**	2,219	**2,849**	2,219
- Nored Electricity (Pty) Ltd	**6,205**	6,205	**6,205**	6,205
- Namdeb Diamond Corporation (Pty) Ltd	**4,041**	4,041	**4,041**	4,041
- Namibia Water Corporation (Pty) Ltd	**28,221**	5,513	**28,221**	5,513

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.

Related party balances from loans payable to

Fellow government owned entities				
- Development Bank of Namibia	**-**	(5,888)	**-**	(5,888)

For terms and conditions of the balances payable to fellow government owned entities to note 17.

The Group does not have any significant commitments with its related parties.

During the year under review there were no write offs against the bad debt provision for the related parties.

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, 98% are members of the fund. The fund is administered by Retirement Funds Solutions Namibia (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$122 million (2023: N$103 million).

The Company's contribution paid to the Fund for the key management amounted to N$3.4 million (2023: N$2.7 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 fairvalue); 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).**

FINANCIAL INSTRUMENTS (CONTINUED)

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

29.1 Consolidated and Company

2024		Carrying value				
		Financial assets				
in thousands of Namibia Dollar	Reference Notes	FVTPL – Designated	FVTPL – Mandatorily Measured	FVTOCI	FVTOCI –Designated	Amortised Cost
Financial assets						
Listed equity	11	-	-	-	**2,043**	-
Collective investment schemes	11	-	**1,787,612**	-	-	-
Derivative financial assets	21.1	-	**204,195**	-	-	-
Loans and receivables	10	-	-	-	-	**22,818**
Inflation linked bonds	11	-	-	-	**88,916**	-
Unlisted equity	11	-	-	-	**134,940**	-
Debt instruments, fixed deposits and treasury bills	11	-	-	-	-	**4,206,629**
- Debt instruments *	11	-	-	-	-	**1,072,292**
- Fixed deposits *	11	-	-	-	-	**3,062,483**
- Treasury bills *	11	-	-	-	-	**71,854**
Money market funds	11	-	**1,800,146**	-	-	-
Cash and cash equivalents	11	-	-	-	-	**2,218,641**
Trade and other receivables[1]	13	-	-	-	-	**1,103,156**
		-	**3,791,953**	-	**225,899**	**7,551,244**
Financial liabilities						
Derivative financial liabilities	21.2	-	-	-	-	-
Interest bearing loans and borrowings	17	-	-	-	-	-
Trade and other payables[2]	20.1	-	-	-	-	-
Non-current retention creditors	20.4	-	-	-	-	-
		-	-	-	-	-

* In the prior periods, the Group incorrectly aggregated debt instruments, fixed deposits, and treasury bills within a single category/class. However, these financial instruments differ in nature, risk profiles, and returns, making such aggregation inappropriate. In the current year, the Group corrected the error by restating the comparative balances and disclosing these instruments separately.

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).

[1] Project and other advances and prepayments of N$169.6 million (2023: N$479.9 million) that are not financial assets are not included.

[2] Accrued expenses of N$348.3 million (2023: N$161.3 million) that are not financial liabilities are not included.

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

Carrying value				Fair value			
Financial liabilities				Level			
FVTPL – Designated	FVTPL – Mandatorily Measured	Amortised Cost	Total	1	2	3	Total
-	-	-	2,043	2,043	-	-	2,043
-	-	-	1,787,612	-	1,787,612	-	1,787,612
-	-	-	204,195	-	204,195	-	204,195
-	-	-	22,818	-	-	-	-
-	-	-	88,916	-	86,734	-	86,734
-	-	-	134,940	-	-	134,940	134,940
-	-	-	4,206,629	-	-	-	-
-	-	-	1,072,292	-	-	-	-
-	-	-	3,062,483	-	-	-	-
-	-	-	71,854	-	-	-	-
-	-	-	1,800,146	-	1,800,146	-	1,800,146
-	-	-	2,218,641	-	-	-	-
-	-	-	1,103,156	-	-	-	-
-	-	-	11,569,096	2,043	3,878,687	134,940	4,015,670
-	(266,519)	-	(266,519)	-	-	(266,519)	(266,519)
-	-	(345,829)	(345,829)	-	-	-	-
-	-	(1,230,302)	(1,230,302)	-	-	-	-
-	-	(139,167)	(139,167)	-	-	-	-
-	(266,519)	(1,715,298)	(1,981,817)	-	-	(266,519)	(266,519)

FINANCIAL INSTRUMENTS (CONTINUED)

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

2023		Carrying value				
		Financial assets				
in thousands of Namibia Dollar	Reference Notes	FVTPL – Designated	FVTPL – Mandatorily Measured	FVTOCI	FVTOCI –Designated	Amortised Cost
Financial assets						
Listed equity	11	-	-	-	1,473	-
Collective investment schemes	11	-	1,721,160	-	-	-
Derivative financial assets	21.1	-	50,033	-	-	-
Loans and receivables	10	-	-	-	-	20,178
Inflation linked bonds	11	-	-	-	93,161	-
Unlisted equity	11	-	-	-	110,780	-
Debt instruments, fixed deposits and treasury bills	11	-	-	-	-	3,958,182
- Debt instruments *	11	-	-	-	-	1,664,854
- Fixed deposits *	11	-	-	-	-	2,129,894
- Treasury bills *	11	-	-	-	-	163,434
Money market funds	11	-	1,750,148	-	-	-
Cash and cash equivalents	14	-	-	-	-	1,418,366
Trade and other receivables[1]	13	-	-	-	-	1,124,575
		-	**3,521,341**	**-**	**205,414**	**10,479,483**
Financial liabilities						
Derivative financial liabilities	21.2	-	-	-	-	-
Interest bearing loans and borrowings	17	-	-	-	-	-
Trade and other payables[2]	20.1	-	-	-	-	-
Non-current retention creditors	20.4	-	-	-	-	-
		-	**-**	**-**	**-**	**-**

* In the prior periods, the Group incorrectly aggregated debt instruments, fixed deposits, and treasury bills within a single category/class. However, these financial instruments differ in nature, risk profiles, and returns, making such aggregation inappropriate. In the current year, the Group corrected the error by restating the comparative balances and disclosing these instruments separately.

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 (2022: no transfers).

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

[1] Project and other advances and prepayments of N$479.9 million (2022: N$306.5 million) that are not financial assets are not included.

[2] Accrued expenses of N$161.3 million (2022: N$158.2 million) that are not financial liabilities are not included.

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:

Carrying value				Fair value			
Financial liabilities				Level			
FVTPL – Designated	FVTPL – Mandatorily Measured	Amortised Cost	Total	1	2	3	Total
-	-	-	1,473	1,473	-	-	1,473
-	-	-	1,721,160	-	1,721,160	-	1,721,160
-	-	-	50,033	-	50,033	-	50,033
-	-	-	20,178	-	-	-	-
-	-	-	93,161	-	91,112	-	91,112
-	-	-	110,780	-	-	110,780	110,780
-	-	-	3,958,182	-	-	-	-
-	-	-	1,664,854	-	-	-	-
-	-	-	2,129,894	-	-	-	-
-	-	-	163,434	-	-	-	-
-	-	-	1,750,148	-	1,750,148	-	1,750,148
-	-	-	1,418,366	-	-	-	-
-	-	-	1,124,575	-	-	-	-
-	**-**	**-**	**14,206,238**	**1,473**	**3,612,453**	**110,780**	**3,724,706**
-	(1,381,047)	-	(1,381,047)	-	-	(1,381,047)	(1,381,047)
-	-	(437,616)	(437,616)	-	-	-	-
-	-	(926,545)	(926,545)	-	-	-	-
-	-	(56,449)	(56,449)	-	-	-	-
-	**(1,381,047)**	**(1,420,610)**	**(2,801,657)**	**-**	**-**	**(1,381,047)**	**(1,381,047)**

FINANCIAL INSTRUMENTS (CONTINUED)

	CONSOLIDATED	
	2024	2023
	N$'000	N$'000
A reconciliation has been performed for fair value measurements in level 3 of the fair value hierarchy as follows:		
Embedded derivative liabilities		
Carrying value at beginning of the year	(1,381,047)	(442,883)
Net fair value unrealised loss on embedded derivatives recognised in profit or loss	1,114,528	(938,164)
Carrying value at end of the year	(266,519)	(1,381,047)
Unlisted Equity		
Carrying value at beginning of the year	110,781	57,771
Net fair value gain on unlisted equities through OCI	24,159	53,010
Carrying value at end of the year	134,940	110,781

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.

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
Unlisted equity	Level 3	Discounted cash flow method: This approach utilises forecasts and budgets prepared by management.	A significant increase in the revenues would result in a significant increase in fair value, and vice versa. A significant increase in the expenses would result in a significant decrease in fair value, and vice versa. The higher the cost of equity, the lower the fair value and vice versa. The higher the small stock premium, the higher the cost of equity and consequently the lower the fair value and vice versa. The higher the specific risk premium, the higher the cost of equity and consequently the lower the fair value and vice versa.

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

29.2 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 2024 are still recoverable.

The carrying amount of financial assets represents the maximum credit exposure. The potential concentration of credit risk consists mainly of loans and receivables, trade and other receivables and the investment portfolio.

29.3.1 Management of credit risk

Financial instruments are managed by the treasury function. Processes are in place to identify, measure, monitor, control and report credit risk. The objective of NamPower's credit risk management framework is firstly to protect cash and investments and, secondly to protect and maximise the rate of return of financial market instruments.

Responsibility and governance

The Asset and Liability Committee (ALCO), manages counterparty credit risk which arises from the treasury activities in the financial markets. This committee is chaired by the Managing Director and reports on a quarterly basis to the Investment Committee. The activities of the ALCO committee are guided by the terms of reference that are updated and approved by the Investment Committee.

The terms of reference set out the minimum acceptable standards to be adhered to by those responsible for credit-related transactions within the treasury section. The terms of reference are aligned to the Exco credit risk governance standards and are supplemented by appropriate policies and procedures.

The ALCO committee:

- assesses the credit quality of counterparties and types of instruments used;
- recommends credit limits to the Investment Committee;
- ensures that transactions with counterparties are supported by trading agreements, where applicable; and
- approves methodologies used for the management of counterparty exposure.

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 Goup'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.

FINANCIAL INSTRUMENTS (CONTINUED)

The maximum exposure to credit risk at the reporting date was:

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
Inflation linked bonds	**88,916**	93,161	**88,916**	93,161
Unlisted equity	**134,940**	110,780	**134,940**	110,780
Listed equity: Sanlam shares	**2,043**	2,043	**2,043**	2,043
Collective investment schemes	**1,787,612**	1,721,160	**1,787,612**	1,721,160
Debt instruments, fixed deposits and treasury bills	**4,206,629**	3,958,182	**4,206,629**	3,958,182
- Debt instruments *	**1,072,292**	1,664,854	**1,072,292**	1,664,854
- Fixed deposits *	**3,062,483**	2,129,894	**3,062,483**	2,129,894
- Treasury bills *	**71,854**	163,434	**71,854**	163,434
Money market funds	**1,800,146**	1,750,148	**1,800,146**	1,750,148
Loans receivables	**22,818**	20,178	**22,818**	20,178
Trade and other receivables	**1,103,156**	1,124,575	**1,103,156**	1,124,575
Cash and cash equivalents	**2,218,641**	1,418,366	**2,218,641**	1,418,366
Forward exchange contract assets and firm commitments	**44**	50,033	**44**	50,033
	11,364,945	10,248,626	**11,364,945**	10,248,626

* In the prior periods, the Group incorrectly aggregated debt instruments, fixed deposits, and treasury bills within a single category/class. However, these financial instruments differ in nature, risk profiles, and returns, making such aggregation inappropriate. In the current year, the Group corrected the error by restating the comparative balances and disclosing these instruments separately.

The tables below detail the credit quality of the Group's financial assets:

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
High	AAA	12-months ECL	0.000%	2,043
	AA	12-months ECL	0.000%	-
	AA	-	0.000%	-
	A	12-months ECL	0.015%	2,594,416
Moderate	BB	12-months ECL	0.044%	721,184
	B	12-months ECL	0.650%	6,786,344
	N/A	12-months ECL	0.171%	22,857
	N/A	N/A	0.000%	134,984
Low	CCC	-	-	-
	CC	-	-	-
	C	-	-	-
Credit Impaired	D	-	-	-
				10,261,828

Company internal credit rating as at 30 June 2023	External credit rating	12-month or lifetime ECL?	Expected credit loss rate	Gross carrying amount
				N$'000
High	AAA	12-month ECL	0.000%	1,473
	AA	12-month ECL	0.004%	1,382,376
	AA	N/A	0.000%	670,842
	A	12-month ECL	0.011%	1,335,596
Moderate	BB	12-month ECL	0.058%	974,322
	B	12-month ECL	0.573%	4,577,891
	N/A	N/A	0.183%	20,178
	N/A	N/A	0.000%	160,813
Low	CCC	-	-	-
	CC	-	-	-
	C	-	-	-
Credit Impaired	D	-	-	-
				9,123,491

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

FINANCIAL INSTRUMENTS (CONTINUED)

29.4.1 Guarantees

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. As at 30 June 2024 no guarantee was outstanding.

NamPower employee home loans

Suretyship for N$54.2 million (2023: N$79.6 million) to four local banks (Bank Windhoek Limited, First National Bank Namibia and Standard Bank Namibia) TT Portfolio Investments for all employees who are on the Company's housing scheme and have attained financing from the aforementioned financial institutions. The Group collects the monthly instalments of the employee home loans and settles it directly with the financial institutions. Such suretyship is limited to the original loan amount attained by each employee and excludes any additional financing for improvements or upgrades. The Group assesses the risk of the suretyship annually.

The financial guarantee is insignificant.

29.4.2 Trade and other receivables

(a) Trade receivables

Credit risk with respect to trade and other receivables is high due to the large number of customers comprising the Group's customer base and their spread across different industries and geographical areas. The main classes of electricity receivables are cross border, large power users and small power users. Key large power users comprise mainly Namibian municipalities, town councils, village councils, regional councils, mining customers and regional electricity distributors (REDs).

The Audit and Risk Management Committee has established a credit policy under which each electricity customer's payment terms and conditions are offered.

The Group requires a security deposit equivalent to three (3) months estimated consumption in respect of all new customers before they are energised and the electricity is supplied with an exception to the Regional Distributors, Local Authorities, Regional Councils, Government Departments and Namibia Water Corporation transmission supply points whereby they have to provide security deposit that is equal to one (1) month estimated consumption.

Electricity supply agreements are entered into with cross border customers who 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.

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 2024 amounted to N$Nil (2023: N$9.1 million).

The total cumulative expected credit losses for electricity receivables at 30 June 2024was N$835.4 million (2023: N$678.3 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.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic area:.

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	N$'000	N$'000
	Carrying amount	**Carrying amount**	**Carrying amount**	**Carrying amount**
Domestic- Namibia	**1,031,257**	1,079,227	**1,031,257**	1,079,227
Regional Exports/ Cross border customers	**71,899**	45,348	**71,899**	45,348
	1,103,156	1,124,575	**1,103,156**	1,124,575
The maximum exposure to credit risk for trade and other receivables at the reporting date by type of customer was:				
Distributors	**641,475**	659,331	**641,475**	659,331
Mining	**216,041**	186,967	**216,041**	186,967
End-user customers	**123,967**	111,333	**123,967**	111,333
Other trade receivables	**121,673**	166,944	**121,673**	166,944
	1,103,156	1,124,575	**1,103,156**	1,124,575
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:	**%**	%	**%**	%
Distributors	**58**	59	**58**	59
Mining	**20**	17	**20**	17
End-user customers	**11**	10	**11**	10
Other trade receivables	**11**	14	**11**	14
	100	100	**100**	100

29.4.3 Expected credit losses

	2024	**2024**	2023	2023
	N$'000	**N$'000**	N$'000	N$'000
CONSOLIDATED AND COMPANY	**Gross**	**Expected credit losses**	Gross	Expected credit losses
Not past due	**835,499**	53,855	771,288	42,972
30 days past due	**54,450**	23,228	135,601	47,841
60 days past due	**72,772**	27,150	131,764	69,700
90 days past due	**975,840**	731,171	764,246	517,811
	1,938,561	835,404	1,802,899	678,324

FINANCIAL INSTRUMENTS (CONTINUED)

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

The Group uses a combination of two approaches, namely the Provision Matrix approach and the loss rate approach.

Expected credit losses of N$38.5 million (2023: N$6.2 million) relates to Rede Nacional De Electricidade (RNT), the Angolan electricity distributor. Rede Nacional De Transporte De Electricidade (RNT), the Angolan electricity transmitor, 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$442.0 million (2023: N$310.9 million) relates to the Municipality of Rehoboth, Municipality of Mariental, Municipality Gobabis, Karasburg Town Council, Aranos Town Council and Maltahohe 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 municipalities and town council and work closely with the stakeholders to resolve the challenges that have given rise to these 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.

Expected credit losses of N$192.9 million (2023: N$187.1 million) relates to the Northern Regional Electricity Distribution (Pty) Ltd (Nored). Nored continues to fall into arrears during the financial year under review and the accounts is monitored on an ongoing basis and remain a high priority focus area. The Group has entered into a payment arrangement with Nored.

Expected credit losses of N$25.2 million (2023: N$25.2 million) relates to the Congo Namibia (Pty) Ltd. Congo Namibia (Pty) Ltd bulk supply to Kombat Mine, did not make any payment since July 2018 and continues to fall into arrears during the financial year under review and the accounts is monitored on an ongoing basis and remain a high priority focus area. Power Supply Agreement with Congo Namibia (Pty) Ltd was terminated and Cenored (Pty) Ltd took over effective 01 July 2022.

The remainder of the expected credit losses at 30 June 2024 is attributable to several customers.

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.

	COMPANY AND CONSOLIDATED	
	2024	2023
	N$'000	N$'000
	Carrying amount	**Carrying amount**
Security relating to trade receivables		
The security held against trade receivables for the Group and Company comprises bank guarantees and cash deposits. The estimate of the fair value of the security is:		
(a) Cash deposits		
Electricity receivables security deposit -Cash		
Domestic Namibia	**46,245**	38,658
Regional Exports/Cross Border customers	**756**	768
	47,001	39,426
(b) Bank Guarantees		
Domestic- Namibia	**462,824**	405,952
Cross Border customers	**35**	35
Guarantees - Eskom	**908**	908
	463,767	406,895

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 purchased 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 was obtained from the Bloomberg Financial Services software. For the loans receivable 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.

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

	12-month expected credit losses						
	Stage 1						
	Bonds	Fixed deposits	Money market funds	Treasury bills	Subtotal	Alten Solar Power (Hardap) Pty Ltd	Total
	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000
Balance as at 1 July 2022	3,499	1,657	454	64	5,674	41	5,715
Increase in loss allowance arising from new financial assets recognised in the year	195	5,549	189	25	5,958	-	5,958
Decrease in loss allowance arising from derecognition of new financial assets in the year	(1,190)	(4,636)	(431)	(19)	(6,276)	(4)	(6,280)
Balance as at 30 June 2023	**2,504**	**2,570**	**212**	**70**	**5,356**	**37**	**5,393**
Increase in loss allowance arising from new financial assets recognised in the year	-	2,305	725	6	3,036	3	3,039
Decrease in loss allowance arising from derecognition of new financial assets in the year	(229)	(1,627)	(483)	(2)	(2,341)	-	(2,341)
Balance as at 30 June 2024	**2,275**	**3,248**	**454**	**74**	**6,051**	**40**	**6,091**

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.

FINANCIAL INSTRUMENTS (CONTINUED)

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.

2024	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
Consolidated and Company	**N$'000**	**N$'000**	**N$'000**	**N$'000**	**N$'000**	**N$'000**
Non-derivative financial liabilities						
Secured long term loans:						
- ZAR denominated loans	**(345,828)**	**(408,080)**	**(56,886)**	**(54,901)**	**(284,792)**	**(11,501)**
Non-current retention creditors	**(139,167)**	**(139,167)**	**-**	**-**	**(139,167)**	**-**
Trade and other payables	**(1,230,302)**	**(1,230,302)**	**-**	**(1,230,302)**	**-**	**-**
Derivative financial liabilities						
Forward exchange contracts	**(14,706)**	**(14,706)**	**(16,276)**	**1,570**	**-**	**-**
Firm commitments	**-**	**-**	**-**	**-**	**-**	**-**
Embedded derivative - Power Purchase Agreement (PPA)	**(251,813)**	**(282,147)**	**(41,601)**	**(36,032)**	**(204,514)**	**-**
2023						
Non-derivative financial liabilities						
Secured long term loans:						
- ZAR denominated loans	(431,727)	(527,294)	(60,592)	(58,622)	(372,049)	(36,031)
- NAD denominated loans	(5,888)	(6,330)	-	(6,330)	-	-
Non-current retention creditors	(56,449)	(56,449)	-	-	(56,449)	-
Trade and other payables	(926,553)	(926,545)	-	(926,545)	-	-
Derivative financial liabilities						
Forward exchange contracts	-	-	-	-	-	-
Firm commitments	(2,265)	(2,265)	(2,108)	(157)	-	-
Embedded derivative - Power Purchase Agreement (PPA)	(1,378,782)	(1,705,454)	(181,818)	(178,115)	(1,164,408)	(181,113)

29.5.2 Derivative financial instruments

Derivative financial instruments are used as a means of reducing exposure to fluctuations in foreign exchange rates. Whilst these financial instruments are subject to the risk of market rates changing subsequent to acquisition, such changes would generally be offset by opposite effects on the items being hedged.

Valuation assumptions

The fair value of forward exchange contracts is their quoted market price at the reporting date, being the present value of the quoted forward price.

The fair value of forward exchange contracts is based on their quoted price, if available. If a quoted price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The principal or contract amount of derivative financial instruments were:

	CONSOLIDATED AND COMPANY	
	2024	2023
	N$'000	N$'000
Forward exchange contracts	**1,546,059**	889,586
	1,546,059	889,586

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 purchased, funds committed by government, local debt issued in the market as well as foreign debt. To supplement these liquidity sources under stress conditions, overdraft facilities with commercial banks are in place as indicated below:

	2024	2023
	N$'000	N$'000
General banking facilities	**224,592**	192,500
	224,592	192,500

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

	2024	2023
	N$'000	N$'000
SB VAF fleet cards	**2,000**	1,100
FEC	**-**	100,000
Derivative	**350,000**	350,000
	352,000	451,100

29.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

A significant part of the market risk encountered arises from financial instruments and equity that are managed within the treasury function of the Company or from contracts containing embedded derivatives.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

Financial instruments managed by the treasury function

The treasury section is responsible for managing market risk within the risk management framework approved by Exco and the board. The overall authority for the management of market risks within the treasury section is vested in the Asset and Liability Committee (ALCO) which reports quarterly to the Investment committee and the Audit and Risk Management Committee.

Embedded derivatives

The Company entered into a number of agreements for the purchase and supply of electricity, where the revenue or expenditure from these contracts is based on foreign currency rates (mainly USD) or foreign production price indices. This gives rise to embedded derivatives that require separation as a result of the different characteristics of the embedded derivative and the host contract. The contractual periods vary from 3 years up to a maximum of 10 years. Certain of these contracts are currently being renegotiated.

The net impact on profit or loss of changes in the fair value of the embedded derivatives for the Group and Company is a fair value gain of N$1.3 billion (2023: N$936 million loss). The embedded derivative liability at 30 June 2024 was N$208.0 million (2023: N$1.4 billion) for the Group and Company.

FINANCIAL INSTRUMENTS (CONTINUED)

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 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.

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

		CONSOLIDATED		COMPANY	
	Reference	**2024 Carrying amount**	2023 Carrying amount	**2024 Carrying amount**	2023 Carrying amount
	note	**N$'000**	N$'000	**N$'000**	N$'000
Variable rate financial instruments					
Financial assets					
Collective investment schemes	11	**1,787,612**	1,721,160	**1,787,612**	1,721,160
Financial liabilities					
Development Bank of Namibia	17.1.1	**-**	(5,888)	**-**	(5,888)
		1,787,612	1,715,272	**1,787,612**	1,715,272
Fixed rate financial instruments					
Financial assets					
Loans and receivables	10	**22,818**	20,178	**22,818**	20,178
Non-current investments	11	**1,327,470**	1,232,366	**1,327,470**	1,232,366
Debt instruments, fixed deposits and treasury bills at amortised cost	11	**4,206,629**	3,958,182	**4,206,629**	3,958,182
- Debt instruments *	11	**1,072,292**	1,664,854	**1,072,292**	1,664,854
- Fixed deposits *	11	**3,062,483**	2,129,894	**3,062,483**	2,129,894
- Treasury bills *	11	**71,854**	163,434	**71,854**	163,434
Money market funds	11	**1,800,146**	1,750,148	**1,800,146**	1,750,148
Cash and cash equivalents	14	**2,218,641**	1,418,366	**2,218,641**	1,418,366
Trade and other receivables	13	**1,103,156**	1,124,575	**1,103,156**	1,124,575
Financial liabilities	17	**(345,829)**	(431,728)	**(345,829)**	(431,728)
		10,333,031	9,072,087	**10,333,031**	9,072,087

* In the prior periods, the Group incorrectly aggregated debt instruments, fixed deposits, and treasury bills within a single category/class. However, these financial instruments differ in nature, risk profiles, and returns, making such aggregation inappropriate. In the current year, the Group corrected the error by restating the comparative balances and disclosing these instruments separately.

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 2023.

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
30 June 2024				
- DBN				
NAD Curve	**-**	**-**	**-**	**-**
Fixed deposits	**-**	**-**	**1,433**	**(1,433)**
Variable rate notes	**-**	**-**	**45**	**(45)**
30 June 2023				
- DBN				
NAD Curve	(40)	40	(59)	59
Fixed deposits	-	-	256	(256)
Variable rate notes	-	-	685	(685)

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
30 June 2024				
Collective Investment Schemes	**-**	**-**	**88,286**	**(88,286)**
30 June 2023				
Collective Investment Schemes	-	-	85,092	(85,092)

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) and Power Sales Agreements (PSA) which are hedged for the duration of the agreement and reviewed on a continuous basis.

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.

Due to the fact that no hedge effectiveness test is performed all fair value movements on the currency swaps are recognised in profit or loss as part of net financing costs.

FINANCIAL INSTRUMENTS (CONTINUED)

Consolidated

The currency position at 30 June 2024 is set below

in thousands of Namibia Dollar	Reference notes	N$	ZAR	US$	Euro	GBP	Total
Assets							
Derivative assets	21.1	**-**	**-**	**204,165**	**30**	**-**	**204,195**
Loans receivable	10	**22,818**	**-**	**-**	**-**	**-**	**22,818**
Trade and other receivables	13	**1,001,489**	**-**	**101,667**	**-**	**-**	**1,103,156**
Investments	11	**5,074,010**	**2,368,989**	**571,238**	**-**	**-**	**8,014,237**
Cash and cash equivalents	14	**780,746**	**1,335,974**	**101,847**	**64**	**10**	**2,218,641**
		6,879,063	**3,704,963**	**978,917**	**94**	**10**	**11,563,047**
Liabilities							
Interest bearing loans and borrowings	17	**-**	**(345,828)**	**-**	**-**	**-**	**(345,828)**
Derivative liabilities	21.2	**-**	**-**	**(266,519)**	**-**	**-**	**(266,519)**
Trade and other payables	20.1	**(1,006,195)**	**-**	**(223,574)**	**(533)**	**-**	**(1,230,302)**
Non current retention creditors	20.4	**(139,167)**	**-**	**-**	**-**	**-**	**(139,167)**
		(1,145,362)	**(345,828)**	**(490,093)**	**(533)**	**-**	**(1,981,816)**
Gross statement of financial position exposure		**5,733,701**	**3,359,135**	**488,824**	**(439)**	**10**	**9,581,231**
Next year's forecast sales		**(7,936,743)**	**-**	**-**	**-**	**-**	**(7,936,743)**
Next year's forecast purchases		**695,765**	**1,868,070**	**3,456,320**	**-**	**-**	**6,020,155**
Gross exposure		**(1,507,277)**	**5,227,205**	**3,945,144**	**(439)**	**10**	**7,664,643**
Foreign exchange contracts [1]		**-**	**-**	**(14,706)**	**-**	**-**	**(14,706)**
Net exposure		**(1,507,277)**	**5,227,205**	**3,930,438**	**(439)**	**10**	**7,649,937**

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 N$83 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

Consolidated

The currency position at 30 June 2023 is set below

in thousands of Namibia Dollar	Reference notes	N$	ZAR	US$	Euro	GBP	Total
Assets							
Derivative assets	21.1	-	-	50,033	-	-	50,033
Loans receivable	10	20,178	-	-	-	-	20,178
Trade and other receivables	13	1,072,031	-	52,544	-	-	1,124,575
Investments	11	6,289,063	973,424	367,062	-	-	7,629,549
Cash and cash equivalents	14	451,232	803,634	163,389	52	59	1,418,366
		7,832,504	1,777,058	633,028	52	59	10,242,701
Liabilities							
Interest bearing loans and borrowings	17	(5,889)	(431,727)	-	-	-	(437,616)
Derivative liabilities	21.2	-	-	(1,379,108)	(1,939)	-	(1,381,047)
Trade and other payables	20.1	(316,168)	(355,203)	(255,174)	-	-	(926,545)
Non current retention creditors	20.4	(56,449)	-	-	-	-	(56,449)
		(378,506)	(786,930)	(1,634,282)	(1,939)	-	(2,801,657)
Gross statement of financial position exposure		7,453,998	990,128	(1,001,254)	(1,887)	59	7,441,044
Next year's forecast sales		8,130,671	-	-	-	-	8,130,671
Next year's forecast purchases		(616,216)	(2,284,752)	(3,279,195)	-	-	(6,180,163)
Gross exposure		14,968,453	(1,294,624)	(4,280,449)	(1,887)	59	9,391,552
Foreign exchange contracts [1]		-	-	50,033	-	-	50,033
Net exposure		14,968,453	(1,294,624)	(4,230,416)	(1,887)	59	9,441,585

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

[1] The Group had forward exchange contracts outstanding at 30 June 2023 to the value of N$47 million at an average rate of USD/NAD 17.6.

Currency translation rates:	30 June 2023
1 SA Rand	N$1.0
1 US Dollar	N$18.7
1 Euro	N$20.4
1 GBP	N$23.7

FINANCIAL INSTRUMENTS (CONTINUED)

Company

The currency position at 30 June 2024 is set below

in thousands of Namibia Dollar	Reference notes	N$	ZAR	US$	Euro	GBP	Total
Assets							
Derivative assets	21.1	-	-	204,165	30	-	204,195
Loans receivable	10	22,818	-	-	-	-	22,818
Trade and other receivables	13	1,001,489	-	101,667	-	-	1,103,156
Investments	11	5,074,010	2,368,989	571,237	-	-	8,014,236
Cash and cash equivalents	14	780,746	1,335,974	101,847	64	10	2,218,641
		6,879,063	3,704,963	978,916	94	10	11,563,046
Liabilities							
Interest bearing loans and borrowings	17	-	(345,828)	-	-	-	(345,828)
Derivative liabilities	21.2	-	-	(266,519)	-	-	(266,519)
Trade and other payables	20.1	(1,006,195)	-	(223,574)	(533)	-	(1,230,302)
Non current retention creditors	20.4	(139,167)	-	-	-	-	(139,167)
		(1,145,362)	(345,828)	(490,093)	(533)	-	(1,981,816)
Gross statement of financial position exposure		5,733,701	3,359,135	488,823	(439)	10	9,581,230
Next year's forecast sales		(7,936,743)	-	-	-	-	(7,936,743)
Next year's forecast purchases		695,765	1,868,070	3,456,320	-	-	6,020,155
Gross exposure		(1,507,277)	5,227,205	3,945,143	(439)	10	7,664,642
Foreign exchange contracts [1]		-	-	(14,706)	-	-	(14,706)
Net exposure		(1,507,277)	5,227,205	3,930,437	(439)	10	7,649,936

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 N$83 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

Company

The currency position at 30 June 2023 is set below

in thousands of Namibia Dollar	Reference notes	N$	ZAR	US$	Euro	GBP	Total
Assets							
Derivative assets	21.1	-	-	50,033	-	-	50,033
Loans receivable	10	20,178	-	-	-	-	20,178
Trade and other receivables	13	1,072,031	-	52,544	-	-	1,124,575
Investments	11	6,289,063	973,424	367,062	-	-	7,629,549
Cash and cash equivalents	14	451,232	803,634	163,389	52	59	1,418,366
		7,832,504	1,777,058	633,028	52	59	10,242,701
Liabilities							
Interest bearing loans and borrowings	17	(5,888)	(431,728)	-	-	-	(437,616)
Derivative liabilities	21.2	-	-	(1,379,108)	(1,939)	-	(1,381,047)
Trade and other payables	20.1	(316,176)	(355,203)	(255,174)	-	-	(926,553)
Non current retention creditors	20.4	(56,449)	-	-	-	-	(56,449)
		(378,513)	(786,931)	(1,634,282)	(1,939)	-	(2,801,665)
Gross statement of financial position exposure		7,453,991	990,127	(1,001,254)	(1,887)	59	7,441,036
Next year's forecast sales		8,130,671	-	-	-	-	8,130,671
Next year's forecast purchases		(616,216)	(2,284,752)	(3,279,195)	-	-	(6,180,163)
Gross exposure		14,968,446	(1,294,625)	(4,280,449)	(1,887)	59	9,391,544
Foreign exchange contracts [1]		-	-	50,033	-	-	50,033
Net exposure		14,968,446	(1,294,625)	(4,230,416)	(1,887)	59	9,441,577

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

[1] The Group had forward exchange contracts outstanding at to the value of N$47 million at an average rate of USD/NAD17.6.

Currency translation rates:	30 June 2023
1 SA Rand	N$1.0
1 US Dollar	N$18.7
1 Euro	N$20.4
1 GBP	N$23.7

FINANCIAL INSTRUMENTS (CONTINUED)

Sensitivity analysis

A strengthening of the N$against the following currencies at 30 June 2024 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 2023.

	CONSOLIDATED		COMPANY	
	2024	2023	**2024**	2023
	N$'000	N$'000	**N$'000**	N$'000
US Dollar (10 percent strengthening)	**954,641**	1,253,462	**954,641**	1,253,462
Euro (10 percent strengthening)	**6**	5	**6**	5
GBP (10 percent strengthening)	**(52)**	6	**(52)**	6

A weakening of the N$against the following currencies at 30 June 2024 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 2023.

US Dollar (10 percent strengthening)	**(954,641)**	(1,253,462)	**(954,641)**	(1,253,462)
Euro (10 percent strengthening)	**(6)**	(5)	**(6)**	(5)
GBP (10 percent strengthening)	**52**	(6)	**52**	(6)

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.

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:

	2024	2023	**2024**	2023
	Equity	Equity	**Profit or (Loss)**	Profit or (Loss)
	N$'000	N$'000	**N$'000**	N$'000
Share price				
5% increase	**69**	50	**102**	74
5% decrease	**(69)**	(50)	**(102)**	(74)

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.

The Group manages the following as capital:

	CONSOLIDATED		COMPANY	
	2024	**2023**	**2024**	**2023**
	N$'000	N$'000	**N$'000**	N$'000
The Group manages the following as capital:				
Ordinary share capital	**1,065,000**	1,065,000	**1,065,000**	1,065,000
Reserve fund	**1,822,619**	1,752,080	**1,822,619**	1,752,080
Development fund	**7,078,495**	5,754,872	**7,078,495**	5,754,872
Debt	**4,440,650**	5,134,205	**4,440,650**	5,134,205
	14,406,764	13,706,157	**14,406,764**	13,706,157

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 treasury policy, a hedging policy and investment policy.

Under NamPower's current debt portfolio consisting of local and foreign denominated loans, certain covenants are imposed on NamPower's capital requirements. These covenants being a minimum debt service cover ratio of 1.4, debt to EBITDA of a maximum of 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 22.25 (2023: 9.12), debt to EBITDA of -5.53 (2023: -11.9) and a debt equity ratio of 0.90% (2023: 1.3%). 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 AAA(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.

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements. The column 'net amount' shows the impact on the Group's statement of financial position if the set-off rights were exercised.

	Effects of offsetting on the statement of financial position		
CONSOLIDATED AND COMPANY	**Gross amounts**	**Gross amounts set off in the balance sheet**	**Net amounts presented in the balance sheet**
	N$'000	**N$'000**	**N$'000**
2024			
Financial liabilities			
Interest bearing loans and borrowings	**345,829**	**-**	**345,829**
Total	**345,829**	**-**	**345,829**
2023			
Financial liabilities			
Interest bearing loans and borrowings	437,614	-	437,614
Total	**437,614**	**-**	**437,614**

30. NOTES TO THE STATEMENTS OF CASH FLOWS

			CONSOLIDATED		COMPANY	
			2024	2023	**2024**	2023
		Notes	**N$'000**	N$'000	**N$'000**	N$'000
30 (a)	**CASH (UTILISED)/GENERATED BY OPERATIONS**					
	Profit/(Loss) before net finance income		**1,116,671**	(2,062,793)	**1,116,671**	(2,062,793)
	Adjustments for:					
	- Dividends received	**26(a)**	**(1,118)**	(73)	**(1,118)**	(73)
	- Gain on disposal of property, plant and equipment	**26(a)**	**(15,357)**	-	**(15,357)**	-
	- Fair value movements on investment properties	**26(a)**	**4,186**	(4,105)	**4,186**	(4,105)
	- Effect of exchange rate fluctuations on cash held		**13,842**	(31,229)	**13,842**	(31,229)
	- Coal valuation		**8,739**	14,514	**8,739**	14,514
	- Depreciation on property, plant and equipment	**6.**	**1,844,927**	1,739,233	**1,844,927**	1,739,233
	- Amortisation on intangible assets	**9.**	**6,438**	7,816	**6,438**	7,816
	- Movement in expected credit losses	**26(d)**	**157,776**	(21,824)	**157,776**	(21,824)
	- Fair value (gain)/loss on firm commitments	**26(g)**	**(2,309)**	1,738	**(2,309)**	1,738
	- Fair value movements on embedded derivative - Power Purchase Agreement (PPA)	**26(g)**	**(1,331,119)**	936,425	**(1,331,119)**	936,425
	- Fair value movements on investments		**(19,697)**	(71,311)	**(19,697)**	(71,311)
	- Deferred revenue recognised in income	**18.**	**(297,476)**	(97,133)	**(297,476)**	(97,133)
	Cash flows generated from operations		**1,485,503**	411,258	**1,485,503**	411,258
	Changes in working capital:					
	Fair value movements on forward exchange contracts	**21.1**	**64,739**	1,106	**64,739**	1,106
	Movement in non-current retention creditors	**20.4**	**82,718**	(24,323)	**82,718**	(24,323)
	Movement in deferred revenue liability	**30 (f)**	**125,014**	126,908	**125,014**	126,908
	Movement in employee benefit obligations	**22.**				
	- Employee benefits paid - defined benefit obligation	**22.1.2 & 22.2.2**	**2,732**	4,800	**2,732**	4,800
	- Movement in employee benefits	**22.1.2 & 22.2.2**	**53,981**	7,681	**53,981**	7,681
	Movement in inventories	**12.**	**9,158**	(65,365)	**9,158**	(65,365)
	Movement in trade and other receivables	**30 (e)**	**(166,872)**	349,680	**(166,872)**	349,680
	Movement in trade payables	**30 (g)**	**490,714**	(322,811)	**490,714**	(322,811)
			2,147,687	488,934	**2,147,687**	488,934

NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)

		Notes	CONSOLIDATED 2024 N$'000	CONSOLIDATED 2023 N$'000	COMPANY 2024 N$'000	COMPANY 2023 N$'000
30 (b)	**TAXATION PAID**					
	Amount (due)/from to the Receiver of Revenue at beginning of year		**33,780**	33,780	**33,780**	33,780
	Current taxation		**(283,813)**	-	**(283,813)**	-
	Taxation paid		**212,076**	-	**212,076**	-
	Amount due to the Receiver of Revenue at end of year		**(37,957)**	33,780	**(37,957)**	33,780
30 (c)	**INTEREST RECEIVED FROM OPERATING AND INVESTING ACTIVITIES**					
	Interest received from operations and customers		**130,779**	78,568	**130,779**	78,568
	Interest received from investments		**380,166**	359,091	**380,166**	359,091
	Fair value movements on investments		**-**	7,440	**-**	7,440
	Reinvested interest		**293,077**	255,438	**293,077**	255,438
	Accrued interest		**60,517**	12,901	**60,517**	12,901
	Finance income	**24.**	**864,539**	713,438	**864,539**	713,438
30 (d)	**INTEREST PAID**					
	Interest paid		**(35,222)**	(42,639)	**(35,222)**	(42,639)
	Accrued interest		**4,028**	4,015	**4,028**	4,015
	Finance cost	**24.**	**(31,194)**	(38,624)	**(31,194)**	(38,624)
30 (e)	**TRADE AND OTHER RECEIVABLES**					
	Movement in trade and other receivables		**9,793**	(328,174)	**9,793**	(328,174)
	Impairment loss on trade and other receivables		**157,079**	(21,506)	**157,079**	(21,506)
			166,872	(349,680)	**166,872**	(349,680)
30 (f)	**DEFERRED REVENUE LIABILITY**					
	Movement in deferred revenue liability		**(129,979)**	152,286	**(129,979)**	152,286
	Transfers of assets from customers		**(44,566)**	(124,929)	**(44,566)**	(124,929)
	Interest rate subsidy - EIB Loan III		**2,083**	2,416	**2,083**	2,416
	Deferred revenue recognised in income		**297,476**	97,133	**297,476**	97,133
			125,014	126,906	**125,014**	126,906

NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)

		Notes	CONSOLIDATED 2024 N$'000	CONSOLIDATED 2023 N$'000	COMPANY 2024 N$'000	COMPANY 2023 N$'000
30 (g)	**TRADE AND OTHER PAYABLES**					
	Trade and other payables at 1 July		**1,578,568**	1,087,851	**1,578,568**	1,087,851
	Trade and other payables at 30 June		**(1,087,851)**	(1,410,663)	**(1,087,851)**	(1,410,663)
	Movement in trade and other payables		**490,717**	(322,812)	**490,717**	(322,812)
30 (h)	**CASH RECEIPTS FROM CUSTOMERS**					
	Electricity sales		**8,559,649**	7,208,687	**8,559,649**	7,208,687
	Movement in gross trade receivables		**(135,661)**	181,498	**(135,661)**	181,498
			8,423,988	7,390,185	**8,423,988**	7,390,185
30 (i)	**INTEREST BEARING LOANS AND BORROWINGS**					
	Balance at 1 July		**437,615**	530,513	**437,615**	530,513
	Repayments		**(89,841)**	(91,298)	**(89,841)**	(91,298)
	Interest capitalised on loan		**198**	553	**198**	553
	Accrued interest		**(2,144)**	(2,153)	**(2,144)**	(2,153)
	Balance at 30 June		**345,828**	437,615	**345,828**	437,615
30 (j)	**LOANS RECEIVABLE**					
	Repayment of loans receivable		**(984)**	2,641	**(984)**	2,641
	Loans Given		**1,011**	-	**1,011**	-
	Interest capitalised		**2,616**	-	**2,616**	-
	Movement in impairment loss on trade and loans receivable		**(3)**	-	**(3)**	-
	Movement in loans receivable		**2,640**	2,641	**2,640**	2,641

30 (k) The Group held cash and cash equivalents of N$2.2 billion at 30 June 2024 (2023: N$1.4 billion). The cash and cash equivalents are held with banks and financial institution counterparties which are rated A to BB-, based on Fitch ratings.

31. 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$330.5 million.

No provision has been made in the period under review as the Group does not consider that there is any probable loss.

32. EVENTS AFTER THE REPORTING PERIOD

(i) ***Income tax rate amendments***

On 16 September 2024, new corporate income tax rates were enacted with the following effective dates:

- The income tax rate is reduced from 32% to 31% for companies with financial periods starting on or after 1 January 2024.
- A further reduction to 30% applies to companies with financial periods beginning on or after 1 January 2025.

(ii) ***Government grant***

In January 2024, the shareholder, the Government of the Republic of Namibia, committed N$400 million subsidy/grant towards the construction of the Otjikoto Biomass Power Project. The grant is payable in two equal payments over the Medium-Term Expenditure Framework 2024/2025 and 2025/2026 respectively. The Group received the first payment of N$200 million on 02 September 2024.

No adjustments were made to the current financial statements regarding events that occurred after the reporting period.

33. SEGMENT REPORTING

Business unit segments

Reportable segments are determined based on the internal management reports provided quarterly to the executive committee (exco). The group has three reportable segments, as described below, which are the group's core business units. The core business units offer different services, and are managed separately because they require different expertise and marketing strategies.

The measure of profit/(loss) used by exco is profit/(loss) before tax.

The following summary describes the operations in each of the group's reportable segments:

Generation: Supply of energy

Transmission: Transmission of energy

Support Services, including Energy Trading and Power Systems Development:

Energy Trading is responsible for the short, medium and long term planning and management of energy.

Power Systems Development is responsible for the development of supply sources of energy.

Other support services include Distribution of energy, Corporate Services, Finance and the Office of the Managing Director.

SEGMENT REPORTING (CONTINUED)

33.1 Information about reportable business units

	Generation		Transmission		Support Services		Total	
Amounts in N$'000	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Total revenues	**617,662**	591,276	**8,224,026**	7,178,885	**6,888,359**	5,434,119	**15,730,047**	13,204,280
Intersegment revenue*	**(617,662)**	(591,276)	**(1,081,958)**	(762,637)	**(5,470,778)**	(4,641,680)	**(7,170,398)**	(5,995,593)
Revenue from external customers*	**-**	-	**7,142,068**	6,416,248	**1,417,581**	792,439	**8,559,649**	7,208,687
Cost of electricity	**(100,793)**	-	-	-	**(4,779,067)**	(5,032,172)	**(4,879,860)**	(5,032,172)
Interest Income	-	-	-	62,179	**864,539**	651,259	**864,539**	713,438
Interest expense	-	-	**(31,194)**	(38,624)	-	-	**(31,194)**	(38,624)
Depreciation & amortisation	**(786,029)**	(684,724)	**(858,695)**	(857,262)	**(206,641)**	(205,063)	**(1,851,365)**	(1,747,049)
Staff costs	**(258,910)**	(188,303)	**(456,516)**	(359,617)	**(500,964)**	(363,458)	**(1,216,390)**	(911,378)
Post retirement medical benefit (interest cost)	**(5,639)**	(6,295)	**(11,834)**	(13,210)	**(12,672)**	(14,145)	**(30,145)**	(33,650)
Foreign exchange gains on trade payables/receivables, bank balances and loans payable	-	-	-	-	**199,915**	464,262	**199,915**	464,262
Foreign exchange losses on trade payables/receivables, bank balances and loans payable	-	-	-	-	**(434,245)**	(529,092)	**(434,245)**	(529,092)
Share of loss of associates, net of taxation	-	-	-	-	**8,326**	(17,883)	**8,326**	(17,883)
Segment result (before tax)	**944,064**	879,430	**(5,335,262)**	(4,769,170)	**6,349,540**	2,483,878	**1,958,342**	(1,405,862)
Taxation	-	-	-	-	**(566,345)**	525,247	**(566,345)**	525,247

* In the prior periods, the Group discovered that certain bulk supply customers were erroneously overbilled due to incorrect meter readings which resulted in the Group's retained earnings being restated. The intersegment revenue was not adjusted with this restatement. The Group corrected the error in the current year by restating the intersegment revenue comparative balances.

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

	2024	2023
	N$'000	N$'000
Domestic- Namibia	**7,734,163**	6,896,470
Regional Exports/ Cross border customers		
Angola	**72,025**	80,408
Botswana	**44,556**	49,507
South Africa	**13,749**	12,171
SAPP Market	**695,156**	170,131
	8,559,649	7,208,687

33.3 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$8.6 billion (2023: N$7.2 billion) (see note 32.1 above) are revenues of approximately N$3.8 billion (2023: N$3.4 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 2024 and 2023 financial years.

ADMINISTRATION

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