



TRANSNAMIB HOLDINGS LIMITED
CONSOLIDATED INTEGRATED
ANNUAL REPORT
2023/24 AND 2024/25



ABOUT OUR THEME

ENABLING NATIONAL DEVELOPMENT THROUGH INTEGRATED LOGISTICS AND RAIL CONNECTIVITY

This strategic theme reflects TransNamib's role as the custodian of Namibia's national rail network, integrating it with ports, road corridors, and regional trade routes to enable inclusive economic growth and national development.

National Development Plan 6 (NDP6) positions economic infrastructure and logistics efficiency as critical enablers of Namibia's long-term development objectives, including inclusive economic growth, trade facilitation, regional integration, and improved competitiveness across productive sectors.

Within this national context, TransNamib's mandate as Namibia's national rail operator goes beyond just operational performance. The organisation plays a systemic role by supporting the movement of goods, lowering the cost of doing business, enabling access to domestic and regional markets, and strengthening the resilience of Namibia's logistics and transport network.

The theme reflects TransNamib's contribution to NDP6 priorities by emphasising:

- the role of rail and logistics infrastructure as a foundation for economic activity, rather than an end in itself
- the importance of reliable, efficient and integrated logistics systems in supporting trade, industrial development and job creation
- TransNamib's responsibility is to create value not only for the organisation, but for the broader economy and society over the short, medium and long term.

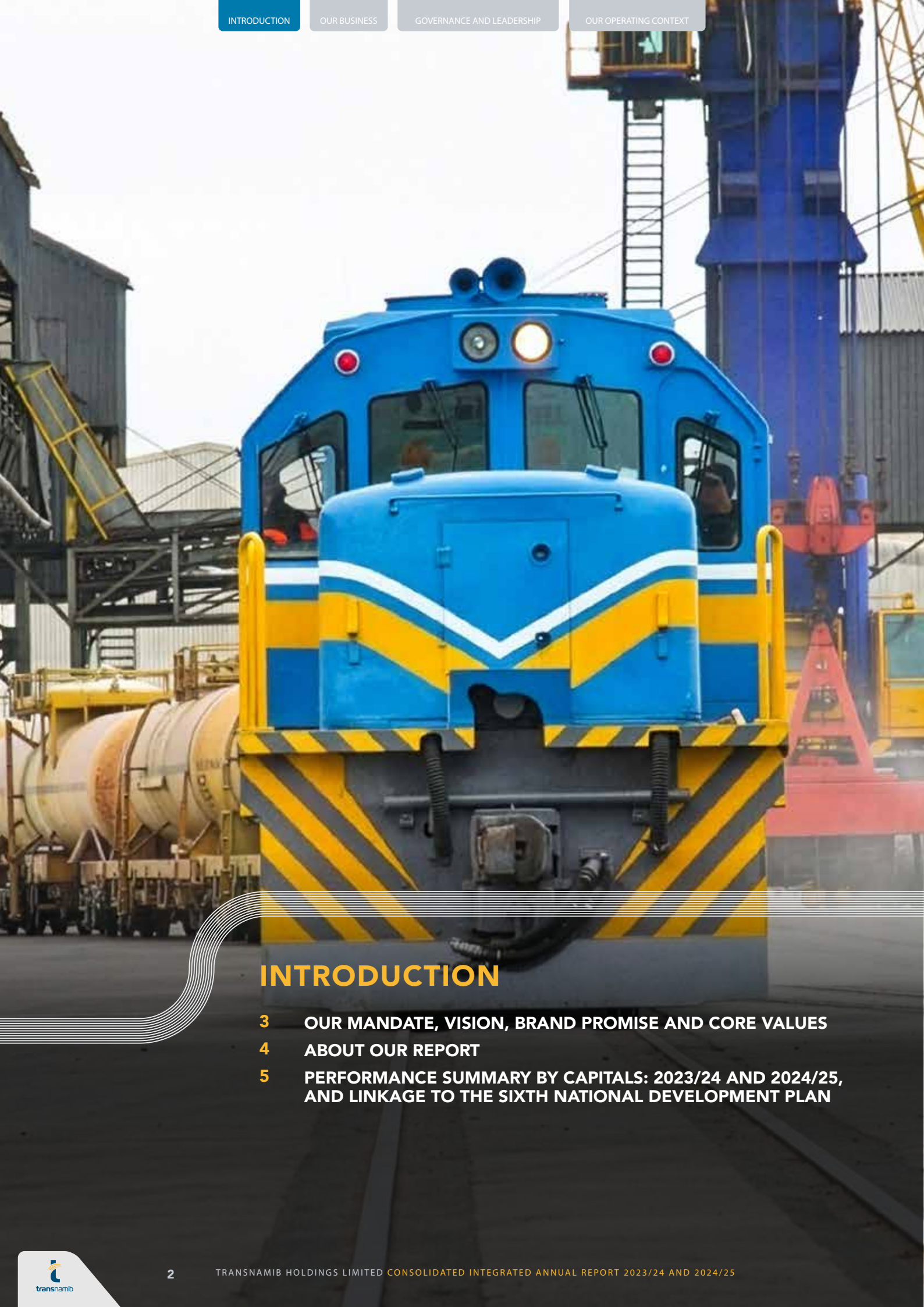
This theme also acknowledges current operational and financial constraints. Accordingly, the focus of this Integrated Annual Report is on how TransNamib is progressively stabilising and strengthening its core capabilities to enable national development outcomes aligned with NDP6.

Throughout this report, TransNamib's strategy, business model, risks, performance and outlook are framed through this lens of national development enablement, demonstrating how the organisation contributes to Namibia's broader development agenda while working toward its own long-term sustainability.



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OUR MANDATE, VISION, BRAND PROMISE AND CORE VALUES

Our mandate, vision, mission, brand promise and core values collectively define the purpose, direction, and principles that guide TransNamib's operations, strategic decision-making and long-term value creation.



OUR MANDATE

To provide and promote, either by itself or through any subsidiary company, transport services in Namibia or elsewhere by managing, developing and utilising the resources and assets at its disposal.

To manage and develop, either by itself or through any subsidiary company, immovable property, including such property as may be transferred to it by virtue of section 14(1)(a) of the National Transport Services Holding Company Act, 1998 (Act No. 28 of 1998).

To conduct, either by itself or through any subsidiary company, and with the consent of the shareholder, Minister, any other business, on a commercial basis.



VISION

The preferred bulk transporter of Namibia.



MISSION

To ensure world-class rail service and generate a return on investment for our shareholder.



BRAND PROMISE

To provide our customers with a customised, economical and consistent customer experience.

CORE VALUES



Integrity - We approach each other with respect and develop mutual trust by doing our work based on principles of honesty and fairness.



Transparency - We believe that being clear, just and open is essential for building genuine trusted relationships, and it is the foundation for an ethical and successful business.



Innovation - We are flexible and open-minded, allowing our innate creative potential to unfold, and we support each other in the process of making new ideas become reality.



Teamwork - We see and value each other in all our amazing diversity and uniqueness, helping each other and using our different qualities to everyone's advantage, as we work together towards achieving our goals in line with our vision.



Discipline - We are committed to seeking intrinsic motivation, focusing our energy on our work and serving the greater purpose and strategic intentions of our organisation.



Accountability - We hold ourselves and each other accountable for what we say and do, and will take full responsibility for the consequences of our actions, as we strive to 'walk the talk' daily.

ABOUT OUR REPORT

TransNamib's 2023/24-2024/25 Integrated Annual Report provides a comprehensive overview of the entity's performance, strategic direction, and progress in fulfilling its mandate to support Namibia's economic development through an efficient and sustainable rail and logistics network.

INTEGRATED THINKING

This Integrated Annual Report reflects TransNamib's commitment to integrated thinking as a core management and reporting approach. Integrated thinking informs decision-making by recognising the interdependencies between strategy, governance, performance, risk, and the various capitals on which the business depends.

Through this approach, TransNamib seeks to continuously strengthen governance practices, enhance transparency, and balance operational, financial, social, and environmental considerations. The report therefore presents both the value created and preserved during the reporting period, as well as areas where value was constrained, providing a balanced and credible account of performance over the short, medium, and long term.

REPORT BOUNDARY, SCOPE AND FRAMEWORK

This report details TransNamib's performance for the financial years ending 31 March 2024 and 2025. In determining the scope and content, consideration was given to the operating environment, strategic priorities, and the key risks and opportunities affecting the organisation's capacity to fulfil its mandate.

The report has been prepared with reference to the following frameworks and regulatory requirements:

- The International <IR> Framework issued by the IFRS Foundation
- International Financial Reporting Standards (IFRS)
- The Corporate Governance Code for Namibia (NamCode)
- The Companies Act, 2004 (Act No. 28 of 2004)
- The King IV Report on Corporate Governance for South Africa

MATERIALITY

The report focuses on matters assessed as having the most significant impact on TransNamib's ability to create and sustain value over the short, medium, and long term.

A structured materiality assessment process was undertaken to identify and prioritise key risks, opportunities, and impacts associated with operations. This process considered internal assessments, stakeholder inputs, and the broader operating environment. The outcomes inform the report's content and are reflected in the discussion of the operating context, stakeholder engagement, strategic priorities, and principal risks.

TARGET AUDIENCE

This Integrated Annual Report has been prepared primarily for the shareholder, the Government of the Republic of Namibia, as well as lenders, regulators, business partners, and other stakeholders with an interest in TransNamib's performance and long-term sustainability.

The report also supports regulatory oversight through engagement with the Ministry of Works and Transport and other relevant authorities, providing insight into strategic direction and operational performance.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that reflect TransNamib's expectations, assumptions, and projections at the time of publication. These statements are subject to a range of risks, uncertainties, and external factors that may cause actual results or outcomes to differ materially from those expressed or implied.

Accordingly, readers are cautioned not to place undue reliance on these forward-looking statements, as actual outcomes may differ materially due to factors beyond the organisation's control.

APPROVAL OF THIS REPORT

The Board has formally endorsed the combined 2023/24–2024/25 Integrated Annual Report on 23 July 2026.

PERFORMANCE SUMMARY BY CAPITALS: 2023/24 AND 2024/25 AND LINKAGE TO SIXTH NATIONAL DEVELOPMENT PLAN

ROLE WITHIN THE NATIONAL DEVELOPMENT CONTEXT

Within the framework of Namibia's National Development Plan (NDP6), rail infrastructure is recognised as a key component of the country's transport and economic architecture. The continued operation of the national rail network supports national objectives related to connectivity, trade facilitation, and infrastructure sustainability.

In this context, TransNamib's role is to sustain core rail operations and safeguard strategic infrastructure, maintaining national transport capacity and enabling future recovery as investment conditions improve.

PERFORMANCE OVERVIEW BY CAPITALS

TransNamib's performance across the six capitals during the 2024 and 2025 financial years reflects a period of operational stabilisation under constrained financial and infrastructure conditions. The organisation's primary focus during this period was to maintain essential rail services, manage risk, and ensure the continued operation of critical assets.

The performance indicators presented in this section illustrate how TransNamib utilised its financial, human, manufactured, intellectual, social, and natural capital to sustain operations, strengthen governance processes, and support economic activity through the provision of rail freight services.

Financial capital

Financial performance reflects a stabilisation phase, with priority placed on sustaining operations, managing liquidity, and maintaining core assets rather than expansion.

KEY INDICATOR	FY2024/25	FY2023/24	PERFORMANCE COMMENTARY
Revenue - company	N\$446 million	N\$451 million	↓ Marginal decline Revenue showed a marginal decline; this is largely attributed to the passenger train's reduced frequency.
Profit / loss after tax	N\$882 million profit reported	N\$272 million loss reported	△ Once-off FY2024/25 profit driven mainly by once-off GRN interventions rather than operating turnaround.
Operating loss	N\$314 million	N\$327 million	↑ Narrowed Significant narrowing of operating losses due to cost containment and tighter controls.
Cash flow from operations	Constrained	Constrained	→ Unchanged Cash flows remained under pressure due to working capital constraints.
Total equity	N\$2.019 billion	N\$1.137 billion	↑ +78% Increase driven by FY2024/25 profit and revaluation gains.
Total assets	N\$3.557 billion	N\$3.565 billion	↑ Slight increase Slight increase driven by locomotive refurbishment costs.
Total liabilities	N\$1.537 billion	N\$2.427 billion	↓ -36.7% Decline due to the settlement of statutory and trade-related obligations.
Capital expenditure	N\$22 million	N\$11 million	↑ +100% Focused on rolling stock, infrastructure maintenance, and operational sustainability. N\$2.6 billion reached financial closure in FY2024/25, actual drawdown is expected in FY2026/27 to FY2027/28.
Debtors' days	High	High	→ Unchanged Collection periods remained extended, affecting liquidity.

NDP6 LINKAGE

Strategic alignment

Sustainable public institutions

Reduced fiscal risk

Reinvestment in economic infrastructure

PERFORMANCE FOCUS

Priority areas

- Stabilisation of financial performance to ensure institutional continuity.
- Improved financial discipline and cost containment.
- Focus on long-term sustainability of a strategic national asset.

NDP6 ENABLEMENT

How this supports national development

Financial stabilisation supports NDP6 objectives by protecting the State's investment in national rail infrastructure, reducing fiscal exposure over time, and creating the conditions necessary for reinvestment in logistics infrastructure critical to trade and industrial development.

Social and relationship capital

TransNamib continued to play a strategic socio-economic role through stakeholder engagement, local procurement, and national logistics support, despite financial constraints.

KEY INDICATOR	FY2024/25	FY2023/24	PERFORMANCE COMMENTARY
Local procurement	Continued support for Namibian suppliers and service providers	Continued support for Namibian suppliers and service providers	→ Ongoing Ongoing contribution to local economic participation and supplier development.
Government engagement	Ongoing	Ongoing	→ Sustained Ongoing engagement on funding, policy alignment, and operational sustainability.
Tax and statutory contributions	Obligations met; historical balances under management	Obligations met; legacy balances under management	↑ Improved Improved compliance discipline and management of statutory obligations.
Stakeholder relations	Active engagement	Active engagement	→ Active Active engagement with customers, regulators, and industry partners.
Corporate social investment	Focused, needs-based community support initiatives	Focused, needs-based community support initiatives	→ Targeted Targeted community interventions aligned with identified social priorities.

NDP6 LINKAGE

Strategic alignment

Trade facilitation

Stakeholder confidence

Public trust

PERFORMANCE FOCUS

Priority areas

- Ongoing engagement with the shareholder and all other key stakeholders.
- Management of stakeholder expectations during recovery.
- Preservation of key commercial and institutional relationships.

NDP6 ENABLEMENT

How this supports national development

Through ongoing engagement with logistics users and public stakeholders, TransNamib is striving to achieve more efficient coordination and improved trade facilitation, thereby supporting enhanced market access in line with NDP6 objectives.

Intellectual capital

Strengthening governance, financial discipline, and internal systems remained a priority to support long-term sustainability and accountability.

KEY INDICATOR	FY2024/25	FY2023/24	PERFORMANCE COMMENTARY
Governance and controls	Board-approved ERM framework aligned to ISO 31000; ARC oversight; risk owners assigned	Same framework implemented	↑ Formalised Formalised, multi-level risk governance structure embedded across the organisation.
Systems and processes	Enterprise-wide rating system; updated risk register; risk-based internal audit	Risk register maintained; partial integration with planning	↑ Improved Improved integration of risk assessment with strategy and performance monitoring.
Institutional knowledge	Documented risk registers, mitigation plans, and audit records	Initial documentation and registers	↑ Strengthened Strengthened institutional memory and continuity in risk management practices.
Risk management	Annual enterprise risk assessments through ARC; targeted audits in high-risk areas	Annual enterprise risk assessments; limited targeted audits	↑ Enhanced Enhanced risk oversight and monitoring maturity.

NDP6 LINKAGE

Strategic alignment

Institutional effectiveness

Improved service delivery

PERFORMANCE FOCUS

Priority areas

- Strengthening of operating procedures and safety systems.
- Improved planning, reporting and performance management disciplines.
- Gradual enhancement of organisational systems and processes.

NDP6 ENABLEMENT

How this supports national development

Improved institutional systems and operational discipline, reflected in consistent planning, reporting, and adherence to operating procedures, enhance service reliability and governance effectiveness in line with NDP6 priorities.

Human capital

Human capital efforts focused on retaining critical skills, managing workforce costs, and maintaining safety and operational competence.

KEY INDICATOR	FY2024/25	FY2023/24	PERFORMANCE COMMENTARY
Headcount	1,062 employees 987 permanent · 75 contract	1,139 employees 1,032 permanent · 107 contract	↓ Slight decrease The workforce decreased slightly, reflecting operational stabilisation and contract appointments.
Employee costs	N\$391.8 million	N\$378.1 million	↑ +3.6% Increased due to annual notch adjustments and post-retirement obligations.
Training and development spend	N\$12.6 million	N\$5.9 million	↑ +114% Focused on safety-critical technical and compliance training.
Employee turnover rate	8%	10%	↑ Improved Reflects stable retention under challenging conditions.
Employee exits	186	26	→ Managed Includes retirements, contract expiries, dismissals and deaths.
Promotions	118	9	↑ Significant increase Supports continuity and skills replenishment.
New appointments	20 permanent 64 contract	20 permanent 81 contract	→ Stable Permanent appointments maintained; contract appointments reduced in line with operational needs.
Gender representation	905 male 157 female	877 male 155 female	→ Broadly stable Gender profile remained broadly stable.
Long-serving employees	706 (>10 years)	712 (>10 years)	→ Strong Indicates strong institutional memory and workforce stability.

NDP6 LINKAGE

Strategic alignment

Employment
Skills development

Institutional capacity
Workforce sustainability

PERFORMANCE FOCUS

Priority areas

- Retention of critical operational and technical skills.
- Targeted investment in safety-critical and compliance training.
- Progressive implementation of leadership, culture, and performance management systems.
- Strengthening internal mobility through structured promotions.
- Maintenance of workforce stability under financial constraints.

NDP6 ENABLEMENT

How this supports national development

Through sustained investment in critical skills, leadership capability, and workforce stability, TransNamib supports national objectives relating to employment creation, institutional capacity building, and the development of specialised competencies within the transport and logistics sector. The retention of experienced personnel and targeted training interventions contributes to improved service reliability and long-term organisational resilience in line with NDP6 priorities.

Manufactured capital

Investment focused on maintaining operational capability and extending asset life rather than network expansion.

KEY INDICATOR	FY2024/25	FY2023/24	PERFORMANCE COMMENTARY
Rolling stock	Ongoing refurbishment and recommissioning of locomotives; selective leasing to support operations	Limited refurbishment; high proportion of out-of-service locomotives	↑ Progressive improvement Progressive improvement in fleet availability through targeted refurbishment and interim leasing.
Infrastructure	Continued focus on priority rail sections and asset maintenance	Maintenance constrained by funding limitations	↑ Improved prioritisation Improved prioritisation of critical infrastructure under constrained capital availability.
Capital projects	Prioritised maintenance, refurbishment, and life-extension projects aligned to ISBP and funding availability	Mainly reactive maintenance and deferred capital projects	↑ Gradual shift Gradual shift towards planned, value-preserving capital investment.
Asset condition	Ageing asset base managed through refurbishment and life-extension interventions.		

NDP6 LINKAGE

Strategic alignment

Economic infrastructure development

Logistics efficiency
Resilience of public assets

PERFORMANCE FOCUS

Priority areas

- Continued operation and maintenance of the national rail network.
- Prioritisation of critical corridors under constrained funding.
- Progressive asset stewardship and lifecycle management.

NDP6 ENABLEMENT

How this supports national development

By maintaining the operational availability of rail infrastructure, TransNamib contributes to logistics continuity and resilience, supporting the movement of bulk commodities and essential goods that enable national production, exports and regional trade.

Natural capital

Environmental management remained focused on compliance, risk mitigation, and responsible resource use within operational constraints.

KEY INDICATOR	FY2024/25	FY2023/24	PERFORMANCE COMMENTARY
Environmental compliance	Environmental permits and clearance conditions maintained; compliance monitoring implemented across operations	Compliance maintained; monitoring largely reactive	↑ Strengthened Strengthened compliance oversight and proactive engagement with regulators.
Resource efficiency	Continued focus on fuel management, locomotive efficiency, and operational optimisation	Limited optimisation initiatives; higher fuel intensity	↑ Improved Improved operational discipline and gradual enhancement of resource efficiency.
Environmental risk	Environmental risks are monitored through compliance audits and incident reporting systems	Environmental risks are managed primarily through regulatory compliance	↑ Enhanced Improved identification and management of operational and environmental risk exposures.

NDP6 LINKAGE

Strategic alignment

Sustainable infrastructure

Environmental responsibility

PERFORMANCE FOCUS

Priority areas

- Compliance with environmental and safety regulations.
- Recognition of rail's potential role in reducing road congestion and emissions.
- Management of environmental impacts within operational constraints.

NDP6 ENABLEMENT

How this supports national development

The continued operation of rail infrastructure contributes to broader national efforts aimed at improving the sustainability of logistics systems and managing transport-related environmental impacts in line with NDP6 priorities.







OUR BUSINESS

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UNDERSTANDING OUR BUSINESS

ORGANISATIONAL OVERVIEW

TransNamib is a state-owned enterprise established under the National Transport Services Holding Company Act, 1998 (Act No. 28 of 1998) and mandated to manage and operate Namibia's national rail network. The organisation plays a strategic role within the country's transport sector through the provision of freight and passenger transportation services, and maintenance of rail infrastructure that supports freight movement along key economic corridors.

As custodian and operator of the national rail network, TransNamib is also responsible for the preservation, operation, and maintenance of rail infrastructure and related assets. The organisation operates under the policy oversight of the Ministry of Works and Transport, which exercises shareholder oversight on behalf of the Government.

While rail remains an important component of Namibia's broader transport framework, its effective utilisation is influenced by operational, financial, and asset-related constraints that continue to shape the operating environment. Within this context, TransNamib's focus remains on sustaining core operations, maintaining essential infrastructure, and positioning the rail network for future recovery and investment in line with national development priorities.

ASSET BASE AND OPERATIONAL CAPACITY

TransNamib manages a substantial national asset base comprising rail infrastructure, rolling stock, property holdings, and operational facilities.

CORE BUSINESS ACTIVITIES

TransNamib's core activities relate to the operation, maintenance, and management of rail infrastructure and freight services. These include:

- Provision of rail freight services for bulk, break bulk, containerised and general cargo.
- Operation and maintenance of the national rail network.
- Infrastructure and asset maintenance.
- Management of rail corridors and associated facilities.
- Property and asset stewardship.
- Support services delivered through subsidiaries and operational units.

Through these activities, TransNamib supports the movement of goods along key transport corridors and contributes to the functioning of Namibia's broader transport and trade environment.

RAIL NETWORK 2,860 km of Cape gauge track Cape gauge 1,067 mm – spanning key national corridors	LOCOMOTIVES 67 Locomotives in fleet Predominantly diesel-powered and ageing – refurbishment ongoing	ACTIVE WAGONS 1,500 Wagons in service Supporting bulk, break bulk, containerised and general cargo	EMPLOYEES 1,062 Total workforce 987 permanent · 75 contract – across operational and support functions
ASSET BASE N\$1.741 billion Rail infrastructure, rolling stock, workshops, depots, and operational facilities	INVESTMENT PROPERTY PORTFOLIO N\$1.182 billion Commercial, operational, industrial and residential properties located along rail corridors	FREIGHT VOLUMES 1.1 million metric tonnes per annum Bulk, break bulk, containerised and general cargo across priority corridors	
CORPORATE STRUCTURE Subsidiaries and joint ventures ■ Swakopmund Station Hotel (Pty) Ltd. – Hospitality and non-core property asset management ■ GPT TransNamib (Pty) Ltd. – Local manufacture of concrete sleepers supporting rail rehabilitation and localisation ■ Namibia Rail Construction (Pty) Ltd. – Rail construction and maintenance capacity outside core rail operations		OPERATIONAL CONTEXT Asset condition and capacity note Ageing asset base under active management While the rail network remains extensive, the age and condition of rolling stock and infrastructure continue to affect operational reliability and capacity utilisation. These factors highlight the importance of sustained maintenance, prioritised investment, and long-term asset renewal planning.	

OPERATIONAL FOOTPRINT

TransNamib operates a national rail network with administrative and operational presence across Namibia. The organisation's head office is located in Windhoek, supported by regional and operational centres positioned along key rail corridors.

OUR REACH

National rail presence

TransNamib's head office is located in Windhoek, supported by major operational hubs along key rail corridors. Additional depots and facilities are located across the network to support freight operations, infrastructure maintenance, and customer engagement. This footprint enables TransNamib to maintain operational coverage across major transport corridors and economic regions.

2,860 km

NATIONAL RAIL NETWORK

9

MAJOR OPERATIONAL HUBS

1,062

EMPLOYEES ACROSS THE NETWORK

MAJOR OPERATIONAL HUBS

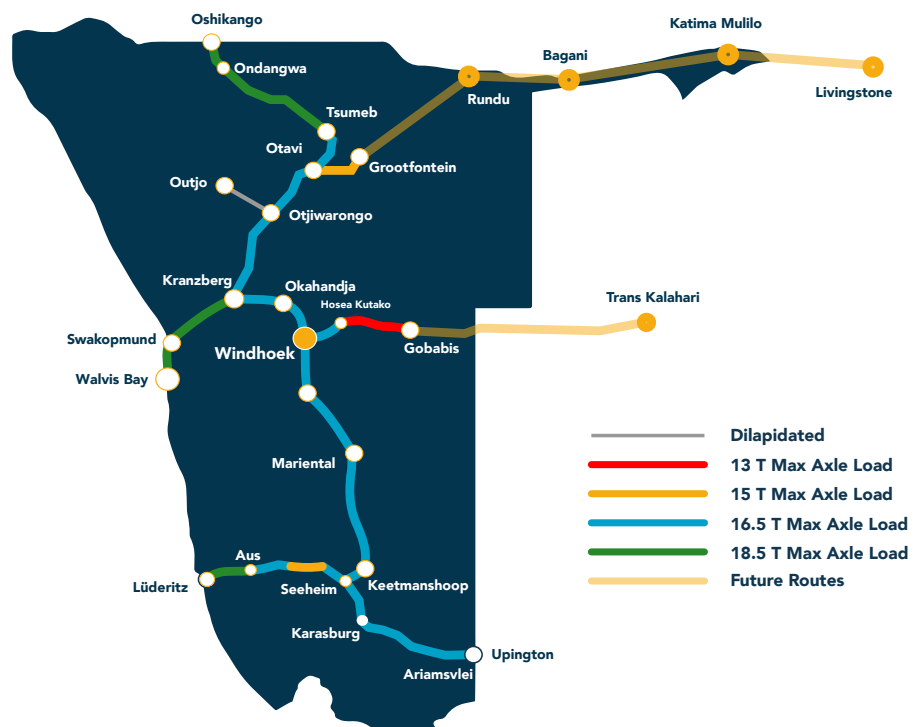
■ Windhoek HEAD OFFICE	■ Walvis Bay	■ Swakopmund
■ Otjiwarongo	■ Tsumeb	■ Grootfontein
■ Keetmanshoop	■ Lüderitz	■ Ondangwa

ADDITIONAL FACILITIES

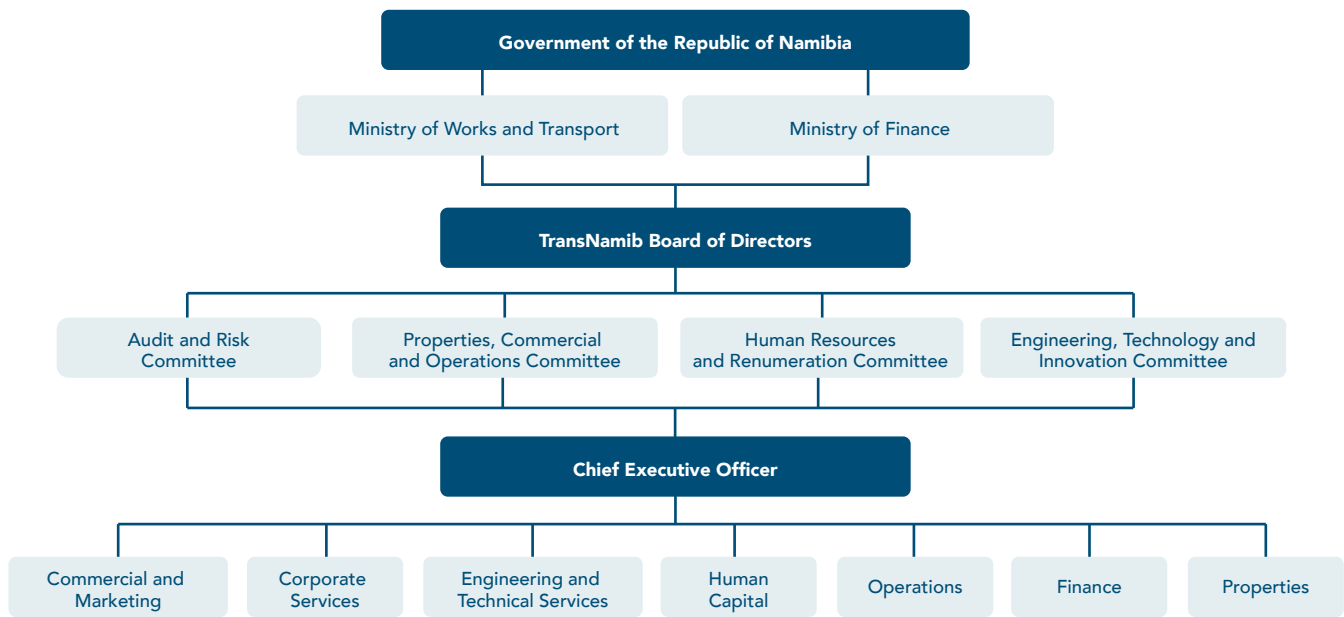
Additional depots and facilities are located along the network to support freight operations, infrastructure maintenance, and customer engagement. Properties are located exclusively along rail corridors – no properties are held in regions without rail connectivity.

Rail network throughout Namibia

The map below illustrates TransNamib's rail network, highlighting current operating corridors, axle load capacities, infrastructure condition, and planned future routes across the national rail system.



OUR CORPORATE STRUCTURE



TRANSNAMIB HOLDINGS LIMITED – SUBSIDIARIES AND JOINT VENTURES (2023/24–2024/25)

TransNamib's subsidiaries and joint ventures support operational, infrastructure, and asset-holding activities that sit alongside the core rail business. These entities provide project-based execution capacity, specialist skills, supply chain support, and asset management services, with their activity levels dependent on the timing and availability of funded rail and infrastructure projects. During the 2024–2025 reporting period, the entities contributed through localisation support, operational capacity, and asset stewardship, and remained subject to appropriate Board and joint-venture governance oversight.

ENTITY	LEGAL STATUS	OWNERSHIP	STRATEGIC PURPOSE	OPERATIONAL STATUS 2024-2025	VALUE CONTRIBUTION	FORWARD VIEW
GPT-TransNamib Concrete Sleepers (Pty) Ltd	Joint venture	50%	Local manufacture of concrete sleepers to support rail rehabilitation and localisation.	Operational Production aligned to rail capital project demand.	Dividend income during active cycles; supports localisation and supply security.	Joint Board oversight; retained for rail rehabilitation.
Namibia Rail Construction (Pty) Ltd	Associate	51%	Rail construction and maintenance capacity outside core rail operations.	Project-based Activity dependent on funded infrastructure projects.	Non-financial value through skills transfer and execution capacity.	Board-controlled JV; role linked to infrastructure pipeline.
Swakopmund Hotel and Entertainment Centre (Pty) Ltd	Subsidiary	100%	Holding and management of non-core property assets.	Operational Hospitality services.	Asset holding; limited contribution to core value creation. Dividend income.	Included in the property portfolio review.

OUR BUSINESS MODEL – HOW WE CREATE AND MAINTAIN VALUE

TransNamib's value creation model explains how the organisation deploys and manages its six capitals to deliver rail freight services that support national logistics efficiency and long-term economic development. Value creation is constrained by funding availability, asset condition and operational capacity, requiring active trade-offs between short-term stabilisation and long-term sustainability.

Value in

What we draw on

SIX CAPITALS

The financial, physical, human, intellectual, social and natural resources entering the business each period.

F FINANCIAL

Shareholder funding, debt facilities, internally generated revenue, and conditional capital support.

M MANUFACTURED

National rail network infrastructure, rolling stock, workshops, depots, terminals and supporting property assets.

H HUMAN

Operational, engineering, safety, and management skills applied in operating, maintaining, and governing the rail system.

I INTELLECTUAL

Operating procedures, safety management systems, engineering standards, maintenance regimes, planning tools, and reporting frameworks.

S SOCIAL & RELATIONSHIP

Engagement and working relationships with the shareholder, customers, regulators, suppliers, corridor bodies, organised labour, and local communities.

N NATURAL

Land use footprint, energy consumption, fuel use, emissions, and environmental compliance.

KEY RELATIONSHIPS

- Government of the Republic of Namibia – Shareholder / Public sector
- Regulatory authorities
- Private sector and commercial partners
- Labour unions and the workforce
- Local communities and municipalities

Our operations

How we create value

TransNamib transforms its six capitals through core operating activities, producing rail freight services that underpin Namibia's national logistics system and long-term economic development.

CORE ACTIVITIES

- 01 Rail freight operations**
Service delivery across priority corridors.
- 02 Asset maintenance and renewal**
Lifecycle management of rail assets.
- 03 Safety, risk and compliance**
Regulatory and operational risk management.
- 04 Customer and logistics**
Engagement, contracts, coordination.
- 05 Strategic planning and oversight**
Capital prioritisation and operational oversight.

+ REVENUE SOURCES

- Rail freight services
- Rental of properties
- Special passenger trains

– COST DRIVERS

- Electricity and fuel: traction and operations
- Maintenance and repair of ageing infrastructure and rolling stock
- Employee costs: operational staffing and specialist skills
- Contractors and materials: rehabilitation and emergency repairs
- Security, safety and compliance

! MATERIAL RISKS

- Ageing rolling stock and infrastructure
- Competition from road freight
- Funding constraints and cash flow gaps
- Skills retention and capacity gaps
- Climate and weather disruptions: track damage, flooding
- Regulatory and policy uncertainty

→ OPPORTUNITIES

- Corridor expansion and new routes
- Modal shift from road to rail
- Regional rail integration: SADC corridors
- Operational efficiency programmes
- Infrastructure investment partnerships
- Renewable energy for traction

Value out

What we deliver

OUTPUTS

Measurable results of operations within prevailing financial and operational constraints.



Freight volumes

Tonnage and train kilometres hauled.

Revenue

Freight charges and ancillary services.

Employment

Operational and support functions.

Network availability

Asset condition and operational reliability.

OUTCOMES AND IMPACTS

Downstream effects on the economy, infrastructure and stakeholders that constitute long-term value.

LOGISTICS EFFICIENCY

Modal shift from road to rail supporting national supply chain resilience and reducing freight costs.

ECONOMIC ACTIVITY

Rail freight enabling growth in mining, agriculture and key trade corridors.

INFRASTRUCTURE STABILISATION

Priority rail corridors preserved and maintained to national development standards.

STAKEHOLDER CONFIDENCE

Licence to operate maintained; NDP 6 alignment demonstrated.

DEPENDENCIES

What we rely on

- Access to funding: Shareholder, debt and conditional support
- Customer demand: Freight volumes and corridor activity
- Asset reliability: Condition of rail network and rolling stock

TRADE-OFFS: WHERE VALUE IS BALANCED

Cost containment



Infrastructure investment

Service expansion



Network stability

Short-term recovery



Long-term asset renewal



GOVERNANCE AND LEADERSHIP

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CHAIRPERSON'S STATEMENT

- Theofelus Mberirua

"With unity of purpose, strategic investment, and disciplined execution, we are confident that TransNamib will reclaim its rightful place as a driver of economic growth, industrialisation, and connectivity."



Chairperson's statement at a glance

PROFIT AFTER TAX – FY2024/25 N\$882 million Profit recorded Prior year: -N\$272 million loss · Driven by sovereign interventions		OPERATING LOSS – FY2024/25 N\$314 million Operating loss Prior year: N\$327 million · Loss narrowed by N\$13 million	CAPITAL FUNDING SECURED N\$2.6 billion DBN / DBSA facility Rolling stock · Workshop · Signalling modernisation
FUEL, OIL & LUBRICANTS N\$170.2 million ↓ Reduced from prior year · Lower average fuel prices and volume consumed	REPAIRS & MAINTENANCE N\$43.2 million ↓ Reduced from prior period · Cost containment and tighter procurement controls	EMPLOYEE COSTS N\$391.8 million ↑ Slight increase · Notch salary adjustments and post-retirement medical aid obligations	CUSTOMS FINES & PENALTIES ↓ Significant Improved compliance and settlement of legacy matters
BOARD PRIORITIES Four strategic commitments ■ Financial sustainability – Restore revenue sufficiency and reduce fiscal dependence ■ Operational excellence – Improve reliability, asset availability, and service delivery ■ Leadership accountability – Embed a culture of performance and ethical conduct ■ Stakeholder value creation – Deliver sustainable returns for Namibia	CAPITAL INVESTMENT FOCUS DBN / DBSA N\$2.6 Billion facility ■ Address locomotive shortage – remanufacture and acquire rolling stock ■ Modernise engineering workshop infrastructure ■ Upgrade signalling infrastructure ■ Position TransNamib as Namibia's foremost bulk carrier	STRATEGIC POSITIONING Energy transition opportunity ■ Oil and gas reserve development – rail as key logistics enabler ■ Green hydrogen ambition – rail supports industrialisation journey ■ Digital technology investment aligned to future vision ■ Regional logistics leadership – connecting Namibia to global markets	
WORKFORCE AND PEOPLE Employees – the engine of TransNamib 1,062 staff employed during the reporting period Balanced mix of experienced professionals and emerging talent. Progress in diversifying the workforce with more women entering historically male-dominated operational roles, including train driving – a matter of both equity and skills development for the future.		GOVERNANCE AND OVERSIGHT Board focus areas Strengthened focus on risk management, compliance, and stakeholder engagement throughout the year. Regular interactions with shareholders, regulators, employees, and communities reinforced the importance of trust and transparency. TransNamib is not merely a commercial entity – it is a national asset with profound socio-economic responsibilities. Operations support industries, create jobs, enable trade, and connect communities across Namibia.	

It is with a deep sense of optimism that I present this message on behalf of the Board of Directors of TransNamib Holdings Limited.

The past financial year has been both challenging and transformative for our company, requiring steadfast governance, prudent oversight, and a clear commitment to delivering on our mandate as Namibia's national rail operator.

In many respects, this year marked a turning point in our journey of renewal, where adversity was met with resilience, and strategic intent began to translate into tangible progress.

GOVERNANCE AND OVERSIGHT

The Board's foremost duty is to provide effective governance, ensuring that TransNamib operates with accountability and transparency, aligned with the developmental aspirations of the Republic of Namibia. This responsibility has been exercised with vigilance throughout the year.

We have worked closely with management to navigate operational challenges, strengthen the company's financial position, and ensure that the principles of sustainability, efficiency, and stakeholder value remain at the centre of all decision-making.

FINANCIAL PERFORMANCE

The Company reported a profit of N\$882 million for FY2024/25 compared to a loss of N\$272 million in FY2023/24, largely driven by sovereign shareholder interventions and the settlement of historical liabilities rather than an underlying operational turnaround.

The financial year under review showed modest improvement in performance. TransNamib reduced its operating loss to N\$314 million in FY 2024/25 from N\$327 million in FY2023/24, reflecting the impact of cost containment measures, tighter procurement controls, and improved operational discipline.

The Board recognises that TransNamib's financial stability remains fragile. Negative cash flow persists, and our revenue base is insufficient to cover essential operating expenses without government support.

CAPITAL INVESTMENT

Deferred procurements and supplier payments have further constrained operations. It is within this context that the company secured a landmark funding facility of N\$2.6 billion from the Development Bank of Namibia and the Development Bank of Southern Africa. This financing will allow us to address our locomotive shortage decisively, remanufacture and acquire rolling stock. Additional funding has also been secured to modernise our engineering workshop and signalling infrastructure.

The Board views this as a catalyst for sustainable transformation – a necessary investment to position TransNamib for long-term viability and relevance and rightly take up its position as Namibia's foremost bulk carrier.

"N\$2.6 billion DBN/DBSA funding facility secured to support rolling stock, locomotives, workshop modernisation and signalling infrastructure."



PEOPLE AND LEADERSHIP

Beyond financials, the Board has placed strong emphasis on leadership accountability and workforce development.

We recognise that our employees are the true engine of TransNamib, and their safety, well-being, and professional growth remain central priorities. The company employed 1,062 staff during the reporting period, supported by a balanced mix of experienced professionals and emerging talent.

It is particularly encouraging to see progress in diversifying our workforce, with more women entering historically male-dominated operational roles, including train driving. This is not only a matter of equity, but also of strengthening the skills base that will drive our future.

TransNamib operates in a rapidly evolving context in which Namibia is emerging as a hub for energy transformation. The discovery and development of oil and gas reserves, combined with the country's bold ambition to become a global leader in green hydrogen, present both challenges and immense opportunities. The Board firmly believes that rail will play a critical enabling role in this energy revolution.

STRATEGIC OUTLOOK

Efficient rail logistics will be essential to transport inputs, equipment, and energy products across Namibia and to regional and global markets. TransNamib must therefore position itself as a strategic partner in the nation's industrialisation and decarbonisation journey.

Our investments in locomotives, infrastructure, and digital technologies are aligned with this future vision. As custodians of governance, the Board has also strengthened its focus on risk management, compliance, and stakeholder engagement. Regular interactions with our shareholders, regulators, employees, and communities have reinforced the importance of trust and transparency.

NATIONAL RESPONSIBILITY

We are acutely aware that TransNamib is not merely a commercial entity, but a national asset with profound socio-economic responsibilities. Our operations support industries, create jobs, enable trade, and connect communities. It is therefore imperative that we conduct our business with integrity and foresight, ensuring that short-term challenges are balanced against long-term national interests.

Looking ahead, the Board remains committed to four priorities: financial sustainability, operational excellence, leadership accountability, and stakeholder value creation. With the DBN/DBSA funding secured, we are entering a period of major capital investment, the outcomes of which will determine TransNamib's trajectory for decades. These investments must be executed with precision and discipline to ensure that they deliver the intended impact.

Equally, the Board will continue to drive the company towards a culture of high performance, where data guides decisions, accountability is non-negotiable, and innovation is embraced as a driver of efficiency.

IN APPRECIATION

In conclusion, I wish to extend the Board's appreciation to our shareholder, the Government of the Republic of Namibia, for its unwavering support during a period of financial strain. I also acknowledge our management team, under the leadership of the Acting Chief Executive Officer, for their tireless efforts in executing strategy under challenging conditions.

Most importantly, I thank every TransNamib employee for their resilience, dedication, and belief in our collective mission. Together, we are rebuilding a company that not only serves today's needs but also contributes to the Namibia of tomorrow – a nation on the cusp of becoming a logistics leader in the region, where rail will remain indispensable.

The Board reaffirms its commitment to ensuring that TransNamib delivers sustainable value to all stakeholders. Our path is not without obstacles, but with unity of purpose, strategic investment, and disciplined execution, we are confident that TransNamib will reclaim its rightful place as a driver of economic growth, industrialisation, and connectivity in Namibia and beyond.



Theofelus Mberirua
Board Chairperson

OUR LEADERSHIP: BOARD AND EXECUTIVE COMMITTEE

BOARD OF DIRECTORS

Theofelus Mberirua

Independent non-executive
Chairperson



MBA in Accounting and Finance;
Bachelor of Science degree in
Accounting

Appointed to the Board:
10 October 2022

Committee(s):
PROPCOM, ETICOM

Gaenor Michaels

Independent non-executive
Vice Chairperson



LLB IV; Certificate obtained from
Rhodes Investec Business School, Legal
Practitioners Board for Legal Education
Certificate

Appointed to the Board:
February 2019

Committee(s):
AUDITCOM, PROPCOM (Chair),
HRCOM

Dr Jacobus Petrus

Benjamin Keyser
Non-executive Director



PhD and Master's in Personal and
Professional leadership; Honours degree
in Transport Economics

Appointed to the Board:
10 October 2022

Committee(s):
HRCOM, ETICOM (Chair)

Pombili Ndeunyema
Non-executive Director



BSc degree in Mechanical Engineering (Hons); Lean Six Sigma Green Belt certification; Senior Management Development Programme; MBA (Cum Laude)

Appointed to the Board:
01 September 2022

Committee(s):
ETICOM

Vemunjengwa Theofelus Kavari
Non-executive Director



BCom; MBA; Ass. Diploma in Banking (SA); FCCA (Association of Chartered Certified Accountants). Registered Accountant and Auditor (Public Accountants' and Auditors' Board of Namibia)

Appointed to the Board:
01 September 2023

Committee(s):
AUDITCOM (Chair), PROPCOM

Johanna Tuleingepo Muulinawa Hatutale
Non-executive Director

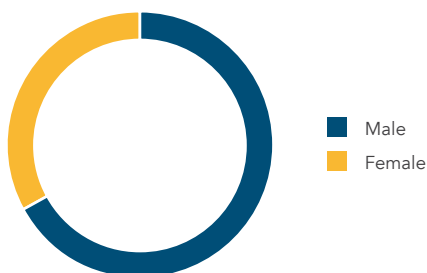


BPsych degree in Industrial Psychology (Honours), Master's degree in Strategic Human Resource Management, Senior Management Development Programme, Certified Balanced Scorecard Professional and an Emotional Intelligence Practitioner

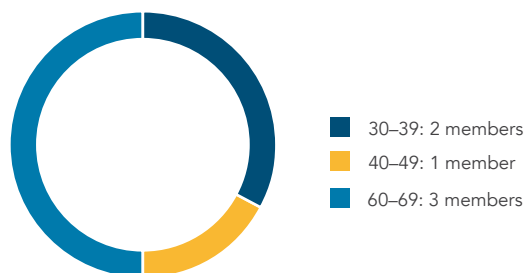
Appointed to the Board:
01 September 2022

Committee(s):
HRCOM (Chair), AUDITCOM

Board gender diversity



Board age diversity



EXECUTIVE MANAGEMENT

Desmond van Jaarsveld
Chief Executive Officer



MSc (Stellenbosch); Management Development Programme (MDP), University of Stellenbosch Business School

*Appointed to ExCo:
18 April 2024*

Monde Inambao-Samwele
Executive: Finance (Acting)



Chartered Global Management Accountant (CGMA); Management Development Programme (MDP), University of Stellenbosch Business School; BTech Accounting and Finance, Polytechnic of Namibia

*Appointed to ExCo:
1 July 2024*

Kendall Swartz
Executive: Commercial and Marketing



BBA Economics, Georgia Southern University, USA; Certificate in Sales and Marketing Management, Damelin

*Appointed to ExCo:
1 April 2023*

Bertus Eksteen

Executive: Engineering and Technical Services



BEng Civil Engineering, Stellenbosch University; Registered Professional Civil Engineer, Engineering Council of Namibia (ECN)

Appointed to ExCo:
1 June 2022

Webster Gonzo

Executive: Human Capital



MSc Psychology (Cum Laude), University of Namibia; PGDip Labour Law (Conciliation and Arbitration), University of Namibia; BA Psychology, University of Namibia

Appointed to ExCo:
1 December 2012

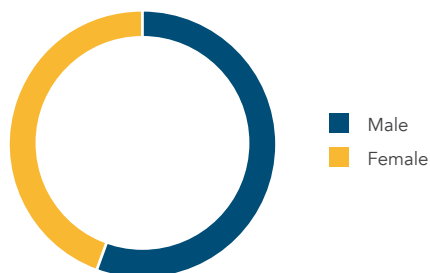
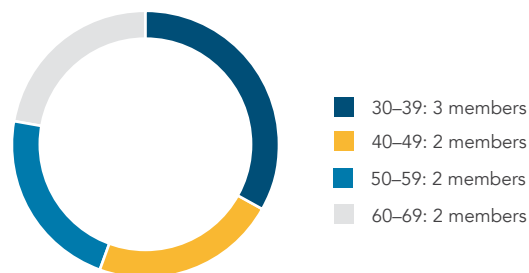
Gideon Eiseb

Executive: Operations (Acting)



National Diploma in Public Management, 2002, Technikon of South Africa; Extensive rail operations training over a 37-year career, including rail-specific operational certificates obtained in Train Control, Train Planning, Radio Control, Train Operations Inspection and Passenger Services

Appointed to ExCo:
1 March 2023

Executive management gender diversity**Executive management age diversity**

EXECUTIVE MANAGEMENT

Alynsia Platt

Executive: Properties



LLB (Honours), University of Namibia; BJuris, University of Namibia; BBA, University of Namibia; Namibia Real Estate Agent's Certificate, Namibia Estate Agents Board; LLM, University of South Africa (UNISA) – candidate

Appointed to ExCo:
1 October 2018

Helvi Haludilu

Company Secretary and Legal Advisor



Admitted Legal Practitioner and Member of the Law Society; LLM: Business Law and Governance (candidate), Open University of Mauritius; MBA: Management Strategy, University of Namibia; PGDip: Drafting and Interpretation of Contracts, University of Johannesburg; PGCe: Management Development Programme, University of Stellenbosch Business School; PGCe: Telecommunications, Policy, Regulations and Management, University of Witwatersrand; LLB (Honours), University of Namibia; Baccalaureus Juris, University of Namibia.

Appointed to ExCo (Ex Officio):
01 March 2022

Abel Abel

Executive: Corporate Services (acting)



Completed Audit Articles; BCompt, UNISA; Postgraduate Diploma in Internal Auditing, UNISA; Certified Internal Auditor, Institute of Internal Auditors Global; Certification in Risk Management Assurance, Institute of Internal Auditors Global; MBA: Management Strategy (candidate), Namibia Business School; MA International Relations, University of Birmingham

Appointed to ExCo:
1 July 2024 until 1 October 2025

OUR GOVERNANCE

Effective governance is fundamental to TransNamib's ability to fulfil its mandate, execute its strategy, and create sustainable value over the short, medium and long term. The Board of Directors provides strategic oversight and leadership, ensuring that the organisation operates ethically, responsibly, and in the best interests of its shareholder and broader stakeholders.

The 2024/25-2028/29 Integrated Strategic Business Plan (ISBP) identifies governance effectiveness as a critical success factor for the organisation's turnaround and long-term viability. The Board has therefore prioritised strengthening governance structures, accountability mechanisms and performance oversight to support the execution of the five-year strategy.

GOVERNANCE OVERVIEW

In line with the International Integrated Reporting Framework, the Board recognises that good governance underpins value creation by enabling sound decision-making, effective risk management, accountability, and responsible stewardship of financial, manufactured, human, social and intellectual capital.

The governance framework is informed by:

- The Public Enterprises Governance Act, 2019
- The National Transport Services Holding Company Act, 1998
- The Corporate Governance Code for Namibia (NamCode)
- King IV™ principles on corporate governance
- The Company's Board Charter and related governance policies

Through these instruments, the Board ensures that governance practices remain aligned with legislative requirements, best practices, and the organisation's long-term sustainability.

The Board is responsible for providing strategic direction, exercising effective oversight, and ensuring that TransNamib is managed in a manner that supports long-term value creation.

ROLE AND RESPONSIBILITIES OF THE BOARD

In fulfilling its responsibilities, the Board:

- Sets the strategic direction and approves corporate strategy.
- Oversees the implementation of the strategy by management.
- Ensures sound governance, ethical leadership, and accountability.
- Oversees risk management, internal control, and compliance.
- Approves budgets, financial statements and major investments.
- Monitors organisational performance against strategic objectives.
- Ensures that sustainability considerations are integrated into decision-making.

The Board retains ultimate accountability for the organisation's performance, while delegating the day-to-day management of operations to the Chief Executive Officer in accordance with an approved delegation-of-authority framework.

GOVERNANCE IN SUPPORT OF VALUE CREATION

The Board recognises that sustainable value creation requires a balance between performance, risk, and opportunity. Governance practices are therefore designed to support:

- Financial sustainability, through oversight of financial performance, budgeting, and controls.
- Operational resilience, through oversight of infrastructure, asset management, and service delivery.
- Human capital development, through succession planning, performance management and ethical leadership.
- Risk management, ensuring material risks are identified, assessed and mitigated.
- Stakeholder trust, through transparency, accountability and responsible conduct.

The Board actively considers the impact of decisions on all capitals and ensures that trade-offs are evaluated in the context of long-term sustainability rather than short-term gain.

POLICIES APPROVED BY THE BOARD

The Board approved the following policies during the 2023/24 and 2024/25 financial years:

2023/24	2024/25
Business Travel and Subsistence Allowance Policy	Alcohol and Drug Use Policy
Rail Safety Policy	Whistleblower Policy
Security Services Policy	Policy on Policies
	Acting Allowance Policy

BOARD COMPOSITION AND STRUCTURE

The Board subscribes to a unitary structure comprising non-executive directors, the majority of whom are independent, in line with good governance practice. The Chairperson is an independent non-executive director, ensuring separation between leadership and executive management.

The composition of the Board reflects an appropriate balance of skills, experience, diversity and institutional knowledge to support effective oversight and strategic guidance.

Board appointments, tenure and performance are governed by the Board Charter and relevant legislation, with periodic assessments conducted to ensure continued effectiveness.

BOARD COMMITTEES

To assist in fulfilling its responsibilities, the Board has established the following committees, each operating under approved terms of reference and reporting regularly to the Board.

AUDITCO Audit and Risk Committee	OVERSIGHT ■ Financial reporting and disclosures ■ Internal controls and internal audit ■ Risk management and compliance ■ External audit processes	Through its oversight role, the Committee supports the integrity of financial information, strengthens accountability, and enhances confidence in the organisation's governance and reporting processes.	MEMBERS <table><tr><th>NAME</th><th>ROLE</th><th>TERM</th></tr><tr><td>Ms G Michaels</td><td>Member</td><td>Nov 2022 – Aug 2025</td></tr><tr><td>Ms J Hatutale</td><td>Member</td><td>Nov 2022 – Mar 2025</td></tr><tr><td>Dr J Shikongo-Asino</td><td>Member</td><td>Nov 2022 – Dec 2023</td></tr><tr><td>Mr V T Kavari Chair from Mar 2023</td><td>Member</td><td>Nov 2023 – Feb 2026</td></tr></table>	NAME	ROLE	TERM	Ms G Michaels	Member	Nov 2022 – Aug 2025	Ms J Hatutale	Member	Nov 2022 – Mar 2025	Dr J Shikongo-Asino	Member	Nov 2022 – Dec 2023	Mr V T Kavari Chair from Mar 2023	Member	Nov 2023 – Feb 2026
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Ms G Michaels	Member	Nov 2022 – Aug 2025																
Ms J Hatutale	Member	Nov 2022 – Mar 2025																
Dr J Shikongo-Asino	Member	Nov 2022 – Dec 2023																
Mr V T Kavari Chair from Mar 2023	Member	Nov 2023 – Feb 2026																
PROPCO Properties, Commercial and Operations Committee	OVERSIGHT ■ Management and administration of the property portfolio ■ Guiding the Marketing, Commercial and Operational strategy of the company	The Committee plays a key role in ensuring that TransNamib's assets are managed efficiently and aligned with operational and commercial objectives, thereby supporting long-term value creation and sustainability.	MEMBERS <table><tr><th>NAME</th><th>ROLE</th><th>TERM</th></tr><tr><td>Ms G Michaels</td><td>Chair</td><td>Nov 2022 – Oct 2025</td></tr><tr><td>Mr T Mberirua</td><td>Member</td><td>Nov 2022 – Aug 2025</td></tr><tr><td>Dr J Shikongo-Asino</td><td>Member</td><td>Nov 2022 – Dec 2023</td></tr><tr><td>Mr V T Kavari</td><td>Member</td><td>Mar 2024 – Feb 2026</td></tr></table>	NAME	ROLE	TERM	Ms G Michaels	Chair	Nov 2022 – Oct 2025	Mr T Mberirua	Member	Nov 2022 – Aug 2025	Dr J Shikongo-Asino	Member	Nov 2022 – Dec 2023	Mr V T Kavari	Member	Mar 2024 – Feb 2026
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HRCOM Human Resources Committee	OVERSIGHT ■ Human capital management and workforce planning ■ Executive remuneration and performance management ■ Talent development and succession planning	Through its work, the Committee ensures that TransNamib maintains the leadership capacity, skills and organisational culture required to deliver on its mandate and strategic objectives.	MEMBERS <table><tr><th>NAME</th><th>ROLE</th><th>TERM</th></tr><tr><td>Ms J Hatutale</td><td>Chair</td><td>Nov 2022 – Aug 2025</td></tr><tr><td>Ms G Michaels</td><td>Member</td><td>Nov 2022 – Aug 2025</td></tr><tr><td>Dr K Keyser</td><td>Member</td><td>Nov 2022 – Oct 2025</td></tr></table>	NAME	ROLE	TERM	Ms J Hatutale	Chair	Nov 2022 – Aug 2025	Ms G Michaels	Member	Nov 2022 – Aug 2025	Dr K Keyser	Member	Nov 2022 – Oct 2025			
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Ms J Hatutale	Chair	Nov 2022 – Aug 2025																
Ms G Michaels	Member	Nov 2022 – Aug 2025																
Dr K Keyser	Member	Nov 2022 – Oct 2025																
ETICOM Engineering, Technology and Innovation Committee	OVERSIGHT ■ Infrastructure development and maintenance ■ Technology and innovation initiatives ■ Investment in rolling stock and engineering capability	This Committee plays a critical role in strengthening operational resilience, improving service delivery, and enabling future-focused infrastructure development aligned with national transport priorities.	MEMBERS <table><tr><th>NAME</th><th>ROLE</th><th>TERM</th></tr><tr><td>Dr K Keyser</td><td>Chair</td><td>Nov 2022 – Oct 2025</td></tr><tr><td>Mr P Ndeunyema</td><td>Member</td><td>Nov 2022 – Aug 2025</td></tr><tr><td>Mr T Mberirua</td><td>Member</td><td>Nov 2022 – Oct 2025</td></tr></table>	NAME	ROLE	TERM	Dr K Keyser	Chair	Nov 2022 – Oct 2025	Mr P Ndeunyema	Member	Nov 2022 – Aug 2025	Mr T Mberirua	Member	Nov 2022 – Oct 2025			
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Dr K Keyser	Chair	Nov 2022 – Oct 2025																
Mr P Ndeunyema	Member	Nov 2022 – Aug 2025																
Mr T Mberirua	Member	Nov 2022 – Oct 2025																

Company Secretariat function

The Company Secretary serves as the primary governance advisor to the Board and acts as a key link between the Board and management.

Responsibilities include:

- Advising the Board on governance and statutory requirements
- Ensuring compliance with applicable legislation and best practice
- Coordinating Board and committee processes
- Supporting effective information flow and decision-making
- Maintaining governance documentation and records

The Company Secretary also supports the annual Board work plan and ensures that Board resolutions are implemented and tracked.

Board attendance and remuneration

Board and committee attendance is monitored to ensure active participation and effective oversight. Attendance levels during the reporting period reflect a strong commitment by Board members to fulfilling their governance responsibilities.

Director remuneration is determined in accordance with shareholder-approved frameworks and is structured to ensure fairness, transparency and alignment with market norms. Full disclosure of Board fees is provided in this report in line with governance and reporting requirements.

Board attendance: (Board, committee and special meetings) FY2023/24 and FY2024/25

Ms G Michaels <i>Independent Non-Executive Vice Chairperson</i> CHAIR – PROPCO FROM NOV 2022 AUDITCO HRCOM FY2023/24 Board meetings 5 Audit Committee 4 HR Committee 4 PROPCO Committee 4 FY2024/25 Board meetings 7 Audit Committee 5 HR Committee 5 PROPCO Committee 4	Mr T Mberirua <i>Independent Non-Executive Chairperson</i> CHAIRPERSON – BOARD FROM OCT 2022 ETICOM PROPCO FY2023/24 Board meetings 5 ETI Committee 4 PROPCO Committee 4 FY2024/25 Board meetings 7 ETI Committee 5 PROPCO Committee 5	Ms J Hatutale <i>Non-Executive Director</i> CHAIR – HRCOM FROM NOV 2022 AUDITCO FY2023/24 Board meetings 5 Audit Committee 3 HR Committee 3 FY2024/25 Board meetings 4 Audit Committee 4 HR Committee 5
Dr J Keyser <i>Non-Executive Director</i> CHAIR – ETICOM FROM NOV 2022 HRCOM FY2023/24 Board meetings 5 ETI Committee 3 HR Committee 4 FY2024/25 Board meetings 7 ETI Committee 5 HR Committee 5	Mr P Ndeunyema <i>Non-Executive Director</i> ETICOM FY2023/24 Board meetings 4 ETI Committee 4 FY2024/25 Board meetings 5 ETI Committee 5	Mr V T Kavari <i>Non-Executive Director - Appointed September 2023</i> CHAIR – AUDITCO FROM MAR 2024 PROPCO FY2023/24 Board meetings 2 Audit Committee 2 FY2024/25 Board meetings 7 Audit Committee 6 PROPCO Committee 5

Directors' emoluments (FY2023/24 and 2024/25)

Names	Directors' emoluments FY2023/24 (Gross N\$)	Directors' emoluments FY2024/25 (Gross N\$)
Ms G Michaels	307,000	299,000
Ms J Shikongo-Asino	193,000	-
Ms J Hatutale	239,000	227,000
Dr J Keyser	244,000	248,000
Mr T Mberirua	279,000	265,000
Mr P Ndeunyema	169,000	161,000
Mr V T Kavari	92,000	248,000
	1,523,000	1,448,000

Looking ahead

The Board remains committed to strengthening governance as a foundation for sustainable growth, operational excellence and long-term value creation. Over the next reporting period, governance will continue to play a central role in supporting the successful execution of the Integrated Strategic Business Plan (ISBP), strengthening accountability, and enabling TransNamib's turnaround and future sustainability.

01

Strengthening alignment among the shareholder, Board, and management through clearer accountability structures, improved performance management, and enhanced oversight of strategic execution.

02

Enhancing risk management and audit oversight, with a focus on strengthening risk identification, monitoring and follow-up on audit recommendations to support informed decision-making and operational resilience.

03

Supporting governance reform as an enabler of turnaround, recognising that effective governance is critical to restoring financial sustainability, improving operational performance and enabling access to funding.

04

Overseeing asset optimisation and operational efficiency, including property rationalisation and improved utilisation of assets, as key levers to support financial recovery.

05

Strengthening leadership capability and performance culture, through oversight of organisational restructuring, performance management and talent development initiatives.

06

Providing governance oversight of infrastructure, asset renewal and technology modernisation, recognising their importance to operational reliability and long-term growth.

07

Reinforcing performance accountability and execution discipline, supported by ongoing Board and committee evaluations to ensure governance structures remain effective and aligned with strategic priorities.

Promoting ethical leadership and a strong governance culture, recognising that integrity, transparency and accountability are essential to restoring stakeholder confidence and achieving sustainable success.







OUR OPERATING CONTEXT

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- 40** MATERIAL RISKS AND OPPORTUNITIES
- 45** CORPORATE SOCIAL INVESTMENT

CHIEF EXECUTIVE OFFICER'S REPORT

- Chief Executive Officer

"Balancing operational stability with financial discipline and long-term sustainability has remained central to our leadership approach."



Chief Executive Officer's report at a glance

MTEF COMMITMENT – OPERATIONAL CONTINUITY N\$250 million Committed during the reporting period Development finance advanced for long-term capital investment		FLEET REFURBISHMENT – REPORTING PERIOD 9 + 80 Locomotives refurbished + wagons overhauled Planned: 23 new locomotives and 300 wagons in procurement pipeline		PROPERTY PORTFOLIO – TOTAL VALUE N\$2.30 billion Stable recurring revenue base Annual rental income N\$68.52 million · Rising N\$5.62 million → N\$5.71 million per month
LOCOMOTIVES REFURBISHED 9 Shift from reactive to preventative asset management	WAGONS OVERHAULED 80+ Improving fleet availability and corridor performance	CEO PERMANENT APPOINTMENT April 2024 Following Acting CEO period under Mr. Webster Gonzo	SAFETY – FOREMOST PRIORITY ↑ Focus Embedding safety culture · Strengthening frontline leadership	
OPERATIONAL AND FINANCIAL CONTEXT Recovery and stabilisation - Restoring operational reliability and safeguarding critical assets - Reinforcing governance and financial controls - N\$250 million committed through MTEF to support operational continuity - Removal of key speed restrictions supporting volumes and transit times - Locomotive acquisition strategy reassessed – disciplined capital stewardship		COMMERCIAL AND GOVERNANCE Positioning and institutional strength - Road-to-Rail strategy advanced – mining, port growth and regional trade - Rail to reduce national road maintenance costs whilst stimulating economy - Risk management enhanced – audit findings addressed more rigorously - Leadership structures stabilised – stronger discipline and reporting quality - Property portfolio rationalised – tenant-funded improvements preserving value		LOOKING AHEAD – NEXT 24 MONTHS Strategic priorities - Locomotive availability – remanufacturing and short-term leasing - Cross-border connectivity and beneficial partnerships - Critical maintenance requirements across the network - Leadership development, skills training and employee wellbeing - Governance and compliance frameworks further strengthened
PERFORMANCE SUMMARY AND ORGANISATIONAL RENEWAL Stabilisation, consolidation and deliberate repositioning The 2024/25 financial year was characterised by stabilisation, consolidation, and deliberate repositioning. Significant emphasis was placed on restoring operational discipline, strengthening financial oversight, rebuilding organisational capability, and embedding a culture of accountability, safety, and ethical leadership. While structural challenges remain, meaningful progress has been made in establishing the conditions for long-term sustainability and improved performance.		IN APPRECIATION Acknowledgements Sincere appreciation to our shareholder – the Ministry of Finance and the Ministry of Works and Transport – for their continued support and confidence during this period of significant transition. I thank the Board of Directors, my Executive Management team, and most importantly every TransNamib employee and their representative union for their resilience, professionalism, and dedication. Their commitment, often demonstrated under demanding circumstances, remains the foundation of our recovery and future sustainability.		

It is my privilege to present TransNamib's Chief Executive Officer's Report for the 2023/24 and 2024/25 reporting period.

This Integrated Annual Report reflects our commitment to integrated thinking as a foundation for sound decision-making and accountable leadership. It recognises the interrelationship between strategy, governance, risk management, and the six capitals that influence the organisation's ability to deliver sustainable value over the short, medium, and long term.

OPERATIONAL AND FINANCIAL CONTEXT

The 2024/25 financial year marked an important phase in TransNamib's recovery journey. Against a backdrop of ageing infrastructure, limited capital availability, and longstanding operational challenges, key focus areas over the reporting period included stabilisation of the organisation and disciplined and systematic interventions to ensure institutional success and to unlock the full capacity of the rail sector as a key enabler of national economic prosperity.

These interventions were focused on restoring operational reliability, safeguarding critical assets, and reinforcing governance and financial controls. Through funding secured under the Medium-Term Expenditure Framework, TransNamib was able to sustain essential operations and engage priority maintenance backlogs. Approximately N\$250 million was committed during the period to support operational continuity, while further development finance arrangements were advanced to enable long-term capital investment.

These interventions were instrumental in maintaining service delivery during a challenging period of transition and repositioning.

OPERATIONAL STABILISATION AND ASSET MANAGEMENT

Operational stabilisation remained a central priority throughout the period. Targeted refurbishment programmes were implemented for nine locomotives and more than 80 wagons, improving fleet availability and reliability. A structured maintenance planning approach was revitalised, marking a deliberate shift from reactive interventions toward preventative asset management.

In parallel, planning progressed for the procurement of 23 new locomotives and 300 wagons, alongside preparatory work for future infrastructure upgrades supported by the removal of key speed restrictions across the network. These initiatives are central to increasing rail volumes, enhancing transit times, and improving customer confidence over the medium term.

Collectively, these measures represent an important step toward restoring service consistency and strengthening corridor performance.

PROPERTY PORTFOLIO AND FINANCIAL RESILIENCE

The property portfolio continued to play an important role in strengthening TransNamib's financial resilience during the reporting period. With a total portfolio value of approximately N\$2.30 billion and annual rental income of N\$68.52 million, these assets provided stable recurring revenue and supported operational liquidity.

Rental income rose from approximately N\$5.62 million per month in FY2023/24 to about N\$5.71 million per month in FY2024/25, driven by improved occupancy rates, tenant-funded refurbishments, and targeted asset management

"These efforts support our long-term objective of increasing rail's share of freight volumes and promoting a more sustainable national transport system."



strategies. Despite limited capital resources, a pragmatic approach to property management, including tenant-funded improvements and portfolio rationalisation, helped the organisation preserve asset value and strengthen its contribution to the recovery programme.

GOVERNANCE, LEADERSHIP AND INSTITUTIONAL STRENGTHENING

From a governance and leadership perspective, meaningful progress was achieved in strengthening oversight, accountability, and performance management. Risk management processes were enhanced, audit findings were addressed more rigorously, and leadership structures were stabilised to support improved execution.

During the period under review, the Board of Directors was chaired by Mr. Theo Mberirua, who passed away in November 2025. The Board also recorded a change in executive leadership following the resignation of the previous Chief Executive Officer, with Mr. Webster Gonzo serving as Acting CEO until the permanent appointment of the new CEO took effect in April 2024.

These measures have contributed to stronger organisational discipline, improved reporting quality, and more informed decision-making across the organisation. They also reinforce the foundations required for sustained operational improvement and financial recovery.

COMMERCIAL POSITIONING AND STAKEHOLDER ENGAGEMENT

Commercially, TransNamib intensified engagement with key customers and stakeholders, reinforcing its role within Namibia's logistics ecosystem. Progress was made in advancing the Road-to-Rail strategy and aligning operations with national development priorities, including mining expansion, port growth, and regional trade integration. To this end, rail transport will play a pivotal role in reducing national maintenance costs on our world-class road network, whilst stimulating the economy. These efforts support our long-term objective of increasing rail's share of freight volumes, strengthening corridor competitiveness, and promoting a more sustainable national transport system.

STRATEGIC REPOSITIONING AND FLEET INVESTMENT

During the year, TransNamib reassessed its locomotive acquisition strategy in response to changing global market conditions and funding considerations. The Board's decision to pause the existing procurement process reflects our commitment to ensuring that future fleet investments are sustainable, fit for purpose, and aligned with long-term governance, operational, and financial objectives.

This disciplined approach to capital investment is essential to protecting the organisation's long-term viability and ensuring responsible stewardship of public resources.



SAFETY, RESPONSIBILITY AND HUMAN IMPACT

Safety remains our foremost operational priority. We are deeply mindful of the human impact of rail operations, and we extend our sincere condolences to the families and colleagues of those who lost their lives, as well as to all those affected by serious incidents during the reporting period.

These tragedies reinforce our unwavering commitment to strengthening safety systems, operational discipline, supervision, and compliance across the organisation. Management remains focused on embedding a strong safety culture, enhancing frontline leadership, and ensuring consistent adherence to operating standards at all levels.

Continuous improvement in safety performance remains central to our operational and ethical responsibilities.

PERFORMANCE SUMMARY AND ORGANISATIONAL RENEWAL

The 2024/25 financial year was characterised by stabilisation, consolidation, and deliberate repositioning. Significant emphasis was placed on restoring operational discipline, strengthening financial oversight, rebuilding organisational capability, and embedding a culture of accountability, safety, and ethical leadership.

While structural challenges remain, meaningful progress has been made in establishing the conditions for long-term sustainability and improved performance. The year under review marked an important step toward repositioning TransNamib as a dependable logistics partner and a resilient national asset.

LOOKING AHEAD

Over the next 24 months, our focus will be on strengthening core operational capabilities, improving service reliability, and consolidating recent gains. Priority will be given to improving locomotive availability through remanufacturing and short-term leasing, enhancing cross-border connectivity, creating beneficial partnerships and addressing critical maintenance requirements across the network. In parallel, we will continue to invest in organisational capability through leadership development, skills training, and employee wellbeing initiatives. Governance and compliance frameworks will be further strengthened to support transparency, accountability, and sustainable performance.

While financial constraints remain a reality, our strategic priorities are to stabilise the business, improve customer confidence, and lay a credible foundation for future growth. This measured and disciplined approach reflects TransNamib's commitment to responsible management and operational resilience.

This process will take time, but we are confident that through the ongoing support of our Shareholder we will be able to achieve this critical turnaround.

IN APPRECIATION

I wish to express my sincere appreciation to our shareholder, represented by the Ministry of Finance and the Ministry of Works and Transport, for their continued support, guidance, and confidence in TransNamib during a period of significant transition.

I also thank the Board of Directors for its strategic leadership and oversight, and my Executive Management team for their commitment to disciplined execution, institutional strengthening, and organisational renewal.

Most importantly, I acknowledge and commend our employees across the organisation and their representative union for their resilience, professionalism, and dedication under challenging operational and financial conditions. Their commitment, often demonstrated under demanding circumstances, remains the foundation of our recovery and future sustainability.



Desmond van Jaarsveld
Chief Executive Officer



OPERATING CONTEXT

Given TransNamib's historical financial constraints, the operating context is presented through the lens of financial sustainability as the primary enabler of service delivery, asset renewal, and long-term value creation.

MACROECONOMIC AND SECTOR ENVIRONMENT

During the 2024 and 2025 financial years, TransNamib operated within a constrained economic and logistics environment characterised by moderate growth, commodity-driven freight demand, and sustained modal competition. Bulk freight volumes remained closely linked to mining output, fuel imports, agricultural production, and construction activity, resulting in uneven demand patterns across corridors and customer segments.

At a regional level, trade flows within the Southern African Development Community (SADC) continued to shape cargo movement patterns through Namibia. Land-linked countries such as Zambia, Botswana, and the Democratic Republic of the Congo remain key sources of transit volumes. At the same time, infrastructure investments in neighbouring rail networks and ports have intensified competition in the corridor.

While national development priorities position Namibia as a regional logistics hub, supported by port and corridor expansion initiatives, the realisation of this potential remains dependent on reliable and competitive rail services. Market projections in the Integrated Strategic Business Plan anticipate significant medium-term growth in rail volumes. However, capturing this growth will require sustained improvements in service reliability, transit times, and intermodal integration.

Road freight operators continue to dominate domestic and cross-border movements due to operational flexibility, shorter lead times, and established customer networks. This competitive landscape places ongoing pressure on rail tariffs, service design, and cost structures.

The operating environment is therefore defined not by limited market opportunity, but by TransNamib's ability to position rail as a dependable, cost-effective, and regionally competitive logistics solution within an increasingly integrated SADC transport market.

INFRASTRUCTURE AND OPERATIONAL CAPACITY CONSTRAINTS

Infrastructure condition and rolling stock availability remained the most material operational constraints affecting financial performance during the period. A substantial portion of the national rail network continues to operate below optimal axle-load and speed standards, resulting in capacity limitations, reliability risks, and elevated maintenance requirements.

The age profile of locomotives and wagons, many of which have exceeded their economic and useful life, constrained haulage capacity and contributed to service disruptions. These constraints directly affected revenue generation, asset utilisation, and cost efficiency. Limited locomotive availability reduced the organisation's ability to service high-revenue corridors and consistently meet contracted volumes.

In response, TransNamib prioritised protecting operational continuity through targeted refurbishment, remanufacturing initiatives, and interim leasing arrangements, aligned with the rolling stock renewal programme. Infrastructure ownership arrangements and funding dependencies further shaped the pace of network rehabilitation, reinforcing the need for close coordination with the shareholder and development finance institutions.

The operating context is consequently characterised by a structural tension between freight growth potential and the pace at which infrastructure and rolling stock constraints can be addressed within available funding frameworks.



FINANCIAL AND FUNDING CONTEXT

The financial operating environment during FY2023/24 and FY2024/25 remained shaped by historical underinvestment, accumulated losses, and legacy statutory obligations. These structural vulnerabilities continued to influence financial management priorities, liquidity management, and capital allocation decisions. Revenue growth during the period remained constrained by operational capacity constraints and fixed-cost pressures. While tariff reforms, improved contract enforcement, and corridor prioritisation contributed to marginal revenue improvements, overall income levels remained below the scale required to fully absorb the labour and asset-intensive cost base.

At the same time, inflationary pressures, exchange rate volatility, and procurement lead times for specialised equipment affected capital planning and maintenance budgets. Interest rate movements and balance sheet constraints limited financing flexibility, reinforcing the need for disciplined capital deployment and strong cost controls.

The operating context, therefore, required management to balance immediate financial stabilisation with long-term asset renewal and solvency restoration.

BALANCE SHEET AND REGULATORY ENVIRONMENT

TransNamib operates within a regulated public-enterprise framework, subject to extensive governance, compliance, and reporting obligations. Historical statutory arrears, tax liabilities, and trade obligations had previously increased financial risk and restricted access to funding. During the reporting period, structured engagement with the shareholder and statutory authorities supported balance sheet restructuring and statutory payment arrangements.

Enhanced scrutiny from lenders, regulators, and stakeholders has increased expectations around financial discipline, transparency, and performance monitoring, reinforcing the importance of robust internal controls, risk management systems, and governance practices.

HUMAN CAPITAL AND ORGANISATIONAL CONTEXT

The rail sector remains highly dependent on specialised technical, engineering, and operational skills. Skills scarcity, an ageing workforce, and competition for scarce competencies continued to affect operational resilience and maintenance capacity. Employee-related costs, therefore, remain a significant component of the cost base, reflecting both the labour-intensive nature of rail operations and legacy staffing structures.

Organisational redesign, upskilling of the work, and process standardisation remain central to improving productivity and cost efficiency. Investment in training, succession planning, and leadership development continues to support institutional capability and operational continuity.

ICT modernisation and systems integration, including the alignment of financial and freight management platforms, further support improved revenue protection, asset management, and performance monitoring, thereby enhancing financial and operational oversight.

STRATEGIC IMPLICATIONS FOR FINANCIAL SUSTAINABILITY

Five interrelated structural factors shaped the operating context over FY2023/24 and FY2024/25:

- Constrained operational capacity arising from ageing infrastructure and rolling stock.
- Revenue limitations linked to service reliability and corridor competitiveness.
- Persistent fixed cost pressures within a labour- and asset-intensive operating model.
- Balance sheet vulnerabilities associated with historical liabilities.
- Heightened governance and funding oversight.

These contextual conditions directly informed the organisation's strategic emphasis on cost containment, balance sheet restructuring, asset refurbishment, disciplined capital investment, and strengthened financial controls under Strategic Pillar 1: Breakthrough Financial Performance.

Accordingly, financial stabilisation during the period reflects a combination of operational improvements, governance interventions, and non-recurring balance sheet adjustments. Sustained financial recovery remains dependent on continued operational stabilisation, successful execution of the rolling stock programme, and progressive revenue growth aligned to corridor and customer priorities.

STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT

OUR APPROACH TO STAKEHOLDER ENGAGEMENT

TransNamib recognises that effective stakeholder engagement is central to the sustainability, performance, and long-term relevance of the national rail network. Stakeholder relationships are therefore managed through a structured and purposeful engagement approach that supports operational excellence, infrastructure development, corridor competitiveness, and future growth.

Engagements are designed to ensure that stakeholder inputs are systematically considered in operational planning, infrastructure prioritisation, commercial decision-making, and strategic initiatives. Communication channels include both face-to-face and virtual engagements, with frequencies tailored to the nature of the relationship, decision-making cycles, and the level of operational or strategic dependency.

During the reporting period, engagement focused primarily on:

- Improving coordination across the logistics and corridor ecosystem.
- Strengthening rail–port integration.
- Aligning infrastructure development with anticipated demand.
- Supporting investment and project development initiatives.
- Ensuring transparency around operational performance and tariffs.
- Unlocking potential business opportunities for rail to grow market share.



STAKEHOLDER ENGAGEMENT OVERVIEW

Industry and logistics ecosystem stakeholders

Stakeholder group	Key stakeholders	Nature and frequency of engagement	Key focus areas	Expected outcomes and value created
Industry and logistics ecosystem	■ Walvis Bay Corridor Group (WBCG) ■ Roads Authority ■ Southern African Rail Association (SARA) ■ Namport	Monthly and quarterly engagements through face-to-face and virtual meetings	■ Corridor and volume performance monitoring ■ Road-to-rail migration opportunities ■ Rail–port operational coordination ■ Property and interface matters ■ Industry performance reporting	■ Improved alignment between rail and corridor stakeholders ■ Enhanced coordination of rail and port operations ■ Better visibility of volume trends and infrastructure requirements ■ Strengthened collaboration to support corridor competitiveness

Government and public sector stakeholders

Stakeholder group	Key stakeholders	Nature and frequency of engagement	Key focus areas	Expected outcomes and value created
Government and public sector	- Ministry of Works and Transport - Ministry of Industries, Mines and Energy - Namibia Chamber of Mines - NIPDP - GIZ - Trans-Kalahari Corridor Project - Transnet and national rail operators - City and Town Councils	Quarterly, bi-annual and annual engagements; project-based engagements	- Rail and infrastructure planning updates - Rail tariff engagement - Mining and industrial project alignment - Investment promotion support - Research and technical collaboration - Corridor development initiatives	- Improved alignment between rail planning and national development priorities - Early identification of potential rail demand from mining and industrial projects - Strengthened coordination on corridor development and investment planning
Labour representation	Namibia Transport and Allied Workers Union (NATAU)	Ongoing engagement through collective bargaining forums, scheduled labour-management meetings, and ad hoc consultations as required	- Collective bargaining and wage negotiations - Employee welfare and working conditions - Workplace safety and labour relations - Operational changes - Skills development - Business improvement	- Stable and constructive labour relations - Improved employee engagement and workplace conditions - Reduced risk of labour disputes and operational disruptions - Enhanced alignment between workforce needs and organisational priorities

Private sector and commercial stakeholders

Stakeholder group	Key stakeholders	Nature and frequency of engagement	Key focus areas	Expected outcomes and value created
Private sector and commercial partners	- Walvis Bay Bulk Terminal - Walvis Bay Multipurpose Terminal - Logistics and commercial partners - Fuel, energy and petroleum logistics operators - Mining, industrial and agricultural clients - Freight forwarders and clearing agents - Shipping and container companies	Quarterly engagements and project-specific meetings	- Alignment of rail services with customer requirements - Project and operational planning - Dry port development discussions - Logistics coordination and efficiency - Problem-solving	- Improved alignment between rail operations and customer logistics needs - Enhanced planning for current and future projects - Strengthened partnerships supporting service reliability and growth

HOW STAKEHOLDER ENGAGEMENT INFORMS OUR STRATEGY AND OPERATIONS

Stakeholder engagement directly informs:

- Operational planning and performance monitoring.
- Infrastructure development and prioritisation.
- Corridor and intermodal integration initiatives.
- Identification of future demand drivers.
- Collaboration on national and regional development programmes.
- Current and future project-based activities that would require rail and/or an intermodal transport solution.
- TransNamib's performance and efficiency improvements.
- Updates and progress on procurement and capacity building projects.

Feedback received through structured engagements is assessed alongside operational data, financial performance, and strategic priorities to support informed decision-making. The organisation continues to refine its engagement approach to ensure responsiveness to stakeholder expectations and to support sustainable, long-term value creation.

More information on stakeholder relationships and engagement is discussed under Strategic Pillar 2: Trustworthy Customer Experience on page 58.



MATERIAL RISKS AND OPPORTUNITIES

OVERVIEW AND APPROACH

Effective risk management is fundamental to TransNamib's ability to deliver on its strategic objectives and to ensure the organisation's long-term sustainability. Risk management is therefore embedded within the organisation's governance framework and forms an integral part of strategic planning, operational execution, and performance monitoring.

TransNamib applies an enterprise-wide risk management approach aligned with the principles of ISO 31000, the NamCode on Corporate Governance, and the Public Enterprises Governance Act, 2019 (Act No. 1 of 2019). The framework provides a structured and consistent methodology for identifying, assessing, managing, and monitoring risks that may affect the organisation's ability to create and preserve value over the short, medium, and long term.

The Board retains ultimate accountability for risk governance, supported by the Audit and Risk Committee, Executive Management, and management at the operational level. Risk management is embedded across all business units and forms part of day-to-day decision-making, performance management, and strategic planning processes.

RISK GOVERNANCE AND OVERSIGHT

Risk governance is structured to ensure clear accountability, oversight, and escalation across all levels of the organisation.

- The Board of Directors provides strategic direction and oversight of risk management and is responsible for approving the Risk Management Policy, risk appetite, and key risk disclosures.
- The Audit and Risk Committee (ARC) oversees the effectiveness of the risk management framework, reviews material risks, monitors mitigation actions, and provides assurance to the Board.
- Executive Management (EXCO) is responsible for identifying, assessing, and managing strategic and operational risks, and for ensuring that appropriate mitigation measures are implemented.
- Risk owners and business unit managers are accountable for managing risks within their respective areas and reporting on risk status and mitigation progress.
- Internal Audit and Risk Management functions provide independent assurance on the effectiveness of controls and the overall risk management process.

This governance structure ensures that risk management remains embedded across the organisation and aligned with strategic objectives and operational realities.



The inherent risk exposure, adjusted for control effectiveness, provides management with an assessment of the residual risk exposure, i.e., the uncontrolled risk exposure. Management is then guided to prioritise risks and act, accordingly, as illustrated in the following table:

Exposure description	Exposure factor	Description	Management mitigation strategy
Extreme	>20 up to 25	Unacceptable. Negative outcomes from risks or lost opportunities that, if not resolved in the medium term, will threaten the existence of the organisation/department or service.	Immediate action Management must immediately escalate to EXCO and the Board of Directors. Immediate remediation plans must be instituted.
High	>15 up to 20	Unacceptable, urgent attention required. Negative outcomes from risks or lost opportunities with a significant effect that will require major effort to manage and resolve in the medium term, but do not threaten the existence of the organisation/department, product or service	Action Immediate escalation to EXCO. Management must implement further actions to reduce exposure.
Moderate	>10 up to 15	Tolerable, but action required to avoid High status. Negative outcomes from risks or lost opportunities that will have a significant impact on the organisation, department, or service, but can be managed without major impact in the medium term.	Action Management must implement further actions to reduce exposure.
Low	>5 up to 10	Low and acceptable, but mitigation is required to avoid a moderate status. Negative outcomes from risks or lost opportunities that are unlikely to have a permanent or significant effect on the organisation's reputation or performance.	Decision Management must consider whether the benefit of further reduction outweighs the cost thereof.
Insignificant	1-5	Acceptable Impact under 2% of PBT	Tolerate Tolerate within acceptable limits. Management is responsible for monitoring the exposure level.



Risk register (FY2023/24)

The annual assessment conducted identified the following key risks for the 2023/24 financial year that could have a material impact on achieving TransNamib's strategic objectives.

The extreme (red) and high (amber) risks are assessed as follows during the respective periods:

Risk no	Risk title	Link to strategic objective	Target measure	Mitigation strategies	Risk rating
1	Loss making operations	Ensure financial sustainability and profitability	EBITDA (N\$)	■ Implement Cost Containment	25
2	Limited locomotive fleet		% revenue growth (year-on-year)	■ Refurbish and introduce locomotives into operations: 10 (2023/24); 6 (2024/25); 2 (2025/26) ■ Introduce 25 new locomotives in 2025/2026	25
3	Inability to raise short term funding		GRN funding secured (N\$)	■ Lobby and present business cases to MoFPE, MWT	25
4	Accumulated statutory and other liabilities		Debt-equity ratio	■ Develop and implement balance sheet restructuring plan ■ Develop and implement Strategic Investments Projects	20
5	Insufficient yield on investments		Return on assets	■ Adhere to Maintenance PPPs ■ Develop and Implement Strategic Investments Programme	16
6	Inability to expand service to more customers and losing existing customers	Customer satisfaction	Increase in Volumes (Million tonnes/annum)	■ Execute business development projects	20
7	Poor relationships with customers		% Achievement against Annual Customer Engagement Plan	■ Develop and implement Customer Engagement Plan	16
8	Diminishing appetite and interest by shareholder to support and sustain the business	Strengthen strategic stakeholder relations	% Achievement against Annual Stakeholder Engagement Plan	■ Develop and implement an Annual Stakeholder Engagement Plans	20
9	Limitations on axle mass load and Speed restrictions, limited demand on return routes	Improve the efficiency of rail operations	% Utilisation of wagons, locomotives and railway line capacity	■ Implement Efficiency Programme (Wagon utilisation - filling up return load; increase train length; acquire lighter wagons; increase speed)	25
10	Locomotives failure		% availability of locomotives	■ Implement scheduled maintenance plan ■ Improve and tighten security measures to curb theft	25
11	Delayed arrival of procured railway fleet	Manage the deployment of N\$2.6 billion	% Utilisation of wagons, locomotives and railway line capacity	■ Implement Procurement Plan	20
12	Failure to adhere to conditions precedent and conditions subsequent		% Availability of locomotives	■ % compliance to external debt agreement conditions (N\$2.6billion)	16
13	Dilapidated state of railway sections	Maintain Infrastructure	Km/annum maintained (railway)	■ Develop and Execute Network Master Plan	25
14	Poor risk control measures	Enhance corporate governance	% Critical risks mitigated	■ Manage risk framework	25
15	Inadequate resources to automate / acquire systems and supporting infrastructure	Enable fit-for-purpose systems and processes	% Achievement against Automation and Digitisation Project Plan	■ Review and implement Automation and Digitisation Project Plan (signalling, etc.)	20
16	Poor SHEQ practices and standards	Enhance SHERQ	All injury frequency rate	■ Implement Rail-Safety Plan	25

Risk register (FY2024/25)

The annual assessment conducted identified the following key risks for the 2024/25 financial year that could have a material impact on achieving TransNamib's strategic objectives.

Risk no	Risk title	Link to strategic objective	Target measure	Mitigation strategies	Risk rating
1	Loss making operations due to high operating costs	Ensure financial sustainability and profitability	EBITDA (N\$)	■ Implement Cost Containment Project, grow and convert business pipeline	25
2	Limited locomotive fleet		% Revenue growth (year-on-year)	■ Refurbish and introduce locomotives into operations: 10 (2023/24); 6 (2024/25); 2 (2025/26) ■ Introduce 25 new locomotives in 2025/2026*	25
3	Accumulated statutory and other liabilities		Debt-Equity Ratio	■ Develop and implement balance sheet restructuring plan ■ Develop and implement Statutory Deduction Payment Plan	20
4	Bloated workforce and overstaffing		Labour Cost as % of Revenue	■ Implement Organisational Re-design	15
5	Inability to raise short-term funding		GRN funding secured (N\$)	■ Lobby and present business cases to MoFPE, MWT, implement ISBP initiatives for business turnaround	25
6	Insufficient yield on investments		Return on assets	■ Adhere to Maintenance PPPs ■ Develop and implement strategic investments projects	16
7	Inability to expand service to more customers and losing existing customers	Improve Customer Satisfaction	Increase in Volumes (Million tonnes / annum)	■ Execute business development projects	20
8	Failure of positive outcomes from engagement with customers	Strengthen Strategic Stakeholder Relations	% Customer satisfaction (contract achievement)	■ Develop and implement Customer Engagement Plan	16
9	Diminishing confidence of shareholder to support and sustain the entity		% Achievement against Annual Stakeholder Engagement Plan.	■ Develop and implement Annual Stakeholder Engagement Plan	20
10	Limitations on axle mass load, speed restrictions, and availability of cargo	Improve Efficiency of Rail Operations	Average turnaround time	■ Implement Efficiency Programme (wagon utilisation - filling up return load; increase train length; acquire lighter wagons; increase speed)	25
11	Locomotives failure		Improve Efficiency of Rail Operations	■ % availability of locomotives ■ Implement scheduled maintenance plan ■ Improve and tighten security measures to curb theft ■ Active risk tracking ■ Workshop upgrade	25
12	Failure to adhere to conditions precedent and conditions subsequent	Manage the deployment of N\$2.6 billion	% Compliance to external debt agreement conditions (N\$2.6billion)	■ Manage debt covenants	16
13	Delayed arrival of procured railway fleet		% CAPEX Execution (vs capex plan)	■ Execute CAPEX Plan	20
14	Dilapidated state of railway sections	Maintain Infrastructure	Adherence to Annual Maintenance Plan (%)	■ Develop and Execute Network Master Plan	25
15	Poor risk controls	Enhance Corporate Governance	% Critical risks mitigated (% implementation of funded Mitigation Plan)	■ Manage risk framework	25
16	Inadequate resources to automate/acquire systems and supporting infrastructure	Enable Fit-for-Purpose Systems and Processes	% Achievement against Automation and Digitisation Project Plan	■ Review and implement Automation and Digitisation Project Plan (signalling, etc.)	20

In addition to the principal risks identified, TransNamib has identified several material opportunities that arise from its operating environment, strategic positioning, and ongoing improvement initiatives. These opportunities are closely linked to the organisation's strategic objectives and form an integral part of its approach to restoring operational stability, strengthening performance, and creating long-term value.

Material opportunities arising from the operating context and risk profile

Opportunity	Linked strategic objective(s)	Affected capitals	2025/26 focus area	Expected value/outcome
Improved financial sustainability through targeted revenue growth	Breakthrough Financial Performance	Financial, Social and Relationship	Expand Rail Transport Agreements (RTAs), optimise tariff structures, strengthen billing and revenue assurance	Improved revenue predictability, improved cash flow stability
Recovery of freight volumes through improved asset reliability	Trustworthy Customer Experience	Manufactured, Financial	Locomotive remanufacturing, selective leasing, improved maintenance planning	Increased service reliability, higher customer confidence, and volume recovery
Corridor-based growth and intermodal integration	Trustworthy Customer Experience; Organisational Excellence	Manufactured, Social and Relationship	Strengthen rail-port coordination, support corridor initiatives, and align with Namport and WBCG	Improved logistics efficiency and competitiveness of rail
Operational efficiency through technology and automation	Organisational Excellence	Intellectual, Manufactured	Expansion of condition monitoring, systems integration, and improved data visibility	Reduced downtime, improved decision-making, and lower operational risk
Improved risk and control maturity	Organisational Excellence; Inspiring Leadership	Intellectual, Financial	Strengthen risk reporting, internal controls, and audit follow-up processes	Improved governance, enhanced accountability, and better funding credibility
Workforce capability and productivity improvement	Inspiring and Accountable Leadership	Human, Intellectual	Skills development, succession planning, safety and productivity initiatives	Improved operational performance and staff retention
Strengthened stakeholder confidence and partnerships	Trustworthy Customer Experience	Social and Relationship	Structured stakeholder engagement, clearer communication, stronger collaboration	Improved trust, long-term partnerships, and improved demand visibility
Positioning for future growth sectors	Breakthrough Financial Performance	Financial, Manufactured	Engagement in mining, energy and corridor development projects	Medium-term volume growth and diversification

INTERNAL CONTROL AND AUDIT OVERSIGHT

The Annual Internal Audit Plan for the 2024 and 2025 financial years was created using a risk-based approach to ensure it aligns with TransNamib's most significant risk areas. Audit priorities are informed by ongoing risk assessments and management input, enabling Internal Audit to concentrate on areas with the greatest potential impact on operational effectiveness, compliance, and value creation.

In response to the organisation's evolving risk profile, Internal Audit applies a targeted audit approach, allowing for focused reviews of specific high-risk areas rather than broad-based control assessments. This approach supports timely intervention, enhances the effectiveness of audit outcomes, and enables management to implement corrective actions where needed most.

Through this risk-focused methodology, Internal Audit continues to provide independent assurance over the adequacy and effectiveness of internal controls, while supporting management in strengthening governance, risk management, and control processes across the organisation.

Projects identified for audit review

The Internal Audit function's ability to execute its approved audit plan is contingent on adequate resourcing. During the reporting periods under review, the following audit engagements were conducted:

2023/24

- Train operations overtime (Otjiwarongo) – ad hoc
- Leave management – Assurance (planned)
- Bulk fuel management (Keetmanshoop) – ad hoc

2024/25

- Investment properties – Assurance
- Workshop: Locomotives – Consulting
- Workshop: Locomotives – Consulting

Outlook and forward focus

Looking ahead to the 2025/26 financial year, TransNamib will continue to focus on:

- Strengthening financial sustainability and liquidity management.
- Improving asset reliability and operational efficiency.
- Enhancing risk governance and reporting maturity.
- Embedding a stronger risk-aware culture across the organisation.
- Aligning risk management more closely with strategic execution and performance monitoring.

The Board and Executive Management remain committed to maintaining a robust risk management framework that supports informed decision-making, enhances resilience, and enables the organisation to pursue its strategic objectives in a controlled and sustainable manner.

CORPORATE SOCIAL INVESTMENT



Preserving heritage, building knowledge

As a state-owned enterprise, TransNamib's mandate extends beyond the movement of freight and passengers. It includes a responsibility to safeguard the history, knowledge, and stories that have shaped Namibia's rail network and the communities it serves.

For more than three decades, the TransNamib Railway Museum has been at the heart of this commitment. Established over 30 years ago, the Museum has grown into a living archive of the country's rail heritage, preserving artefacts, photographs, documents, and personal histories that reflect more than a century of railway development in Namibia.

Rather than functioning solely as a repository of historical material, the Museum serves as a platform for education, engagement, and cultural connection. It provides learners, researchers, and visitors with an opportunity to experience the evolution of rail transport first-hand and to understand its role in national development.

Aligned with TransNamib's broader environmental, social, and governance objectives, the Museum contributes directly to social value creation through education, tourism development, and responsible stewardship of public assets.

Building value through heritage

The Museum plays an important role in supporting learning and cultural awareness. Structured school visits enable learners to engage directly with historical artefacts, some more than a century old, bringing classroom lessons to life and stimulating interest in engineering, history, and public service.

Through partnerships and national platforms, including membership of the Museum Association of Namibia and participation in Namibia Museum Heritage Week, TransNamib continues to strengthen the Museum's role within the country's heritage sector. These collaborations support knowledge-sharing, professional development, and public access to cultural resources.

The Museum also honours the individuals who shaped Namibia's rail history. In September 2023, TransNamib marked the Museum's 30th anniversary by recognising the legacy of the late Walter Rusch, a respected curator and co-founder of the Museum. His work, including Hundred Years of Railways in Namibia, remains central to exhibitions and academic research.

In addition, the Museum supports academic enquiry by providing access to its archives for researchers and scholars, contributing to the development of national scholarship and institutional memory.



Indicator	FY2023/24	FY2024/25	Growth
School learners reached	102	290	+184%
Total tourist visits	75	95	+27%
Academic research requests	2	4	+100%
Heritage Week events hosted	9	4	Strategic consolidation

The significant increase in school visits reflects growing recognition of the Museum as an educational resource. Rising tourist numbers indicate its emerging role in cultural tourism, while increased research engagement underscores its value as a national archive.

Together, these indicators demonstrate growing demand for accessible heritage experiences and validate the Museum's role within TransNamib's CSI portfolio.

A living legacy

The TransNamib Railway Museum is more than a collection of historic objects. It is a place where past and present meet – where young learners encounter the foundations of modern infrastructure, where researchers uncover untold stories, and where communities reconnect with a shared national journey.

By investing in the Museum, TransNamib continues to honour the pioneers who built Namibia's rail system and to ensure that their legacy remains relevant to future generations. Through education, preservation, and engagement, the organisation is transforming heritage into a living resource that supports learning, identity, and sustainable development.



Looking ahead

01

Building on this progress, TransNamib aims to strengthen further the Museum's contribution to social development and inclusion.

02

Priorities include expanding access for learners from underrepresented regions, developing digital platforms to improve nationwide reach, and broadening public programmes to include storytelling by retired railway employees and community members who shaped the network.

03

Plans are also underway to enhance international visibility and cultural exchange, positioning the Museum as a recognised centre for industrial heritage in the region.

Environmental stewardship and sustainable transport

TransNamib's environmental initiatives, including its participation in World Environment Day 2025, are grounded in the organisation's broader commitment to promoting sustainable transport and responsible resource use.

As Namibia's national rail operator, TransNamib plays an important role in supporting economic activity while limiting the environmental impacts associated with long-distance freight and passenger movement. In a country characterised by vast distances, sensitive ecosystems, and increasing pressure on road infrastructure, rail transport remains a strategic component of a more sustainable national logistics system.

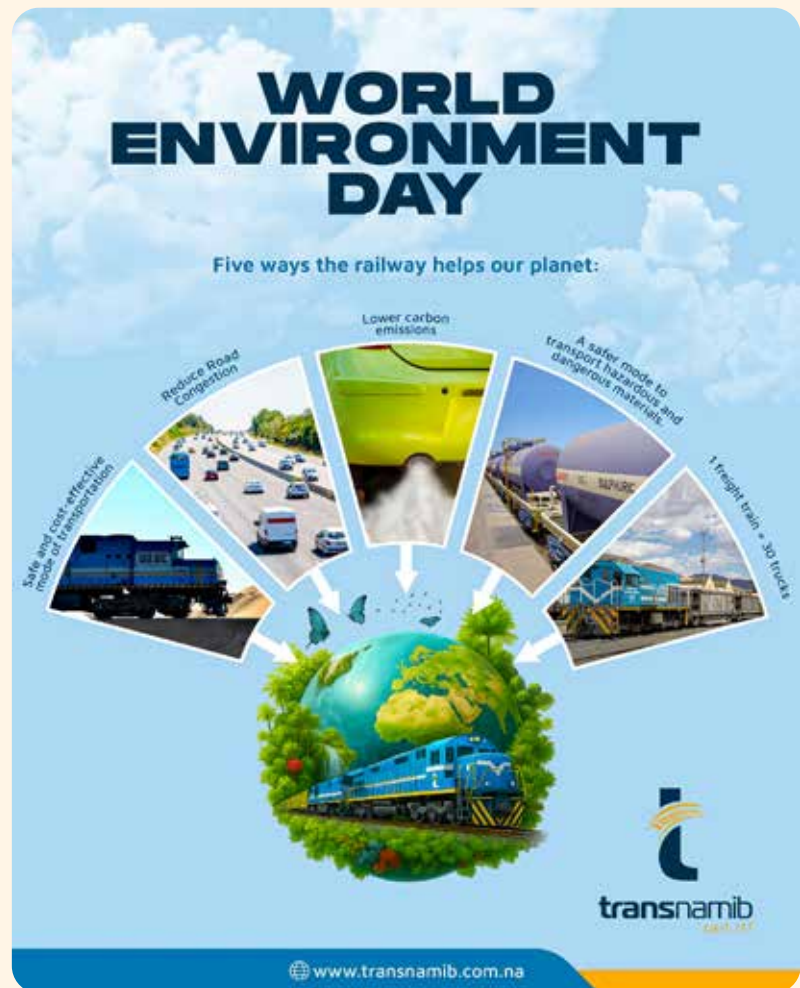
Rail provides a stable and cost-effective transport backbone that supports trade while reducing reliance on road freight. By offering predictable and efficient long-haul services, TransNamib contributes to lower fuel consumption, reduced road deterioration, and improved infrastructure resilience.

The shift of freight from road to rail also delivers immediate environmental and social benefits. Increased rail utilisation helps to ease congestion, lower vehicle emissions, and improve road safety. These outcomes support safer communities and reduce the environmental footprint of transport corridors.

From an environmental perspective, rail remains one of the most carbon-efficient modes of land transport, with lower emissions per tonne-kilometre compared to road alternatives. Through ongoing operational improvements and stakeholder engagement, TransNamib seeks to strengthen its contribution to national climate and sustainability objectives.

Rail also provides a safer and more controlled option for transporting hazardous and specialised goods. Dedicated rail corridors reduce exposure to populated areas and environmentally sensitive regions, thereby lowering risks to people, wildlife, and natural resources. A single freight train can replace multiple heavy vehicles, improve overall system efficiency and reduce pressure on public infrastructure. This scalability supports long-term national logistics planning and aligns with TransNamib's objective of promoting integrated and resource-efficient transport solutions.

These considerations support TransNamib's Road to Rail strategy, which encourages customers and partners to adopt more sustainable logistics practices. Through collaboration and awareness initiatives, including World Environment Day activities, the organisation continues to promote rail's role in supporting Namibia's economic development and environmental resilience.

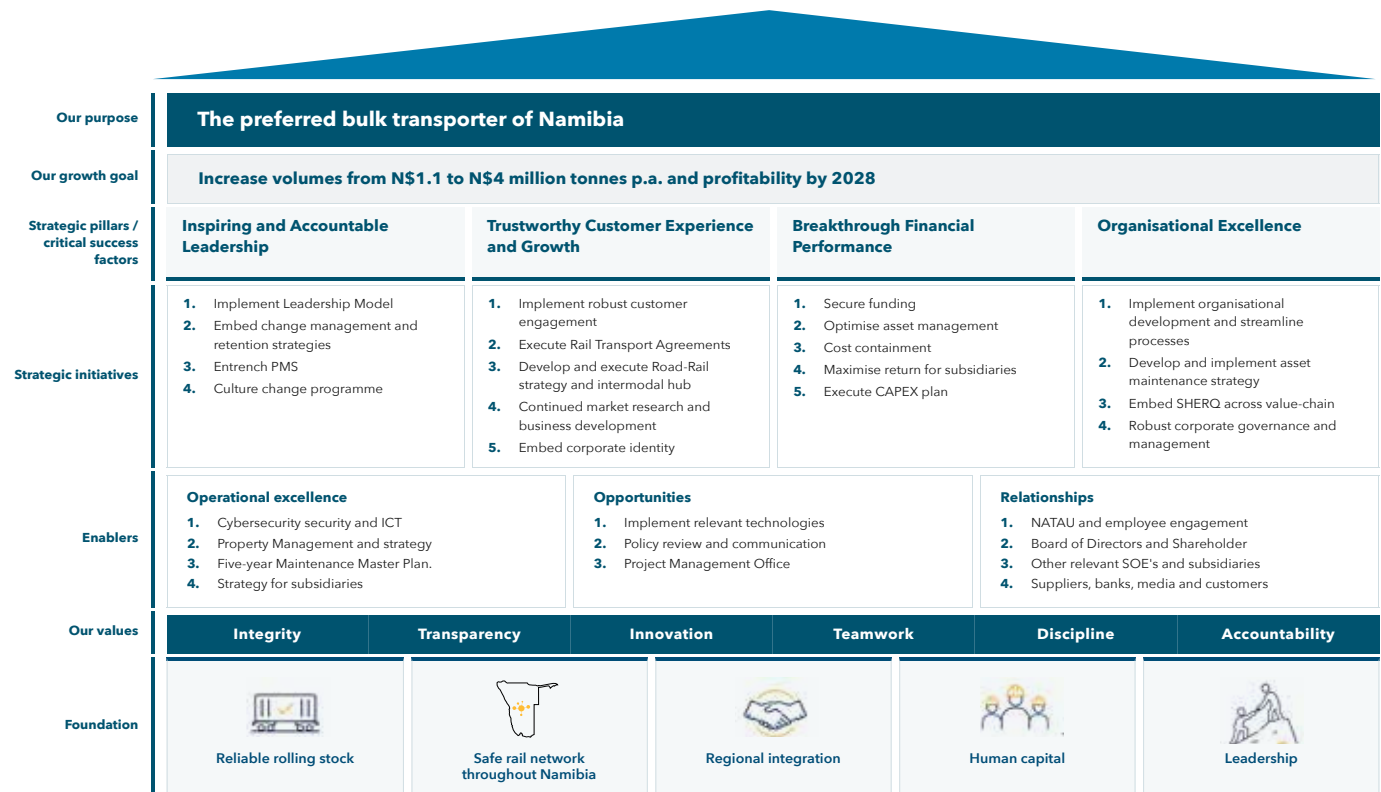


DELIVERING ON OUR 2025-2029 INTEGRATED STRATEGIC BUSINESS PLAN

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DELIVERING ON OUR 2025-2029 INTEGRATED STRATEGIC BUSINESS PLAN

HIGH-LEVEL STRATEGY MAP



STRATEGIC PILLAR 1: BREAKTHROUGH FINANCIAL PERFORMANCE

Strategic intent

To restore and strengthen TransNamib's financial sustainability to safeguard the long-term viability of Namibia's national rail infrastructure, reduce reliance on fiscal support, and enable reinvestment in logistics assets that support national development priorities.

Contribution to value creation

Financial performance is a foundational enabler of value creation for TransNamib. Without a sustainable financial base, the organisation's ability to maintain rail infrastructure, deliver reliable services, retain skills, and support national logistics efficiency is materially constrained.

PERFORMANCE OVERVIEW

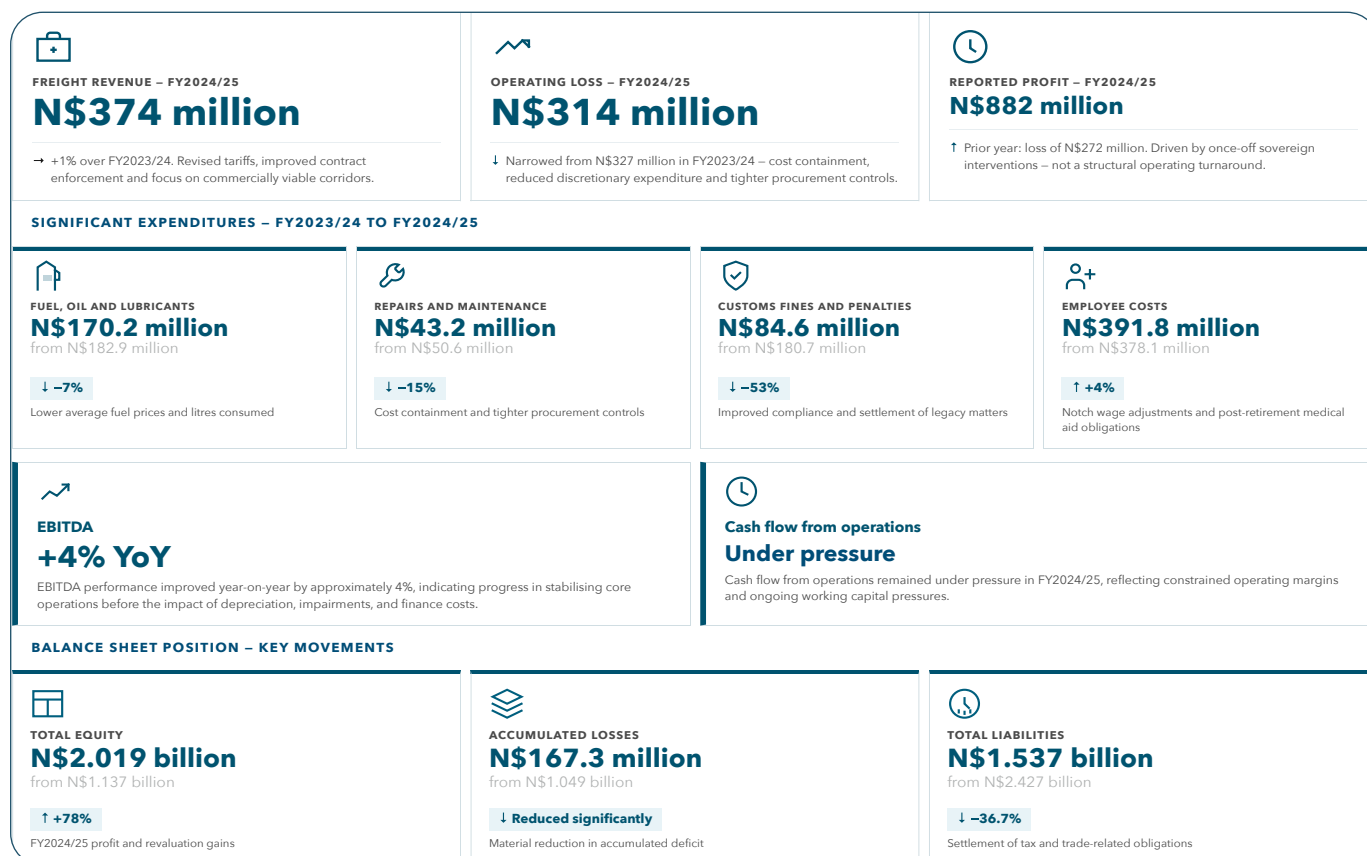
During the reporting period, TransNamib focused on stabilising its financial position and laying the groundwork for long-term sustainability. Key progress areas included implementing pricing, tariff, and discount reforms to enhance revenue recovery and transparency, as well as executing RTAs to strengthen contractual certainty and the predictability of cash flows. Progress was also made in securing funding support and advancing plans for the refurbishment and replacement of rolling stock.

Cost containment measures, improved asset utilisation, and the prioritisation of high-revenue cargo segments supported the organisation's objective of returning to commercial viability and positioning TransNamib for profitability over the medium term.

Operational performance remained constrained by

limited locomotive availability, ageing rolling stock, and infrastructure challenges. Notwithstanding these constraints, cost containment initiatives, improved asset prioritisation, and tighter financial controls contributed to a measurable improvement in financial performance in FY2024/25 compared to FY2023/24.

Funding and balance sheet interventions progressed during the period, including structured engagement with the shareholder and development finance institutions to address legacy liabilities and unlock funding for critical capital investment. These interventions are central to restoring solvency, reducing finance-related risks, and enabling reinvestment in core rail assets.



Financial performance

The Company's freight revenue of N\$374 million in FY2024/25 increased marginally by approximately 1% over FY2023/24, reflecting the impact of revised tariffs, improved contract enforcement, and a focus on commercially viable corridors. Despite this improvement, total operating revenue levels remained below the scale required to fully absorb the fixed cost base, given ongoing operational constraints and capacity limitations.

Operating losses of N\$314 million in FY2024/25 narrowed from N\$327 million in FY2023/24, driven primarily by cost containment initiatives, reduced discretionary expenditure, and tighter procurement controls. Employee-related costs and infrastructure-related expenses continued to represent a significant portion of the cost base, reflecting the labour and asset-intensive nature of rail operations.

Significant expenditure between FY2024/25 and FY2023/24:

- Fuel, oil and lubricants decreased from N\$182.9 million to N\$170.2 million (-7%), driven mainly by lower average fuel prices and litres consumed.
- Repairs and maintenance reduced from N\$50.6 million to N\$43.2 million (-15%).
- Customs fines and penalties declined from N\$180.7 million to N\$84.6 million (-53%), reflecting improved compliance management and the settlement of legacy matters.
- Employee costs increased from N\$378.1 million to N\$391.8 million (+4.0%), driven mainly by notch wage adjustments and post-retirement medical aid obligations.

Profitability

While FY2024/25 reflects a reported profit of N\$882 million (FY2023/24: loss of N\$272 million), this outcome was largely driven by once-off sovereign interventions and the settlement of historical liabilities, rather than a structural turnaround in operating performance.

EBITDA and cash flow

EBITDA performance improved year on year by approximately 4%, indicating progress in stabilising core operations before the impact of depreciation, impairments, and finance costs. However, cash flow from operations remained under pressure in FY2024/25, reflecting constrained operating margins and ongoing working capital pressures.

Balance sheet position

TransNamib's balance sheet in FY2023/24 and FY2024/25 continued to reflect the impact of historical underinvestment, accumulated losses, and legacy statutory obligations.

Key movements included:

- Total equity increased from N\$1.137 billion to N\$2.019 billion (+78%), driven by the FY2024/25 profit and revaluation gains.
- Accumulated losses reduced from N\$1.049 billion to N\$167.3 million.
- Total liabilities declined from N\$2.427 billion to N\$1.537 billion (-36.7%), mainly due to settlement of tax and trade-related obligations.

Key focus areas during the period included:

- Engagement with the shareholder on the settlement of legacy statutory liabilities.
- Development of a balance sheet restructuring framework to improve solvency indicators.
- Protection of core assets and alignment of capital investment plans with affordable funding structures.

While TransNamib remains balance sheet constrained, these interventions resulted in a material reduction of statutory and related liabilities, significantly lowering compliance and solvency risk. Importantly, the resulting profit does not reflect an improvement in underlying operating performance, and sustained financial recovery remains dependent on operational stabilisation and revenue growth.

Ensure financial sustainability and profitability Refurbishment and introduction of locomotives into operations

During the reporting period, engineering activities focused on protecting operational continuity and limiting financial exposure arising from infrastructure failures and asset constraints.

Capital investment planning remained a key focus area, with the Engineering Division supporting the implementation of the N\$2.6 billion rolling stock programme and engaging with the shareholder and lenders to ensure affordability and value for money. Constraints arising from inflation and exchange rate volatility were noted, and alternative funding mechanisms were explored to protect operational continuity and long-term financial sustainability.

TransNamib has secured funding from the Development Bank of Namibia (DBN) and the Development Bank of Southern Africa (DBSA) to support the revitalisation of its rolling stock fleet. This funding is central to restoring reliable haulage capacity and supporting long-term operational sustainability.

A strategic shift was implemented during the reporting period, placing greater emphasis on remanufacturing a limited portion of the existing locomotives rather than procuring new units. Value-for-money considerations drive this approach, as remanufacturing typically represents approximately 55% to 60% of the cost of new locomotives. This enables a greater number of units to be returned to service within the available budget. Short-term refurbishing interventions were also undertaken, including the overhauling of two locomotives as an interim measure to strengthen immediate haulage capacity.

Remanufacturing activities commenced in late 2025 at TransNamib's workshops, with technical assistance from Windhoek Maschinenfabrik, a government-owned engineering and manufacturing company. Full-scale remanufacturing is planned to commence during the 2026 financial year.

Remanufacturing offers several key benefits, including modernising ageing locomotives with updated traction, control, and auxiliary systems; improved reliability and availability; increased hauling power and efficiency; and extended asset life. Collectively, these benefits enable more locomotives to be mobilised within a shorter timeframe, thereby strengthening operational capacity and responsiveness to customer demand.

As an interim measure, two locomotives were leased from South Africa, with a further two planned. These units will remain in service until newly procured and remanufactured locomotives are commissioned, anticipated during the 2026/27 financial year.

Total	In service	Make	Model	Class-series	Year manufactured
1	23-601	General Electric	C23EMP	23-600 (also called Brazilian) 17,7 T/axle	2017
2	23-603	General Electric	C23EMP	23-600 (also called Brazilian) 17,7 T/axle	2017
3	23-604	General Electric	C23EMP	23-600 (also called Brazilian) 17,7 T/axle	2017
4	23-605	General Electric	C23EMP	23-600 (also called Brazilian) 17,7 T/axle	2017
5	23-606	General Electric	C23EMP	23-600 (also called Brazilian) 17,7 T/axle	2017
6	33-002	General Electric	U20C	33-000/400 15,8 T/axle	1965 / 1966 / 1969
7	33-008	General Electric	U20C	33-000/400 15,8 T/axle	
8	33-017	General Electric	U20C	33-000/400 15,8 T/axle	
9	33-013	General Electric	U20C	33-000/400 15,8 T/axle	
10	33-041	General Electric	U20C	33-000/400 15,8 T/axle	
11	33-030	General Electric	U20C	33-000/400 15,8 T/axle	
12	33-016	General Electric	U20C	33-000/400 15,8 T/axle	
13	33-445	General Electric	U20C	33-000/400 15,8 T/axle	
14	33-431	General Electric	U20C	33-000/400 15,8 T/axle	
15	33-442	General Electric	U20C	33-000/400 15,8 T/axle	
16	33-443	General Electric	U20C	33-000/400 15,8 T/axle	
17	33-447	General Electric	U20C	33-000/400 15,8 T/axle	
18	33-051	General Electric	U20C	33-000/400 15,8 T/axle	
19	33-459	General Electric	U20C	33-000/400 15,8 T/axle	
20	33-465	General Electric	U20C	33-000/400 15,8 T/axle	
21	33-474	General Electric	U20C	33-000/400 15,8 T/axle	
22	33-480	General Electric	U20C	33-000/400 15,8 T/axle	
23	33-486	General Electric	U20C	33-000/400 15,8 T/axle	
24	33-489	General Electric	U20C	33-000/400 15,8 T/axle	
25	33-493	General Electric	U20C	33-000/400 15,8 T/axle	
26	33-501	General Electric	U20C	33-000/400 15,8 T/axle	
27	33-506	General Electric	U20C	33-000/400 15,8 T/axle	
28	207	General Electric	U18C1	32-200 (12,7 T/axle)	
29	SDD8	CSR Sifang (Chinese)		SDD (17,1 T/axle)	2004

Implement a Cost Containment Project

To stabilise operating losses and improve cash flow, TransNamib implemented a structured cost containment programme focused on strengthening financial controls and spending discipline aligned with operational priorities.

The programme focused on tightening expenditure controls and approval thresholds, reducing discretionary and non-core spending, and improving procurement planning and contract management processes. In addition, expenditure was prioritised toward activities directly linked to revenue generation and safety-critical operations to ensure that limited financial resources supported the organisation's operational recovery and service reliability.

Through these interventions, TransNamib aims to reduce operating losses, improve EBITDA margins, and enhance cash flow predictability, thereby strengthening the organisation's overall financial sustainability and supporting the implementation of its turnaround strategy.

Develop and implement a Balance Sheet Restructuring Plan

TransNamib implemented a structured balance sheet restructuring programme during the reporting period to restore balance-sheet sustainability, improve solvency indicators, and create a platform for long-term financial resilience.

During the reporting period, TransNamib also implemented a structured Balance Sheet Restructuring Plan aimed at restoring balance sheet sustainability, improving solvency indicators, and creating a stronger platform for long-term financial resilience. The initiative included active engagement with the shareholder on legacy liabilities and potential capital structure support, alignment of funding structures with the organisation's cash-generating capacity, and improved classification and management of long-term obligations.

Through these measures, TransNamib seeks to strengthen its balance sheet, reduce financial risk, and improve access to funding required for future capital investment and infrastructure renewal.

Develop and implement a Statutory Deduction Payment Plan

To regularise statutory obligations, reduce compliance risk and stabilise cash flows, TransNamib implemented a structured statutory deduction payment plan during FY2024/25 in collaboration with the Government of the Republic of Namibia (GRN) and relevant statutory authorities.

The profit recorded in the 2025 financial year was primarily attributable to once-off, non-recurring events, including:

- Settlement of Transnet-related debt (N\$96 million).
- Settlement of legacy tax liabilities (N\$326 million).
- Waiver of interest and penalties by the Namibia Revenue Agency (NamRA) (N\$639 million).
- Additional GRN funding of N\$250 million for repairs, maintenance, and working capital.

These interventions materially reduced statutory and related liabilities. Excluding these non-recurring items, TransNamib continues to operate at a loss.

Management also strengthened internal controls to prevent the re-accumulation of arrears and support sustainable financial discipline.

Develop and implement strategic investment projects

TransNamib adopted a structured approach to the planning and execution of strategic investment projects during the reporting period to advance revenue growth, operational efficiency, and long-term sustainability through targeted capital investment. The approach prioritised high-impact projects aligned with the Integrated ISBP, while rolling stock and infrastructure programmes were implemented on a phased basis to align with operational requirements and available resources.

Continuous assessments of project affordability and expected returns on investment were also undertaken to ensure that capital expenditure remained aligned with the organisation's financial capacity and strategic priorities. These initiatives are expected to improve operational capacity, enhance revenue potential, and strengthen the long-term competitiveness of rail services within Namibia's logistics and transport sector.

To support these investment priorities, long-term funding of N\$2.659 billion has been secured from the Development Bank of Southern Africa (DBSA) and the Development Bank of Namibia (DBN). Facility agreements were signed in March 2023 and April 2024, with all conditions precedent finalised on 30 September 2024. The funding is earmarked for the procurement of new rolling stock and is expected to materially improve locomotive availability, operational capacity, and revenue-generating potential over the medium to long term.

Looking ahead

TransNamib recognises that achieving financial sustainability is fundamental to its long-term viability and to fulfilling its mandate. In line with the Integrated Strategic Business Plan (ISBP), the organisation will focus on stabilising its financial position, strengthening cash flow management and supporting the successful implementation of the turnaround strategy.

Over the period ahead, priority areas will include:

01

Strengthening financial sustainability through improved revenue generation, disciplined cost management, and enhanced financial controls.

02

Supporting the implementation of the capital investment programme, including the remanufacturing and renewal of rolling stock and critical infrastructure, to enable improved sustainable operational performance and revenue growth.

03

Enhancing financial planning, monitoring and oversight, including improved budgeting, forecasting, and performance tracking to support informed decision-making.

04

Improving asset utilisation and return on investment, particularly in relation to rolling stock, property assets, and other core infrastructure.

05

Supporting funding and financing initiatives, including engagement with the shareholder and funding institutions, to enable the successful execution of the ISBP and ensure long-term financial resilience.

Progress against these priorities will be monitored through the organisation's performance management framework to ensure that financial recovery and sustainability objectives remain on track.



OPTIMISING THE PROPERTY PORTFOLIO TO SUPPORT FINANCIAL RECOVERY

Overview

The optimisation of TransNamib's property portfolio remains a key enabler of the organisation's financial recovery and long-term sustainability. The portfolio represents a significant asset base that supports operational delivery, generates recurring revenue, and provides opportunities for asset optimisation and capital realisation.

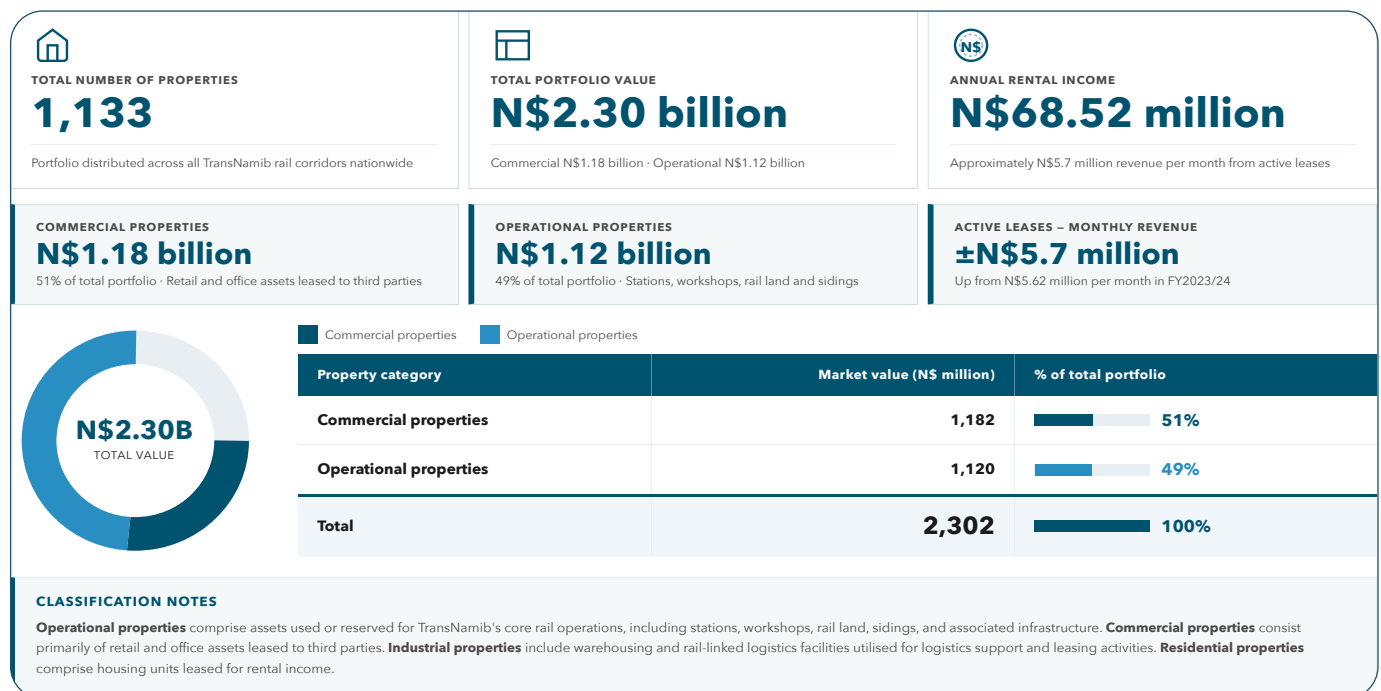
During the reporting period, the focus was on stabilising rental income, improving asset utilisation, and reducing the financial burden of ageing infrastructure. The property portfolio continues to support liquidity, strengthen balance-sheet resilience, and fund core rail operations and priority capital investments.

Through targeted interventions, improved governance, and ongoing rationalisation, the property portfolio is being progressively repositioned to enhance its contribution to sustainable value creation.

PROPERTY PORTFOLIO PERFORMANCE AND POSITION

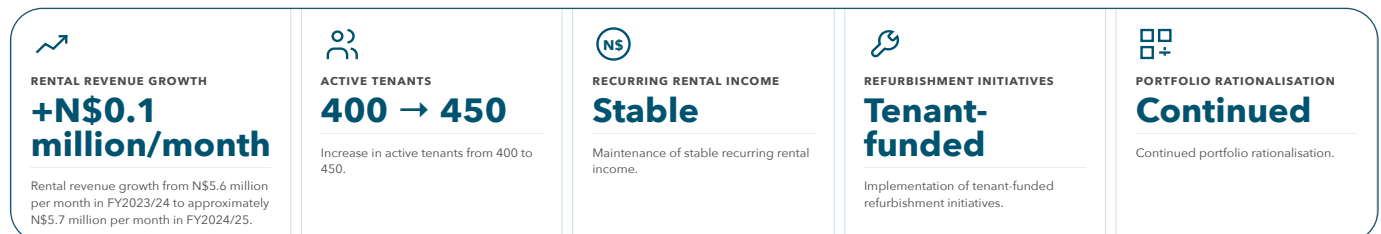
Supporting financial sustainability and operational resilience

Portfolio summary snapshot



Performance highlights

Key developments during the reporting period included:



These measures strengthened recurring income, improved tenant retention, and enhanced portfolio resilience.

Property portfolio composition by category

TransNamib's property portfolio comprises operational, commercial, industrial, and residential properties, primarily located along key rail corridors and in urban centres. These assets support both operational requirements and revenue generation.

Property category	Description	Primary function	Revenue contribution
Operational	Offices, stations, workshops, rail land, sidings, and related infrastructure	Supports core rail operations	Indirect revenue support
Commercial	Retail and office properties	Rental and leasing income	Revenue-generating
Industrial	Warehousing and rail-linked logistics facilities	Logistics support and leasing	Revenue-generating
Residential	Housing units	Rental income	Revenue-generating

Operational properties remain essential to rail operations and account for the largest portion of maintenance costs, while commercial, industrial and residential assets generate recurring revenue.

Geographic distribution of properties

The property portfolio is distributed across Namibia in alignment with TransNamib's rail network, with assets concentrated in economically active operational regions and logistics corridors.

Properties are located exclusively along rail corridors. No properties are held in regions without rail connectivity.

Property portfolio by operational region

Operational region	Commercial (No.)	Commercial value (N\$)	Operational (No.)	Operational value (N\$)	Total properties (No.)	Total value (N\$)
West	43	110,913,000	91	76,341,000	134	187,254,000
North	53	23,436,000	151	75,777,000	204	99,213,000
South	184	39,713,000	171	69,759,000	355	109,472,000
Central	189	1,008,070,000	251	898,553,000	440	1,906,622,000
Total	469	1,182,132,000	664	1,120,430,000	1,133	2,302,562,000

Portfolio value and financial performance: value trend

The property portfolio is distributed across Namibia in alignment with TransNamib's rail network, with assets concentrated in economically active operational regions and logistics corridors.

Financial year	Portfolio value (N\$ billion)	Key drivers
2022/23	2.33	Higher asset base before disposals
2023/24	2.32	Depreciation and limited refurbishment
2024/25	2.30	Asset disposals and continued depreciation

The decline in portfolio value reflects ageing infrastructure, deferred maintenance, and the strategic disposal of non-core assets to support liquidity and operational funding requirements.

Asset management and property improvements

Due to funding constraints, TransNamib adopted a pragmatic and cost-efficient asset management approach focused on tenant participation and targeted maintenance.

Key interventions during the reporting period included;

- Implementation of tenant-funded refurbishment agreements.
- 98% of refurbishment costs funded by tenants.
- Minor maintenance undertaken on operational properties.
- Formalisation of lease annexures to protect asset value and clarify responsibilities.

This approach enabled TransNamib to preserve asset value, limit capital expenditure, and improve the revenue-generating potential of leased properties.

The property portfolio plays a critical role in strengthening TransNamib's financial sustainability by generating recurring income, supporting operational requirements, and enabling asset optimisation to fund core business recovery.

Capital projects and portfolio optimisation

Independence Avenue redevelopment (Erf 194)

A key development initiative during the reporting period was the progression of the Independence Avenue property in Windhoek, which has been subdivided into four erven:

- Two residential erven
- Two commercial erven

Final registration is expected during the next financial year, after which development or disposal options will be pursued to unlock value, subject to regulatory approval.

Strategic station upgrades

Refurbishment of strategic station buildings, including Lüderitz, Okahandja and Walvis Bay, has been prioritised and will be implemented as funding becomes available.



Looking ahead

Over the medium term, TransNamib will continue to strengthen the contribution of its property portfolio to financial sustainability, operational efficiency, and long-term value creation.

Over the period ahead, priority areas will include:

01

The implementation of a dedicated Property Management System to improve asset visibility, lease administration, revenue tracking, and reporting accuracy. This will enhance governance, support informed decision-making, and improve oversight of property-related performance.

02

Non-core and underperforming properties will continue to be rationalised, with selected assets earmarked for disposal or redevelopment. This will reduce maintenance liabilities, support liquidity, and enable capital to be redirected toward core rail operations and infrastructure investment.

03

Enhancing revenue growth through improved lease management and tenant retention; progressive alignment of rentals to market-related levels where feasible; strategic redevelopment of high-potential properties; and continued use of tenant-funded refurbishment models to enhance asset value without increasing capital expenditure.

04

Subject to funding availability, priority station buildings and strategic properties will be refurbished to improve safety, functionality, and commercial appeal, in alignment with rail corridor development plans.

05

Efforts will continue to reduce operating costs through improved monitoring of utilities and security costs, and rationalisation of underutilised properties, enhanced contract management and oversight.

STRATEGIC PILLAR 2: TRUSTWORTHY CUSTOMER EXPERIENCE AND GROWTH

Strategic intent

To rebuild customer trust, improve service reliability, and grow sustainable freight volumes through consistent, predictable and customer-centric rail services.

Contribution to value creation

Customer trust and experience directly influence freight volumes, revenue sustainability and asset utilisation. Weak service reliability erodes customer confidence, shifts cargo to road transport, and undermines TransNamib's relevance within the national logistics system.

PERFORMANCE OVERVIEW (FY2023/24 AND FY2024/25)

Significant emphasis was placed on restoring customer confidence and strengthening long-term relationships. Engagements with key customers, logistics partners, and corridor stakeholders were intensified, with a focus on improving service reliability, transparency, and communication. The rollout of RTAs, improved customer engagement processes, and participation in regional logistics initiatives supported more structured and predictable service delivery. These efforts were complemented by targeted marketing initiatives, improved stakeholder communication, and the introduction of a customer relationship management system to enhance responsiveness and service quality. Collectively, these initiatives support TransNamib's ambition to grow rail volumes, retain key clients, and position rail as the preferred mode of bulk transport.

Despite ongoing operational challenges, the year marked an important transition toward stabilisation and future growth. The lack of sufficient locomotives affected service reliability, while constraints on handling equipment, bonded warehousing capacity, and delays in claims processing continued to pressure rail competitiveness. These challenges, together with incidents of in-transit theft, highlighted the need for focused operational and commercial interventions.

In response, TransNamib has prioritised decisive actions to strengthen long-term performance and restore operational stability. Key interventions include the acquisition of additional rolling stock, targeted improvements in customer service delivery, and the implementation of efficiency-driven operational measures. At the same time, the Company is sharpening its commercial focus on high-revenue sectors and

strengthening strategic partnerships to support sustainable growth.

Despite these challenges, performance across certain segments demonstrated resilience. There were, however, some months during 2024/25 where locomotive availability and corridor coordination stabilised, resulting in improved freight movements and service delivery.

Growth was recorded in agriculture, containerised cargo, and bulk fuel movements, reflecting continued demand in these sectors and the benefits of improved engagement with key customers and logistics partners. These gains underscored the importance of diversified cargo streams and targeted customer engagement in stabilising volumes during periods of operational disruption.

Revenue performance broadly mirrored volume trends over the two years. While overall revenue declined, stronger performance in higher-value segments such as bulk fuel and agriculture provided partial mitigation and reinforced the importance of focusing on commercially resilient markets.

From a customer experience perspective, the period highlighted the strong link between operational reliability, communication, and customer confidence. Variability in service delivery underscored the need for improved engagement, clearer service agreements, and more structured coordination with customers and corridor partners, all of which directly informed the strategic initiatives prioritised under this objective.



This strategic pillar is implemented through the following strategic objectives and initiatives:

Improve customer satisfaction

Implementing a robust customer engagement process

To ensure structured, consistent, and outcome-driven engagement with customers and stakeholders in support of service delivery, transparency, and relationship management.

Key activities and progress:

- TransNamib strengthened its marketing and communications presence during the year, with increased digital engagement across key platforms. LinkedIn and Instagram recorded notable growth, reflecting improved stakeholder reach and visibility. Participation in major expos and industry events further reinforced TransNamib's position as a key logistics partner, while targeted campaigns and stakeholder communications strengthened brand awareness and promoted services.
- Established structured engagement platforms with key stakeholder groups, including logistics partners, corridor bodies, port authorities, and government institutions.
- Engagements conducted through a combination of monthly, quarterly, and ad-hoc forums, aligned to operational and strategic needs.
- Improved coordination with customers on volumes, operational challenges, and service expectations.
- Enhanced transparency through regular engagement on operational performance and constraints.
- TransNamib strategically expanded its participation in key conferences and industry indabas to enhance visibility and attract potential customers.
- As a national logistics enabler, TransNamib supports Namibia Investment Promotion Development Board (NIPDB) facilitated projects while strengthening its capacity to deliver integrated transportation solutions.

Key stakeholder engagements:

During the reporting period, TransNamib's executive leadership undertook several high-impact stakeholder engagements in support of the Integrated Strategic Business Plan (ISBP), with a focus on financial sustainability, governance reform, and operational recovery.

Ministry of Finance (Namibia)

A key engagement with the Ministry of Finance (Namibia) addressed legacy statutory liabilities and strengthened compliance oversight. Through structured negotiations, enhanced reporting, and improved governance controls, an agreement in principle was reached to settle outstanding capital amounts, while accumulated penalties and interest were written off. This significantly improved balance sheet resilience and reinforced statutory compliance.

Ongoing engagements with the shareholder further supported the organisation's recovery agenda. Detailed funding submissions and performance reports demonstrated the direct link between government support and critical operational interventions, including locomotive and wagon maintenance. Continued shareholder support enabled targeted investments to restore service reliability and strengthen financial oversight.

Development Bank of Namibia and the Development Bank of Southern Africa

In FY2024/25, strategic engagements with the Development Bank of Namibia and the Development Bank of Southern Africa focused on securing long-term capital to stabilise liquidity and support turnaround initiatives. Comprehensive financial modelling, compliance alignment, and covenant structuring led the proposed facility to advance to the conditional approval stage, thereby strengthening TransNamib's capital structure and funding roadmap.

In parallel, engagements with institutional creditors and strategic customers were intensified to improve cash flow stability and revenue assurance. Stricter credit management practices, structured repayment arrangements, and enhanced contractual enforcement improved collections and reduced credit risk exposure.

Tradeport Manganese Transportation Project

Engagement with Tradeport at the Port of Lüderitz during the first quarter of FY2024/25 played a key role in advancing the manganese transport corridor from Ariamsvlei to Lüderitz.

Discussions focused on strengthening operational planning, performance monitoring, and infrastructure prioritisation to support increased transport volumes. The importance of corridor development and intermodal integration was emphasised as a means of improving efficiency and competitiveness.

The engagement also addressed future demand drivers and capacity requirements, enabling both parties to align planning with evolving market conditions. This collaborative and structured approach strengthened mutual accountability and established a practical foundation for the sustainable expansion of corridor capacity and throughput.

Sinomine Tsumeb Smelter

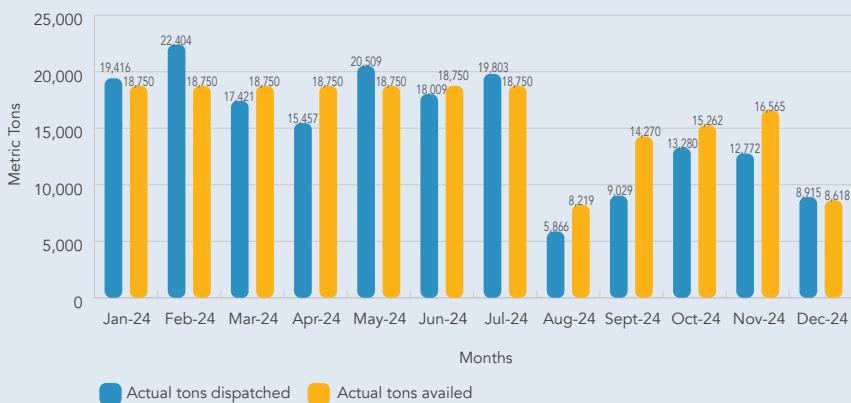
Engagement with Sinomine Tsumeb Smelter (formerly Dundee Precious Metals) during the FY2023/24 performance review highlighted both operational achievements and areas requiring improvement.

A key achievement was the acid transport operation to Rossing Uranium Limited, which recorded five consecutive months of performance above budget and reached record delivery levels. This reflected improved reliability, scheduling discipline, and asset utilisation. In contrast, blister copper transport volumes did not meet expectations and were identified as a priority area for corrective

action. Discussions focused on addressing logistical and operational constraints and on applying lessons from the acid transport operation to strengthen performance in weaker segments.

The engagement aligned priorities for the new financial year, strengthened coordination mechanisms, and established clearer performance targets. This balanced focus on consolidating strong performance while addressing underperformance supports a more resilient and results-driven partnership.

YTD acid delivered



Collectively, these engagements strengthened governance, enhanced financial discipline, improved liquidity management, and reinforced accountability to stakeholders. They reflect TransNamib's commitment to integrated leadership and collaborative partnerships in advancing sustainable operational and financial recovery under the ISBP framework.

Develop and execute Rail Transport Agreements and Pricing Reforms
To strengthen commercial relationships and provide clarity on service expectations, responsibilities, and performance standards.

Throughout the reporting period, TransNamib focused on implementing key strategic initiatives to address operational challenges and support sustainable business growth. Central to this effort was the rollout of RTAs, which serve as a key enabler of the Company's commercial and operational transformation.

Several engagements with customers and logistics partners were held during the review period to establish structured service arrangements and align service levels with operational requirements and existing infrastructure constraints. These engagements supported improved coordination between rail operations, corridor activities, and port interfaces, contributing to more efficient and integrated logistics planning across the value chain.

Progress in formalising RTAs was significant, with the finalisation rate improving from 55% in the 2022/23 financial year to 70% by the fourth quarter of the 2024/25 financial year. This improvement strengthened contractual certainty, enhanced revenue assurance, and deepened commercial relationships, particularly with customers in the energy and mining sectors.

In parallel, TransNamib implemented a revised pricing, tariff, and discount framework during the final quarter of the 2023/24 financial year. This included the approval and implementation of an annual price increase, as well as the introduction of a fuel surcharge mechanism to enable more effective recovery of input cost fluctuations and support financial sustainability.

Overall, the development and execution of RTAs have strengthened customer relationship management, clarified service expectations and performance standards, and positioned the organisation to manage commercial risk better while supporting long-term growth.

Develop and execute the Road–Rail Strategy
To support the modal shift from road to rail, improve corridor efficiency, and enhance the competitiveness of rail transport.

Key activities and progress

- Engagements with corridor bodies, port authorities, and industry stakeholders on road-to-rail opportunities.
- Identification of key corridors with potential for modal shift.
- Coordination with Namport and logistics partners to improve intermodal integration.
- Alignment of operational planning with anticipated freight flows.
- Targeted engagement with government stakeholders to advance the implementation of rail legislation in Namibia.
- Structured consultations with the MIME to review rail fuel pricing and strengthen revenue sustainability.
- Strategic engagement with financial institutions to secure and deploy additional financing to address service level gaps and improve market competitiveness.

Execute business development projects
To grow rail volumes, diversify revenue streams, and strengthen TransNamib's market position.

Key activities and progress

- New business opportunities emerged within the mining sector during the year, reflecting growing demand for rail-based transport solutions across a range of industries. Engagements with Namport and the Walvis Bay Corridor Group further strengthened regional collaboration and reinforced TransNamib's role as a key enabler of integrated logistics and trade facilitation.
- To enhance customer relationship management, a CRM pilot project (Bitrix24) was implemented to improve operational efficiency, responsiveness, and service delivery. At the same time, growth opportunities in emerging sectors such as oil and gas and renewable energy present significant potential for expanded rail utilisation.
- Participation in investment and project development discussions.
- Support for feasibility assessments and demand forecasting.
- Strengthened engagement with public and private sector stakeholders.

As the most cost-effective mode of transport for bulk commodities, rail offers a strategic advantage in supporting Namibia's long-term economic development. With continued improvements in operational capacity, TransNamib is well-positioned to strengthen its role as a competitive and reliable transport partner in the years ahead.

Embed Corporate Identity

To reinforce TransNamib's positioning as a reliable, customer-focused rail operator and to support the rebuilding of stakeholder confidence through consistent communication and service delivery.

Key activities and progress

- The corporate identity introduced in 2019 remains in place and continues to inform the organisation's positioning and communication approach.
- During the reporting period, no major brand roll-out or rebranding initiatives were undertaken.
- Focus was placed on reinforcing consistency in stakeholder engagement, communication, and service delivery.
- Emphasis was placed on aligning day-to-day interactions with customers and stakeholders with the organisation's values and service commitments.
- Public relations initiatives were undertaken to reinforce stakeholder perceptions of TransNamib's rebranded corporate identity.

Corridor prioritisation and network readiness

The following map illustrates areas where infrastructure improvements are required to support freight movement, improve network reliability, and enable future growth. Implementation is subject to funding availability and is therefore phased, with an emphasis on critical maintenance and rehabilitation rather than on large-scale expansion.



Sector Performance Overview

TransNamib operated in a constrained environment during the reporting period, characterised by infrastructure limitations, locomotive availability challenges, and external operational disruptions. Despite these constraints, selected sectors demonstrated resilience, while overall performance showed gradual improvement year-on-year.

The mining sector recorded a moderate recovery in 2024/25, supported by improved throughput in copper-related traffic. Performance, however, remained below potential due to production interruptions and rail capacity limitations. Mining continues to represent a strategic growth sector, with future performance closely linked to infrastructure stability and customer production cycles.

The bulk fuel sector remained the strongest and most stable contributor over the two years. Volumes increased in FY2024/25, driven by higher customer demand and changes in supply arrangements. This sector continues to provide a reliable revenue base and plays a key role in supporting national fuel security.

The agricultural sector experienced mixed performance. While demand remained steady, volumes were affected by seasonal variability, adverse weather, and limited rail capacity during peak periods. Competition from road transport and operational constraints affected overall performance, although agriculture remains strategically important for rural economic activity and food security.

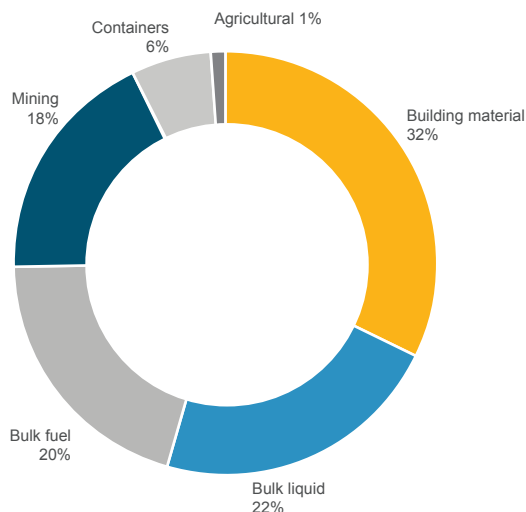
Building materials showed a gradual year-on-year improvement, supported by construction activity, but were still affected by weather disruptions and locomotive shortages.

Bulk liquid volumes recorded modest growth, with performance influenced by planned maintenance shutdowns at customer facilities and recovery later in the year.

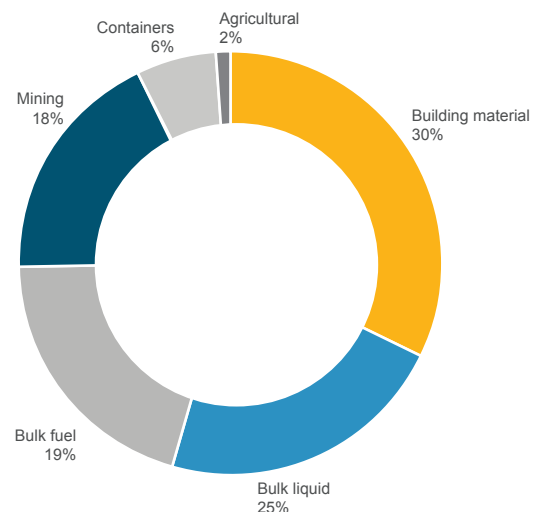
Containerised and general freight remained under pressure across both years, reflecting corridor disruptions, equipment constraints, and service reliability challenges. While demand remains, sustained growth depends on improved asset availability and network performance.

Overall, freight volumes in FY2024/25 improved compared to the prior year but remained below budget. The most significant constraint across all sectors remained limited locomotive availability, which affected service reliability, turnaround times, and revenue growth. Addressing this constraint remains central to TransNamib's recovery strategy and its ability to unlock future commercial performance.

FY2024/25 sector contribution (%)



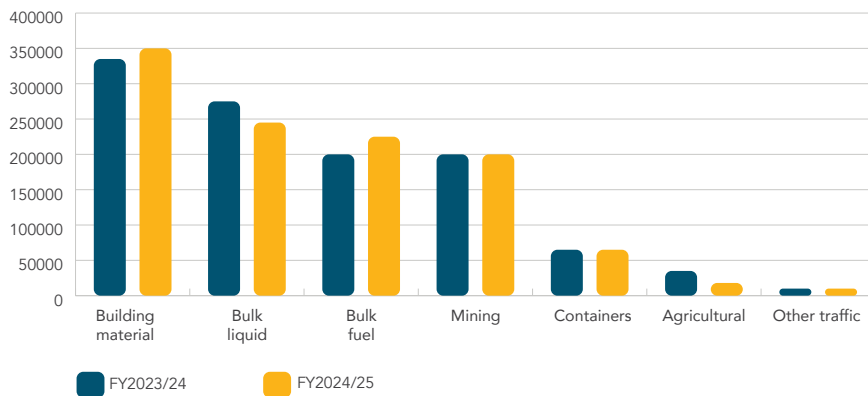
FY2023/24 sector contribution (%)



Locomotive availability and freight volumes – FY2023/24 vs FY2024/25

Financial year	Avg. locomotives available	Total freight volume (tonnes)
2023/24	18	1,105,606
2024/25	12	1,100,752

Volume: FY2023/24 and FY2024/25

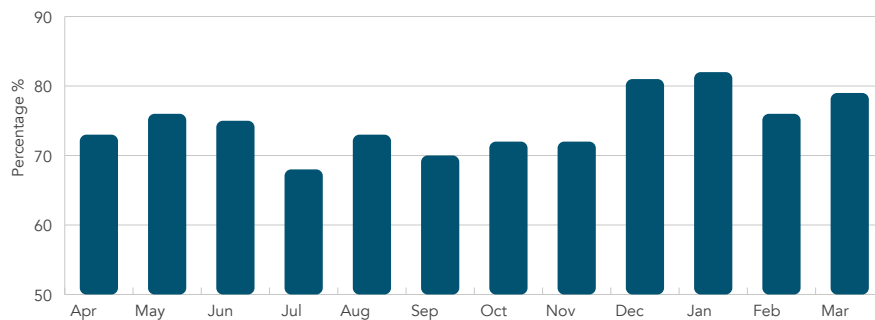


Overall performance trend

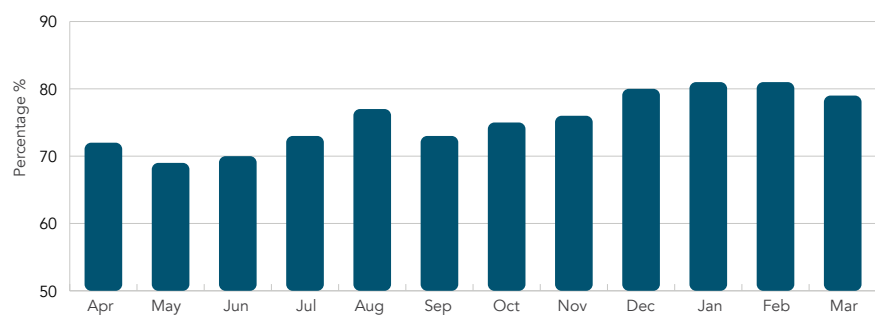
Across all sectors, freight volumes in FY2024/25 improved year-on-year, though they remained below budget. This reflects a gradual recovery following a difficult operating period, supported by stronger performance in bulk fuel, mining, and selected industrial segments.

However, locomotive availability remained the primary constraint affecting service delivery, revenue growth, and customer confidence across both years. Addressing this constraint remains central to improving sector performance as we advance.

Fuel wagons utilisation FY2024/25



Fuel wagons utilisation FY2023/24



Looking ahead

While the reporting period presented material constraints, it also laid the foundation for recovery and renewal. Through improved pricing strategies, stronger customer engagement, and a more disciplined approach to commercial execution, TransNamib is positioning itself to enhance reliability, restore market confidence, and improve overall performance.

Over the period ahead, priority areas will include:

01

Improving service reliability and predictability through enhanced asset availability, improved infrastructure maintenance, and more consistent operational performance.

02

Strengthening customer engagement and communication through structured engagement mechanisms, clearer service commitments, and improved responsiveness.

03

Enhancing transparency and service assurance, including clearer communication on performance, delays, and capacity constraints.

04

Supporting long-term customer relationships through the conclusion of Rail Transport Agreements that provide certainty and enable improved operational planning.

05

Aligning operational execution with customer expectations by reducing delays, improving turnaround times, and strengthening accountability across operations.

Progress against these priorities will be monitored through the organisation's performance management and strategy execution processes, ensuring that customer experience remains central to TransNamib's recovery trajectory and long-term growth.



STRATEGIC PILLAR 3: ORGANISATIONAL EXCELLENCE

Strategic intent

To build a fit-for-purpose, safe and efficient organisation capable of delivering reliable rail services through disciplined processes, asset stewardship and continuous improvement.

Contribution to value creation

Organisational excellence underpins safety, operational reliability, cost efficiency and service predictability. Weaknesses in systems, processes and asset condition directly erode customer confidence, increase operational risk and constrain financial recovery.

PERFORMANCE OVERVIEW (FY2023/24 AND FY2024/25)

Progress was made in strengthening operational efficiency and laying the foundation for a more resilient organisation. Focus areas included improving asset maintenance planning, advancing rolling stock refurbishment, and addressing critical infrastructure constraints. Efforts were also directed at improving operational discipline, strengthening safety and risk management practices, and enhancing systems and processes to support more efficient service delivery. In parallel, initiatives to modernise ICT systems, improve data availability, and align operational processes with strategic objectives helped build a more agile and performance-driven organisation.

Improve efficiency of rail operations

Implement Efficiency Programme (utilisation of wagons, locomotives and railway line capacity)

Operational efficiency remained under pressure due to ageing assets, weather-related disruptions, and capacity constraints. Above-average rainfall led to widespread infrastructure damage in the first quarter of 2025, necessitating emergency repairs totalling approximately N\$13.2 million to keep the network operational. Despite these challenges, rail services were maintained through rapid response interventions by engineering teams.

Locomotive reliability remained a key concern during the reporting period. Targeted interventions were implemented, including intensified maintenance planning, refurbishment of selected locomotives, and the deployment of technical expertise to address recurring defects.

The introduction of weighbridge infrastructure at Ariamsvlei improved operational control and data accuracy for cross-border traffic, while the use of accelerometer technology on locomotives provided early insights into track and rolling stock performance. These measures support improved decision-making and operational efficiency going forward.

Implement the scheduled Maintenance Plan

Significant effort was directed toward maintaining critical rail infrastructure under challenging conditions. Emergency flood-related repairs were carried out nationwide to prevent service disruptions, and inspections were conducted across key corridors, including Windhoek–Kranzberg, Tsumeb–Kranzberg, and Lüderitz–Keetmanshoop.

Investment in infrastructure continued with the implementation of the N\$35 million Transport Infrastructure Improvement Project (TIIP), which covered upgrades to security systems, fire protection, workshop facilities, crane infrastructure, and environmental controls. Design work commenced during the quarter, with construction scheduled to begin in FY 2025/26.

Progress was also made on long-term infrastructure initiatives, including signalling upgrades, bridge inspections, and rail condition assessments. However, delays in key projects, such as the Sandverhaar–Buchholzbrunn earthworks, remained a risk, with mitigation measures implemented through direct engagement with the Ministry of Works and Transport.

Improve and tighten security measures to curb theft

Routine safety inspections continue to identify high-risk conditions in certain operational areas, reinforcing the need to strengthen frontline leadership, supervision, and accountability. Management has prioritised reinforcing safety discipline, improving reporting, and ensuring more consistent implementation of corrective actions.

Fit-for-purpose technology, equipment and infrastructure

Engineering systems and operational enablement

During the period, focus was placed on strengthening operational systems, maintenance planning, and technical capability to support more reliable rail operations. Improvements were made to maintenance scheduling, asset monitoring, and coordination between engineering and operations, supported by the introduction of targeted technical expertise and enhanced oversight of procurement processes.

Progress was also made in improving data availability and infrastructure monitoring through the rollout of weighbridges and diagnostic tools, specifically locomotive trackers. These interventions support more disciplined execution, improved asset reliability, and the gradual transition toward more efficient, fit-for-purpose operating systems.

Review and implement the Automation and Digitisation Project Plan

Technology for Asset Monitoring and Predictive Maintenance

TransNamib piloted the CEMIT condition-monitoring technology on selected locomotives as part of an initiative to strengthen asset monitoring and support a more proactive approach to infrastructure and maintenance management.

The pilot used accelerometer-based devices to monitor track condition, train behaviour, and asset performance in real time. The system demonstrated the potential to enhance maintenance planning, enable early fault detection, and support more informed operational decision-making.

A cost-benefit analysis conducted following the trial yielded positive results and provided strong motivation for full-scale implementation. The concept was subsequently presented to Executive Management and received conceptual approval.

However, due to budgetary constraints, full implementation was not approved during the reporting period. As a result, while the technology was successfully tested and evaluated, it has not yet been deployed on a permanent, organisation-wide basis.

The pilot nonetheless supports TransNamib's longer-term objective of improving infrastructure reliability and transitioning toward data-driven maintenance practices.

Embed SHERQ across the value chain

Implement Rail-Safety Plan

This initiative aims to embed safety and environmental responsibility across the value chain, strengthening operational discipline, protecting people and assets, and supporting the sustainable delivery of rail services.

Infrastructure security and asset protection

During the reporting period, TransNamib experienced an increase in incidents involving the theft of railway infrastructure components, particularly sleepers and related fittings, across several parts of the network. These incidents posed material risks to operational safety, service continuity, and asset integrity.

In response, the organisation strengthened collaboration with law enforcement agencies, including the Namibian Police and municipal authorities, and intensified internal security measures. Engagements were also undertaken with the shareholder ministry to support a coordinated response, including the development of enhanced inter-agency cooperation mechanisms.

While targeted interventions and increased patrols reduced incidents in certain high-risk areas, sporadic occurrences continued to be recorded, underscoring the ongoing vulnerability of rail infrastructure to criminal activity. The theft of railway components has direct implications for safety, operational reliability, and financial sustainability and remains a management focus.

TransNamib continues to prioritise infrastructure protection through strengthened security coordination, public awareness initiatives, and improved monitoring of high-risk sections of the network. These efforts form part of the organisation's broader commitment to safeguarding national rail assets and ensuring the safe and reliable movement of freight and passengers.



Develop and implement an ISO 9001 Compliance Project

Health, safety and operational risk management

TransNamib remains committed to providing a safe working environment for employees, contractors, passengers, and the public. Safety oversight is embedded within governance structures and operational management processes, with regular reporting to management and the Board to support accountability and continuous improvement.

During the reporting period, safety performance remained a material area of focus following serious rail incidents that highlighted weaknesses in operational discipline, supervision, and compliance with safety

procedures. These incidents reinforced the importance of strengthening preventative controls and embedding a stronger safety culture across the organisation.

Rail safety governance is supported through formal structures, including the Rule Committee and the Rail Safety Committee, which oversee operating standards, review incidents, and monitor the implementation of corrective actions. Operating rules were reviewed and strengthened during the year, informed by accident investigation findings and operational experience.

Safety incident overview

As illustrated below, a total of 128 safety-related incidents and accidents were recorded during the 2023/24 and 2024/25 financial years, reflecting a significant reduction from 81 cases in FY2023/24 to 47 in FY2024/25. Yard-related accidents remained the most frequent category, although these declined notably over the period. Encouraging improvements were recorded in mainline accidents, work-related fatalities, and public injuries and fatalities. Level crossing incidents increased in FY2024/25, highlighting the need for continued public awareness and infrastructure interventions. Overall, the downward trend indicates progress in operational safety management, while reinforcing the importance of sustained risk mitigation and stakeholder engagement.

Safety performance: accident and incident statistics (FY2023/24–FY2024/25)

TOTAL INCIDENTS – FY2023/24		TOTAL INCIDENTS – FY2024/25		TOTAL – TWO-YEAR PERIOD	
81		47		128	
Prior year baseline		↓ Reduction of 34 incidents year-on-year		Combined FY2023/24 and FY2024/25	
Mainline accidents	Yard accidents	Level crossing	Mainline collision	Yard collision	
FY2023/24 5	FY2023/24 30	FY2023/24 5	FY2023/24 0	FY2023/24 5	
FY2024/25 2	FY2024/25 20	FY2024/25 11	FY2024/25 0	FY2024/25 0	
TWO-YEAR TOTAL 7	TWO-YEAR TOTAL 50	TWO-YEAR TOTAL 16	TWO-YEAR TOTAL 0	TWO-YEAR TOTAL 5	
↓ Improved	↓ Improved	↑ Increased	✓ None recorded	↓ Eliminated	
Run-away wagons	Work fatalities	Public injured	Public fatal	Damaged infrastructure	
FY2023/24 10	FY2023/24 2	FY2023/24 15	FY2023/24 5	FY2023/24 6	
FY2024/25 5	FY2024/25 0	FY2024/25 7	FY2024/25 1	FY2024/25 1	
TWO-YEAR TOTAL 15	TWO-YEAR TOTAL 2	TWO-YEAR TOTAL 22	TWO-YEAR TOTAL 6	TWO-YEAR TOTAL 7	
↓ Improved	↓ Eliminated	↓ Improved	↓ Improved	↓ Improved	

Occupational health and safety performance remains an area requiring improvement. Injury rates increased during the period, with under-reporting of minor incidents identified as a contributing factor. In response, targeted interventions were implemented to strengthen safety awareness, including safety campaigns, training initiatives, enhanced supervision, and an increased focus on reporting and preventative behaviour.

Looking ahead

TransNamib recognises that organisational excellence is a critical enabler of its turnaround and long-term sustainability goals. Achieving these objectives requires a focused effort to strengthen internal capability, improve operational effectiveness and embed a performance-driven culture across the organisation.

Over the period ahead, priority areas will include:

01

Strengthening organisational capability and structure, including organisational redesign, workforce optimisation and clearer definition of roles, responsibilities and accountability across all functions.

02

Strengthening safety culture and operational discipline, including improved safety management systems, adherence to rail safety standards, reduction of incidents and embedding safety as a core organisational value.

03

Improving operational efficiency and process effectiveness, through standardisation of processes, improved systems, stronger internal controls and better use of technology to support service delivery.

04

Advancing a culture of accountability, ethics and continuous improvement, supporting organisational resilience, employee engagement and long-term sustainability.

Through these interventions, TransNamib aims to build a capable, efficient, and resilient organisation that is well-positioned to deliver on its strategic objectives, respond to operational challenges, and support sustainable growth over the medium to long term.



STRATEGIC PILLAR 4: INSPIRING AND ACCOUNTABLE LEADERSHIP

Strategic intent

To develop capable, accountable leadership that drives strategy execution, upholds ethical conduct, and fosters a performance-oriented culture.

Contribution to value creation

Effective leadership shapes organisational culture, strengthens decision-making quality, builds stakeholder confidence, and ensures the successful delivery of strategic priorities.

PERFORMANCE OVERVIEW (FY2023/24 AND FY2024/25)

During the reporting period, TransNamib focused on maintaining leadership continuity and workforce stability within a constrained financial environment. Limited financial resources required a cautious, prioritised approach to human capital development, with emphasis placed on sustaining critical operational capability rather than expanding training and development programmes. The organisation's primary objective during the period was to ensure operational continuity, uphold safety standards, and retain the essential skills required to support rail operations.

With a staff turnover rate of 8%, the organisation experienced relatively stable employee retention during the reporting period, in line with typical benchmarks. Training and development activities were limited, with a focus primarily on mandatory, safety-critical, and compliance-related interventions. Broader leadership development initiatives were deferred as management prioritised workforce stability, risk mitigation, and operational resilience. These outcomes are reflected in the training data presented and provide a realistic baseline for scaling future human capital investment as financial conditions improve.

In support of its Human Capital strategic pillar, TransNamib adopted *Inspiring and Accountable Leadership* as its primary focus, recognising leadership effectiveness as a key enabler of organisational culture, sound decision-making, and a positive and enabling work environment. The initiatives implemented during the period are outlined in the following pages.

Implementation of the TransNamib Leadership Model

The TransNamib Leadership Model provides a framework for aligning leadership behaviours with the organisation's strategy, values, and governance requirements. It promotes ethical and accountable leadership and supports consistency in decision-making across all levels of the organisation by clearly articulating leadership expectations.

The Leadership Model, currently being developed, is intended to support effective strategy execution, strengthen organisational culture, and drive accountability, while enabling leadership development and succession planning to ensure sustainable leadership capability and improved organisational performance.

Implement change management

As a complex, asset-intensive, and service-driven organisation, TransNamib operates in a dynamic environment marked by operational challenges, regulatory requirements, and the need to enhance efficiency and service delivery. Effective change management ensures that initiatives are clearly communicated, well understood, adopted, and sustained across all levels of the organisation.

In line with this approach, TransNamib is implementing the *Culture Transformation and Employee Engagement* project, described in more detail below, a strategic initiative designed to drive change management and strengthen its competitive advantage through its people.

Culture transformation and employee engagement

Building on the organisation's change management approach, TransNamib undertook a comprehensive culture-change scoping exercise to strengthen alignment between organisational culture, employee behaviour, and strategic goals. The initiative demonstrates the organisation's commitment to evolving employee beliefs, behaviours, practices, processes, and systems to support quality service delivery and operational excellence.

As part of the foundational interventions, TransNamib introduced the Performance Management System (PMS) and Business Process Mapping (BPM) to reinforce strategic alignment and improve operational efficiency. The rollout of the Integrated Strategic Business Plan (ISBP) further supports targeted performance outcomes and enhances accountability across all organisational levels.

Recognising that a unified culture rooted in shared values and strategic priorities is critical for driving employee engagement and high performance, the organisation engaged an external consultant to design and implement a company-wide culture transformation programme across all operational areas, supporting its longer-term objective of positioning TransNamib as an employer of choice.

Programme oversight is managed through executive governance structures, with progress monitored against defined milestones.

Entrench performance management

TransNamib recognises that effective performance management is a key enabler of organisational effectiveness, as it aligns individual and team objectives with the organisation's strategic goals and supports meaningful contribution at all levels.

A structured performance management framework is intended to strengthen accountability, reinforce a performance-oriented culture, and provide leaders with insights to support talent development, succession planning, and informed decision-making.

Implementation is being carried out in phases to support consistent adoption and stakeholder engagement, starting with senior leadership, then moving to supervisors, and gradually extending to all employees. This phased approach aims to promote consistent adoption, strengthen governance practices, and embed a culture of continuous improvement and organisational excellence throughout the organisation.

Implement Talent Management Strategy

TransNamib's Talent Management Strategy focuses on attracting, developing, and retaining skilled employees to support the organisation's strategic objectives and long-term sustainability. The strategy emphasises internal talent development, succession planning, and targeted skills to build a capable workforce aligned with current and future operational needs. Through performance management, learning and development initiatives, and career progression opportunities, the initiative strengthens employee capability, employee engagement, and leadership continuity across the organisation.

Organisational design and structural alignment

TransNamib embarked on a comprehensive organisational redesign to ensure that its structures are aligned with strategic priorities and operational requirements.

KEY OUTCOMES

01 STRUCTURAL REVIEW	02 ROLES AND RESPONSIBILITIES	03 DEPARTMENTAL STRUCTURES	04 GOVERNANCE ALIGNMENT	05 PROGRESSIVE REVIEW
Review and revision of organisational structures across all business units.	Clearer definitions of roles, responsibilities, and reporting lines to strengthen accountability and operational efficiency.	Development of updated departmental structures and scorecards to support effective strategy execution.	Alignment of organisational structures with governance and compliance standards.	Progressive review of the redesigned structures through executive and governance processes before final approval and implementation.

Training, skills development, and workforce capability

TransNamib's ability to deliver on its mandate is fundamentally dependent on the availability of skilled, competent, and safety-conscious employees across its operations. In a capital-intensive and safety-critical operating environment, human capital remains a key driver of operational reliability, risk management, and long-term organisational sustainability.

During the reporting period, the organisation operated within a constrained financial environment, necessitating a deliberate, strategic approach to training and skills development. Rather than pursuing broad-based training interventions, the focus was placed on preserving critical capability, maintaining regulatory compliance, and safeguarding operational continuity.

This approach reflects a conscious trade-off between financial constraints and the need to protect the organisation's core operational capacity.

Strategic focus of training and development

The company invested N\$12,6 million in various training and development initiatives during the year, aligned with TransNamib's operational risk profile and long-term strategic priorities. Emphasis was placed on areas that have a direct bearing on safety, service continuity, and asset utilisation.

Key focus areas included:

- Operational and technical capability, particularly in rail operations and safety-critical roles.
- Safety and regulatory compliance, ensuring adherence to statutory and operational standards.
- Targeted leadership and supervisory development, supporting succession planning and operational oversight.

Key initiatives included:

- Implementation of targeted training programmes covering leadership development, technical skills, and behavioural competencies.
- Delivery of technical training for Train Drivers, Assistant Train Drivers, Shunters, and Plate Layers.
- Award of Recognition of Prior Learning (RPL) certification to 12 employees, seven certified as Diesel Electric Fitters and five as Trade Hands.
- Delivery of behavioural and leadership-focused training, including the Leadership Summit and Disciplinary Hearing training for leaders, to strengthen leadership capability and behavioural alignment.

Collectively, these initiatives enhanced employee capability and supported organisational resilience. By prioritising training in these areas, the organisation ensured that limited resources were directed towards activities with the greatest impact on performance, safety, and risk mitigation.

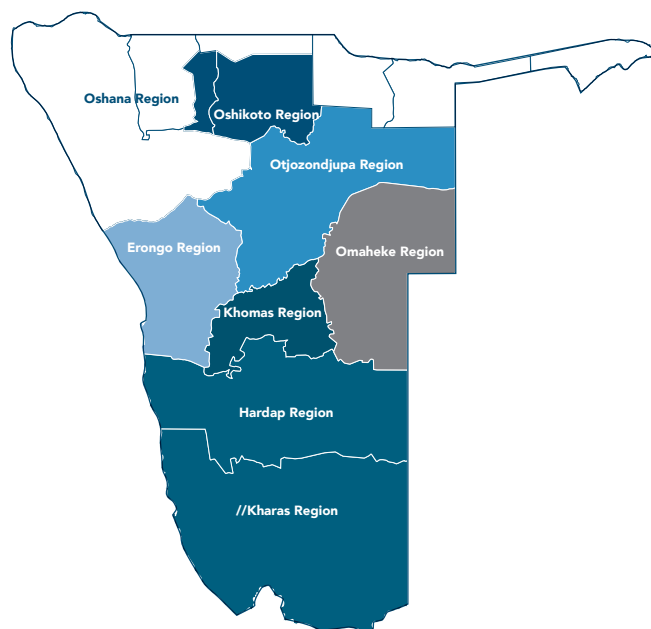
Workforce profile

At the end of the reporting period, the TransNamib workforce comprised 1,062 employees, including 75 contract employees on short- and long-term contracts. This represents a decrease from the beginning of the reporting period, when the workforce totalled 1,139 employees, including 107 on short- and long-term contracts.

Category	FY2023/24	FY2024/25
Permanent employees	1,032	987
Contract employees	107	75
Total	1,139	1,062

Employee distribution by region and town

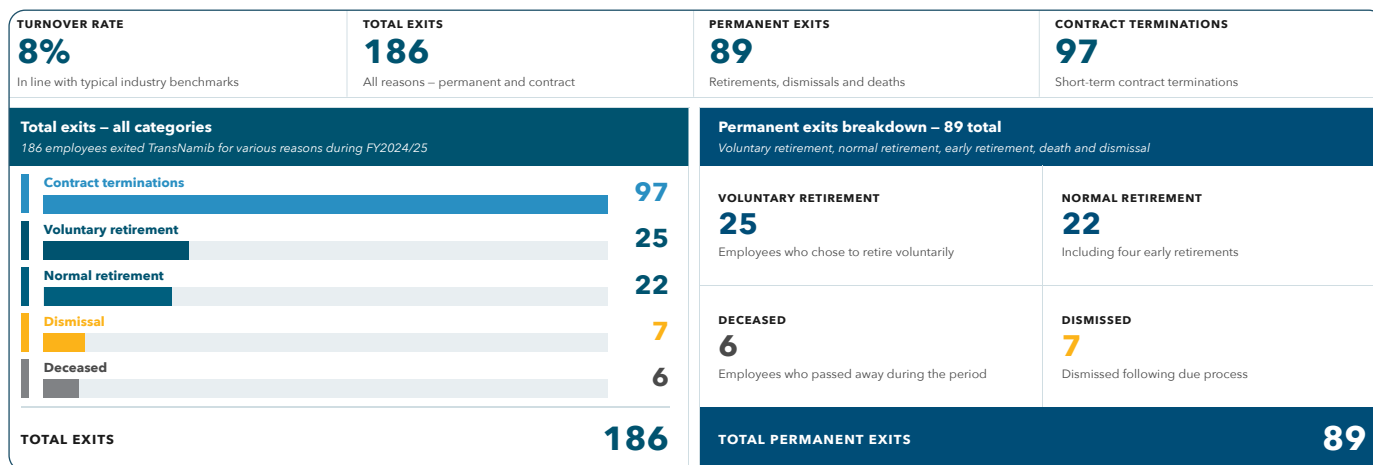
The table below depicts the distribution of employees across different regions and towns. Khomas and the Southern regions have the highest number of employees, followed by Otjozondjupa, Northern, Erongo and Hardap regions.



■ Otjozondjupa Okahandja, Otjiwarongo, Grootfontein, Otavi, Kombat PERMANENT 127 CONTRACT 3 TOTAL 130	■ Erongo Swakopmund, Walvis Bay, Karibib, Omaruru PERMANENT 108 CONTRACT 15 TOTAL 123	■ Khomas Windhoek PERMANENT 415 CONTRACT 53 TOTAL 468
■ Omaheke Gobabis PERMANENT 11 CONTRACT 0 TOTAL 11	■ Hardap and //Karas Mariental, Rehoboth, Keetmanshoop, Lüderitz, Bethanie PERMANENT 201 CONTRACT 3 TOTAL 204	■ Otjozondjupa, Oshikoto, Oshana Otjiwarongo, Tsumeb, Grootfontein, Omuthiya, Ondangwa, Oshikango, Oshakati PERMANENT 125 CONTRACT 1 TOTAL 126

Employee turnover rate (%)

The employee turnover rate stood at 8% at the end of the reporting period, comprising 97 terminations of short-term contracts and 89 permanent employees. Of the permanent exits, 25 employees opted for voluntary retirement, 22 retired normally (including four early retirements), six employees passed away, and seven were dismissed. In total, 186 employees exited TransNamib for various reasons.



Employee complement per department

Department	FY2023/24	FY2024/25
Engineering	493	491
Finance	33	34
Human Capital	117	74
Information and Communication Technology	36	40
Corporate Services	11	12
Commercial and Marketing	24	11
Properties	37	40
Security	39	44
Operations	348	315
Region: RSA	1	1
Total	1,139	1,062
Contract employees	107	75
Total	1,139	1,062

Employee diversification

TransNamib remains committed to fostering a diverse and inclusive workplace and ensuring equal opportunities for all employees. Efforts to improve gender representation in traditionally male-dominated roles, such as train operations, continued during the year through targeted recruitment and mentorship programmes.

Employee composition by gender and equity group

TransNamib had a total of 987 permanent employees (842 males and 145 females) and 75 contract workers at the financial year-end on 31 March 2025, from 1,032 permanent employees (877 males and 155 females) and 107 contract workers in the previous year.

Gender	FY2023/24	FY2024/25
Previously advantaged males	2	4
Previously advantaged females	2	2
Previously disadvantaged males	875	838
Previously disadvantaged females	153	143
Total (excluding contract workers)	1,032	987

Recruitment and promotions

During the reporting period, TransNamib permanently appointed 20 employees, while a further 64 employees were engaged on short-term contracts. In addition, 118 employees were promoted. These appointments and promotions reflect the organisation's commitment to employee development and internal mobility.

Promotions during the year demonstrate the organisation's confidence in the existing workforce and support career progression from within, thereby strengthening organisational capability.

Recruitment Employee turnover and retention

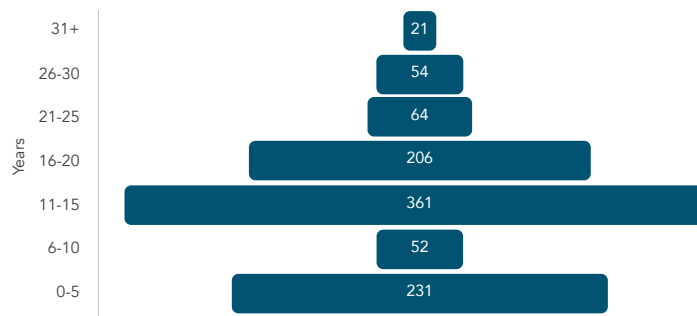
Employee turnover was closely monitored, with retention efforts focused on improving working conditions, career development, and employee engagement initiatives. Measures were also implemented to address key factors influencing attrition, including structured succession planning and targeted training programmes.

As reflected in the accompanying graph, TransNamib benefits from a workforce with a strong foundation of long-term service and institutional knowledge. Of the 987 permanent employees, 706 have been with the organisation for more than a decade, reflecting organisational stability, continuity, and sustained operational capability.

The depth of experience across the workforce supports operational reliability, effective skills transfer, and the consistent application of safety and performance standards. Long-serving employees play a key role in mentoring newer staff, preserving institutional knowledge and ensuring continuity across operational and support functions.

This level of workforce stability meaningfully contributes to TransNamib's ability to execute its mandate, manage operational risk, and deliver on its strategic objectives over the short, medium, and long term.

Employee tenure



Looking ahead

Despite constrained training budgets during the reporting period, TransNamib adopted a disciplined, risk-informed approach to skills development, ensuring that essential competencies were retained and operational performance was not compromised. In parallel, the organisation made a deliberate investment in implementing a culture change programme aimed at strengthening accountability, improving leadership behaviours, and reinforcing a performance-driven organisational mindset. This initiative was a key intervention for the year, focused on clarifying values, strengthening leadership alignment, and embedding a culture of responsibility and performance across all levels of the organisation.

Looking ahead, TransNamib intends to build on the foundations established through the culture change programme by progressively strengthening leadership capability, succession planning, and performance management practices as financial conditions allow. Greater emphasis will be placed on targeted employee engagement initiatives, improved alignment between individual performance and organisational objectives, and the continued reinforcement of a values-driven culture to support organisational resilience and mandate delivery.



Securing tomorrow: How the TransNamib Retirement Fund supports our people beyond the rails



For many TransNamib employees, a career on the railway is more than just a job – it is a lifetime of service. From track maintenance teams and locomotive drivers to engineers, artisans, and support staff, generations of employees have built their working lives around keeping Namibia's rail network moving.

With long service often comes physical demands, extended working hours, and years spent away from family. For many employees, the question of “what happens after retirement” is deeply personal.

In response to this important need, TransNamib proudly launched the TransNamib Retirement Fund on 1 November 1989, demonstrating our commitment to supporting employees not just throughout their careers, but well into their retirement years.

Building security over a working lifetime

The Fund operates as a defined-benefit retirement fund, providing structured retirement and risk benefits in accordance with its Rules. It is regulated by the Namibia Financial Institutions Supervisory Authority (NAMFISA) and operates in terms of the Pension Funds Act and applicable tax legislation.

Over time, the Fund has evolved in response to changes in the organisation, workforce profile, and regulatory environment. On 01 April 1994, it transitioned from the legacy ‘TransNamib Pensioenfondse’ structure to its current structure, strengthening governance and long-term sustainability.

For employees, this provides clarity and predictability. Retirement benefits are determined through transparent formulas that link them to years of service and pensionable income, supported by regular actuarial assessments.

Shared responsibility and strong governance

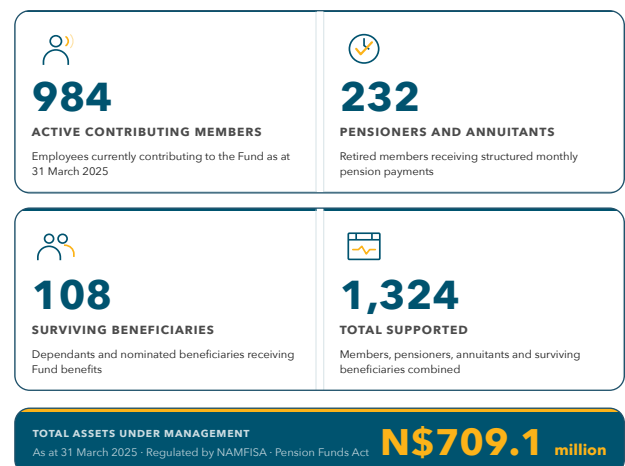
The strength of the Fund lies in shared commitment.

The Fund is structured as a shared commitment between employees and TransNamib. Members retiring at 55 years of age (train drivers and assistants) contribute 8.5% of pensionable salary, while all other employees contribute 7.5%. TransNamib contributes 15% for members retiring at 55 and 14% for all other employees, reinforcing the partnership approach to long-term retirement security.

Oversight is provided by a Board of Trustees comprising employer-appointed and member-elected representatives. This ensures that employee perspectives are reflected in decision-making, while maintaining professional financial stewardship.

Specialist committees support the Board's work in key areas, including investment management, risk oversight, housing finance, and benefit distribution. Professional service providers manage day-to-day administration under the Board's supervision.

Making a difference in real lives



Behind these figures are real people – employees planning for retirement, supporting their families, and finding reassurance in knowing that they are protected in the event of illness, disability, or loss.

Through its range of benefits, including retirement, disability, death, and funeral cover, the Fund provides practical support during both expected and unexpected life events. For many long-serving employees, this is one of the most tangible ways in which TransNamib recognises their contribution.

Looking ahead

As workforce demographics, regulatory requirements, and economic conditions continue to evolve, TransNamib remains committed to maintaining a financially sound and responsive retirement fund.

Future priorities include:

01

Ongoing actuarial reviews and funding assessments.

03

Improved communication and access to benefit information.

02

Expanded member education and financial literacy initiatives.

04

Continued strengthening of governance and risk management.

By supporting employees throughout their careers and beyond, TransNamib honours decades of service, protects families, and reinforces its role as a responsible and people-centred public enterprise.



Our mutual cooperation with the employer remains the bedrock of our success, while our Trustees stand unwavering in their duty of care—ensuring that every decision places the best interests of our members and beneficiaries at the forefront.

Ms Elizabeth Nakatana
Principal Officer





ANNUAL FINANCIAL STATEMENTS

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31 MARCH 2024

131 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2025

TransNamib Holdings Limited

(Registration Number 99/114)
Consolidated and Separate
Annual Financial Statements
for the year ended 31 March 2024

TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2024

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TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2024

General Information

Country of Incorporation and Domicile	Namibia
Registration Number	99/114
Nature of Business and Principal Activities	The group Providing and promoting rail transportation services in Namibia and elsewhere by managing, developing and utilising the resources and assets at its disposal.
Directors	Mr. T Mberirua Ms. G Michaels Dr. K Keyser Mr. P Ndeunyema Ms. J Hatutale Mr. V Kavari (Appointed 1 September 2023) Ms. J Shikongo-Asino (Resigned 31 December 2023)
Registered Office	16 Prof Mburumba Kerina, Street Windhoek Namibia
Business Address	16 Prof Mburumba Kerina, Street Windhoek Namibia
Postal Address	Private Bag 13204 Windhoek Namibia 10005
Bankers	First National Bank of Namibia Nedbank Namibia Limited Bank Windhoek Standard Bank Namibia Limited
Auditors	Grand Namibia Registered Accountants and Auditors 9 Axali Doeseb Street Windhoek Namibia
Company Secretary	Ms Helvi Haludilu 16 Prof Mburumba Kerina, Street Windhoek Namibia

TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2024

Directors' Responsibilities and Approval

The directors are required by the Namibian Companies Act 28 of 2004 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. These consolidated and separate annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®) and it is their responsibility to ensure that the consolidated and separate annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the consolidated and separate statement of financial position, results of operations and business of the group, and explain the transactions and financial position of the business of the group at the end of the financial year. The consolidated and separate annual financial statements are based upon appropriate accounting policies consistently applied throughout the group and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

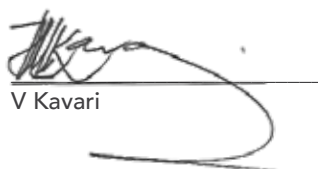
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the group will not be a going concern in the foreseeable future. The consolidated and separate annual financial statements support the viability of the group.

The consolidated and separate financial statements have been audited by the independent auditing firm, Grand Namibia Registered Accountants and Auditors, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholder, the directors and committees of the directors. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 83 to 84.

The consolidated and separate financial statements set out on pages 85 to 127, and the supplementary information set out on pages 128 to 130 which have been prepared on the going concern basis, were approved by the directors and were signed on 28 March 2025 on their behalf by:



T Mberirua



V Kavari



Independent Auditor's Report

To the Shareholder of Transnamib Holdings Limited

Opinion

We have audited the consolidated and separate annual financial statements of TransNamib Holdings Limited ('the Company') and its subsidiaries ("the Group") set out on pages 85 to 127, which comprise the consolidated and separate statements of financial position as at 31 March 2024, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate annual financial statements including a summary of material accounting policies and the directors' report.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the financial position of the Group as at 31 March 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS's) and the requirements of the Companies Act of Namibia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Annual Financial Statements section of our report. 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 Standards)* and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the directors' responsibilities and approval and the detailed income statement, which we obtained prior to the date of this auditor's report. Other information does not include the consolidated and separate annual financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate annual financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate annual 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 consolidated and separate annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, 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 Annual Financial Statements

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

In preparing the consolidated and separate annual financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Group or Company, or to cease operations, or has no realistic alternative but to do so.

Resident Partners: Ronald N Beukes (Managing) | Richard Theron | Petrus T Nghipandulwa

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Auditors' Responsibilities for the audit of the Consolidated and Separate Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate annual financial statements as a whole is 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 International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate annual 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 or the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, 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 or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate annual financial statements, including the disclosures, and whether the consolidated and separate annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the business's activities within the group to express an opinion on the consolidated and separate annual 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 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.

Grand Namibia

Grand Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per P NGHIPANDULWA
Partner

Windhoek
16 April 2025

TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2024

Directors' Report

The directors have the pleasure of submitting their report on the consolidated and separate annual financial statement of Transnamib Holdings Limited for the year ended 31 March 2024.

1. Review of activities

Main business and operations

The consolidated and separate annual financial statements have been prepared in accordance with international Financial Reporting Standards and the requirements of the Companies Act 28 of 2004. The accounting policies have been applied consistently compared to prior year.

The operating results and consolidated and separate statement of financial position of the group are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The consolidated and separate annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors, most significant of these is that the directors will procure funding from the Government of the Republic of Namibia (GRN) or other sources for the ongoing operations.

The company and its subsidiary incurred a net loss for the year ended 31 March 2024 of N\$('000) 270,142 (2023 loss: N\$('000) 449,196). The company continues to incur losses.

During the year under review the company received N\$230 million to be utilised for locomotive repairs, maintenance and working capital. The amount is part of the N\$523 million government funding for the Medium-Term Expenditure Framework period 2023-2025.

The company has secured long term funding from the Development Bank of Southern Africa (DBSA) and the Development Bank of Namibia (DBN) to the tune of N\$2.659 billion. The Facility Agreements for both Lenders were signed in March 2023 and April 2024 respectively. This funding is earmarked to be used for the procurement of new rolling stock, which will improve the available capacity of the company. The conditions precedent for this funding was finalised on 30 September 2024.

Based on the foregoing the directors believe that the company has adequate long-term resources to continue as a going concern. The directors will continue to mobilise short to Medium term resources required to breach the gap up until long term funding project is complete. Additionally N\$300 million has been secure from GRN for the financial year ending 31 March 2025.

3. Events after reporting date

Subsequent to year end, on 27 February 2025 TransNamib was ordered to pay Leon Barnard Architect In (Pty) Ltd for their claim of N\$10.5 million plus interest. Transnamib has appealed the order.

4. Authorised and issued share capital

No changes were approved or made to the authorised or issued share capital of the company during the year under review.

5. Dividend

No dividend was declared or paid to the shareholder during the current or prior year.

TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2024

6. Directors

The directors of the company during the year and up to the date of this report are as follows:

Mr. T Mberirua

Ms. G Michaels

Dr. K Keyser

Mr. P Ndeunyema

Ms. J Hatutale

Mr. V Kavari

Ms. J Shikongo-Asino (Resigned 31 December 2023)

7. Prior period error

During the Financial years 2016-2019, the Government of the Republic of Namibia paid spares suppliers directly as part of the turnaround strategy. Once these parts arrived the funds were released into the Income Statement. The effect was that during 2017 the profit and loss was underestimated with N\$44 612 720.

During the audit of the 2023 financial year, it was noted that the Vocational Education Training levy (VET) amount declared to Namibia Training Authority with the monthly returns was lower than the VET amount/capital in the general ledger. TransNamib resubmitted these returns and as a result the interest and penalties increased as the based amount was now higher. The effect was that the Profit and Loss was overestimated with N\$6 133 000.

During the audit of the 2024 financial year, it was noted that expenses for weed control some municipal and security chargers related to the 2023 financial year were recognised in the 2024 financial year and no accrual was processed to account for this cost in the 2023 financial year. The effect is that the profit and loss was overestimated with N\$6 250 753.

During the audit of the 2024 financial year, it was noted that some capital expenditures were expensed in prior year and capitalised in current year. The effect is that assets were understated and Profit and loss was underestimated with N\$2 146 923.

8. Litigation

8.1 Leon Barnard Architects Inc. Pty Ltd

The company has a pending case of Leon Barnard Architects Inc. (Pty) Ltd, the possible obligation is estimated to be N\$10.5 million. The case emanates from 2014 claims for unpaid monies for architectural services. The case is ongoing, the liability is not certain as it is dependent on the court ruling. At year end the loss is not probable as final judgement is still pending.

8.2 Quenet Capital (Pty) Ltd

Transnamib, together with the Ministry of Works and Transport, was sued for the cancellation of the agreement, which was done as per Ministerial directive. The estimated obligation is N\$68 million. Trial date was set after year end. The loss is not probable as the case is still ongoing.

9. NOCLAR (Non-Compliance with Laws and Regulations)

The company has been faced with cash flow constraints for the longest time, as a result the company did not honour its obligation to pay Statutory Taxes to the Namibia Revenue Agency (NamRA) in accordance with the Income Tax Act requirements. As at 31 March 2024, Transnamib owed NamRA N\$907 million including interest and penalties (2023: N\$647 million). The amount has been provided for in the financial statements. The directors are aware of this non-compliance and have had discussions and negotiations with GRN for a long term plan, as a result during the financial year 2025 budget speech, in February 2024 the Ministry of Finance and Public Enterprises announced a legacy tax write off. This write off took effect in September 2024.

In addition to the above the company did not honour its obligation to pay Vocational Education Training (VET) levies to the National Training Authority (NTA). The balance to NTA inclusive of penalties and interest as at 31 March 2024 is N\$67 million (2023: N\$50.5 million). The company started paying current balances in the financial year 2024 and a payment plan is in place for the periods in defaults.

10. Independent Auditors

Grand Namibia Registered Accountants and Auditors were the independent auditors for the year under review and were appointed on 17 March 2024.

TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2024

Statements of Financial Position

	Notes	Group 31 March 2024	Group 31 March 2023 As Restated	Company 31 March 2024	Company 31 March 2023 As Restated
Figures in N\$ `000					
Assets					
Non-current assets					
Property, plant and equipment	5	1,969,717	2,027,172	1,782,899	1,839,905
Investment property	6	1,184,775	1,183,722	1,184,775	1,183,722
Investments in subsidiary	7	-	-	6,109	6,109
Investments in joint ventures	7	12,693	17,516	12,693	17,516
Operating lease receivables	11	35,100	34,428	35,100	34,428
Loan to group company	12	68	-	149,504	148,946
Total non-current assets		3,202,353	3,262,838	3,171,080	3,230,626
Current assets					
Inventories	8	121,271	117,519	119,986	116,090
Trade and other receivables	9	62,394	75,811	56,706	71,888
Other non-financial assets	13	3,684	3,411	3,684	3,411
Cash and cash equivalents	14	230,867	196,641	213,390	186,914
Total current assets		418,216	393,382	393,766	378,303
Total assets		3,620,569	3,656,220	3,564,846	3,608,929
Equity and liabilities					
Equity					
Issued capital	15	277,266	277,266	277,266	277,266
Accumulated loss		(1,018,684)	(748,542)	(1,049,066)	(776,865)
Reserves	16	1,908,989	1,855,096	1,908,989	1,855,096
Total equity		1,167,571	1,383,820	1,137,189	1,355,497
Liabilities					
Non-current liabilities					
Retirement benefit obligation	22	448,476	469,251	448,476	469,251
Legal Settlement liability	20	2,101	3,602	2,101	3,602
Deferred income	21	640,436	677,077	640,436	677,077
Total non-current liabilities		1,091,013	1,149,930	1,091,013	1,149,930
Current liabilities					
Provisions	17	606,002	424,661	606,002	424,657
Trade and other payables	18	673,646	648,708	648,305	629,744
Deferred income	21	62,311	42,220	62,311	42,220
Bank overdraft	14	20,026	6,881	20,026	6,881
Total current liabilities		1,361,985	1,122,470	1,336,644	1,103,502
Total liabilities		2,452,998	2,272,400	2,427,657	2,253,432
Total equity and liabilities		3,620,569	3,656,220	3,564,846	3,608,929

TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2024

Statements of Profit or Loss and Other Comprehensive Income

Figures in N\$ '000	Notes	Group 31 March 2024	Group 31 March 2023 As Restated	Company 31 March 2024	Company 31 March 2023 As Restated
Revenue	24	544,836	612,722	450,968	535,386
Cost of Sales		(9,755)	(7,152)	-	-
Gross Profit		535,081	605,570	450,968	535,386
Other income	26	324,181	277,999	323,735	277,529
Loss on disposal of assets written off		133	(21,191)	133	(21,191)
Fuel, oil and lubricants		(183,110)	(236,699)	(182,979)	(236,632)
Employee benefits expense	27	(407,490)	(410,535)	(378,069)	(384,913)
Repairs and Maintenance		(50,652)	(72,523)	(50,600)	(72,480)
Operating lease charges		(28,107)	(75,768)	(28,107)	(75,768)
Depreciation and amortisation	28	(67,691)	(69,965)	(64,030)	(66,563)
Customs Fines and Penalties		(180,692)	(248,014)	(180,692)	(248,014)
Impairment loss recognised in profit and loss		(12,158)	-	(12,158)	-
Other expenses		(187,861)	(143,601)	(138,163)	(96,781)
Loss from operating activities		(258,366)	(394,727)	(259,962)	(389,427)
Fair value gains/(losses) on investment properties	29	5,981	(47,879)	5,981	(47,879)
Finance income	30	6,127	2,565	5,627	2,419
Finance costs	31	(20,561)	(13,018)	(20,524)	(13,009)
Share of (loss) / profit from equity accounted investments	32	(3,323)	3,863	(3,323)	3,863
Loss for the year		(270,142)	(449,196)	(272,201)	(444,033)
Other comprehensive income net of tax					
Gains on remeasurement of defined benefits plan		53,894	-	53,894	-
Total comprehensive loss		(216,248)	(449,196)	(218,307)	(444,033)

TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2024

Statements of Changes in Equity - Group

Figures in N\$ '000	Issued capital	Revaluation surplus	Remeasured defined benefit plan reserve	Other non-distributable reserve	Accumulated loss	Total
Balance at 1 April 2022	277,266	1,307,724	(32,741)	580,112	(299,346)	1,833,015
Changes in equity						
Loss for the year	-	-	-	-	(449,196)	(449,196)
Total comprehensive income for the year	-	-	-	-	(449,196)	(449,196)
Balance at 31 March 2023 - as restated	277,266	1,307,724	(32,741)	580,112	(748,542)	1,383,819
Balance at 1 April 2023 as previously reported	277,266	1,307,724	(32,741)	580,112	(782,774)	1,349,587
Increase (decrease) due to corrections of prior period errors	-	-	-	-	34,232	34,232
Balance at 1 April 2023 as restated	277,266	1,307,724	(32,741)	580,112	(748,542)	1,383,819
Changes in equity						
Loss for the year	-	-	-	-	(270,142)	(270,142)
Total comprehensive income for the year	-	-	-	-	(270,142)	(270,142)
Actuarial gain on Post retirement Medical Aid	-	-	53,894	-	-	53,894
Balance at 31 March 2024	277,266	1,307,724	21,153	580,112	(1,018,684)	1,167,571

Notes 15

TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2024

Statements of Changes in Equity - Company

Figures in N\$ '000	Issued capital	Revaluation surplus	Remeasured defined benefit plan reserve	Other non-distributable reserve	Accumulated loss	Total
Balance at 1 April 2022	277,266	1,307,724	(32,741)	580,112	(332,832)	1,799,529
Changes in equity						
Loss for the year	-	-	-	-	(444,033)	(444,033)
Total comprehensive income for the year	-	-	-	-	(444,033)	(444,033)
Balance at 31 March 2023 - as restated	277,266	1,307,724	(32,741)	580,112	(776,865)	1,355,496
Balance at 1 April 2023 as previously reported	277,266	1,307,724	(32,741)	580,112	(811,097)	1,321,264
Increase (decrease) due to corrections of prior period errors	-	-	-	-	34,232	34,232
Balance at 1 April 2023 as restated	277,266	1,307,724	(32,741)	580,112	(776,865)	1,355,496
Changes in equity						
Loss for the year	-	-	-	-	(272,201)	(272,201)
Total comprehensive income for the year	-	-	-	-	(272,201)	(272,201)
Actuarial gain on Post retirement Medical Aid	-	-	53,894	-	-	53,894
Balance at 31 March 2024	277,266	1,307,724	21,153	580,112	(1,049,066)	1,137,189
Notes	15					

TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2024

Statements of Cash Flows

	Notes	Group 31 March 2024	Group 31 March 2023 As Restated	Company 31 March 2024	Company 31 March 2023 As Restated
Figures in N\$ `000					
Net cash flows used in operations	35	(195,077)	(176,512)	(205,102)	(178,246)
Interest paid		(20,561)	(13,018)	(20,524)	(13,009)
Interest received		6,127	2,565	5,627	2,419
Net cash flows used in operating activities		(209,511)	(186,965)	(219,999)	(188,836)
Cash flows used in investing activities					
Dividends received		1,500	3,750	1,500	3,750
Proceeds from sales of property, plant and equipment		1,301	651	1,301	651
Purchase of property, plant and equipment		(25,618)	(14,506)	(22,324)	(12,686)
Proceeds from sales of investment property		4,820	-	4,820	-
Loans to subsidiary -Swakopmund Hotel			-	(557)	-
Cash flows used in investing activities		(17,997)	(10,105)	(15,260)	(8,285)
Cash flows from financing activities					
Proceeds from other financial liabilities		-	(2,574)	-	(2,574)
Movement other liability- Legal Settlement		(1,501)	1,008	(1,501)	1,008
Movement in GRN Upgrade		20,091	23,663	20,091	23,663
Funds received from the Government		230,000	301,289	230,000	301,289
Cash flows from financing activities		248,590	323,386	248,590	323,386
Net increase in cash and cash equivalents		21,081	126,316	13,331	126,265
Cash and cash equivalents at beginning of the year		189,760	63,444	180,033	53,768
Cash and cash equivalents at end of the year	14	210,841	189,760	193,364	180,033

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Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

2. Basis of preparation and material accounting policy information

The consolidated and annual separate annual financial statements have been prepared on the going concern basis in accordance, and in compliance with, International Financial Reporting Standards (IFRS) and Internal Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these consolidated annual financial statements and Companies Act 28 of 2004.

The consolidated and separate annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the group and company's functional currency.

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Consolidation

The annual financial statements incorporate the consolidated annual financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through the use of its power over the entity.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The company recognises its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 Investment in Associates and Joint Ventures standard.

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Accounting Policies

Basis of preparation and material accounting policy information (continued)

2.2 Property, plant and equipment

Recognition

Property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Initial measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

The cost of an item of property, plant and equipment includes:

- Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

After initial recognition, property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

Land and buildings are subsequently stated at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Depreciation

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life.

Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful life or depreciation rate as well as the depreciation method for all major classes of assets are as follows:

Asset class	Depreciation method	Useful life / depreciation rate
Land	-	-
Buildings	Straightline	10-50 years
Motor vehicles	Straightline	3-10 years
Fixtures and fittings	Straightline	5-10 years
Cargo and workshop equipment	Straightline	5-10 years
Computer equipment	Straightline	5-10 years
Rolling stock	Straightline	10-40 years
Perway	Straightline	10-40 years
Casino equipment	Straightline	3-5 years

The useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each year is recognised in profit and loss unless it is included in the carrying amount of another asset.

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Accounting Policies

Basis of preparation and material accounting policy information (continued)

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Gains are classified as other gains on recognised. Gains are classified as other gains on the face of the statement of profit or loss and other comprehensive income.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Gains are classified as other gains on the face of the statements of profit or loss and other comprehensive income.

2.3 Investment property

Recognition

Investment property is recognised as an asset when:

- it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and
- the cost of the investment property can be measured reliably.

Initial measurement

Investment property is initially measured at cost, with transaction costs and other directly attributable expenditure being included in the initial measurement.

The initial cost of investment property interest held under a lease is recognised at the lower of the fair value of the property and the present value of the minimum lease payments. An equivalent amount is recognised as a liability.

Subsequent measurement - Fair value model

After initial recognition, investment property is measured at fair value.

2.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification and recognition

Classification of a financial instrument, or its component parts takes place on initial recognition. Each instrument is classified as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

Financial assets classification

The group classifies financial assets into the following categories:

- Financial assets subsequently measured at fair value through profit or loss.
- Financial assets subsequently measured at fair value through other comprehensive income (OCI).
- Financial assets subsequently measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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Accounting Policies

Basis of preparation and material accounting policy information (continued)

Financial liabilities classification

The group classifies financial liabilities into the following categories:

- Financial liabilities subsequently measured at amortised cost.
- Financial liabilities subsequently measured at fair value through profit or loss.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The note of Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group and company are presented below:

Borrowings and loans from related parties

Loans from shareholders and borrowings are classified as financial liabilities subsequently measured at amortised cost, in line with IFRS 9.

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs.

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 19 for details of risk exposure and management thereof.

Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if directly attributable and if not containing a significant financing component or practical expedient is applied.

They are subsequently measured at amortised cost

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company and its subsidiary recognises a loss allowance for expected credit losses on trade and other receivables excluding VAT and prepayments.

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Accounting Policies

Basis of preparation and material accounting policy information (continued)

Measurement and recognition of unexpected losses

The company and its subsidiary makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. IFRS 9 does not specify a certain method, but rather an “unbiased” method thus experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 9.

An impairment gains or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in other receivables, through use of a loss allowance account.

Credit risk

The company has also in line with IFRS 7 assessed the credit risk relating to Trade and Other Receivables. Details of credit risk are included in the trade and other receivables note (note 9) and the financial instruments and risk management note (note 19).

Derecognition

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently carried at amortised cost.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Trade and other payables

Trade payables are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Recognition and Measurement

They are recognised when the group and company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the group and company to liquidity risk and possibly to interest rate risk.

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Accounting Policies

Basis of preparation and material accounting policy information (continued)

2.5 Inventories

Measurement

Inventories 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 costs necessary to make the sale.

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects are assigned by using specific identification of their individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

2.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. The amount already paid in respect of current and prior periods which exceeds the amount due for those periods, is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

At the end of the reporting period the, group and company reassess unrecognised deferred tax assets. The group and company recognises a previously unrecognised deferred tax to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Tax expense (income)

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity.
- a business combination other than the acquisition by an investment of a subsidiary that is required to be measured at fair value through profit or loss.

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Basis of preparation and material accounting policy information (continued)

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

2.7 Leases as lessee

Definition

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

Identification of a lease

At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still or now contains a lease.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

Company as a lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Measurement

Right-of-use assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The obligation for those costs are incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Where a lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects a purchase option will be exercised, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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Basis of preparation and material accounting policy information (continued)

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date. Lease payments are discounted using the interest rate implicit in the lease, if the rate can be readily determined, else it is based on the relevant group entity's incremental borrowing rate. The following lease payments are included where they are not paid at the commencement date:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if there is reasonably certainty that the option will be exercised; and
- payments of penalties for terminating the lease, if the lease term reflects the exercising an option to terminate the lease.

Subsequently, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate described above, or if applicable the revised discount rate described below.

Profit or loss for the year will include the interest expense on the lease liability, and the variable costs not included in the measurement of the lease liability are included in the year in which the event of condition that triggers the payment of the variable costs occurs.

Where there are changes in the lease payments, the amount of the remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset. Where the carrying amount of the right of use asset is reduced to zero, and there is a further reduction in the measurement of the lease liability, the remaining amount of the remeasurement is recognised in profit or loss.

The remeasurement is performed by discounting the revised lease payments using a revised discount rate where there is a change in the lease term or where there is a change in the assessment of exercising an option contained in the contract. The discount rate is revised to the interest rate implicit in the remainder of the lease term if it can be readily determined, or at the relevant group entity's incremental borrowing rate at the date of the reassessment.

2.8 Group and company as lessor

The group and company leases out commercial and residential property. The leases are classified as operating leases as the term of lease do not transfer substantially all the risks and rewards of ownership to the lessee.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

2.9 Provisions and contingencies

A provision is recognised when:

- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Provisions are not recognised for future operating losses.

if an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when:

- there is a detailed formal plan for the restructuring identifying at least the business or part of a business concerned, the principal locations affected, the location, function, and approximate number of employees who will be compensated for terminating their services, the expenditures that will be undertaken and when the plan will be implemented; and

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Basis of preparation and material accounting policy information (continued)

- there has been raised a valid expectation in those affected that the restructuring will be carried out by starting to implement that plan or announcing its main features to those affected by it.

After initial recognition and until the liability is settled, cancelled or expires, a contingent liability is recognised in a business combination at the higher of the amount that would be recognised as a provision, and the amount initially recognised less cumulative amortisation.

Contingent assets and liabilities are not recognised, but details are disclosed in the notes to the consolidated and separate financial statements.

2.10 Revenue from contracts with customers

The company recognises revenue from the following major sources:

- Revenue from rendering a service- Freight Revenue
- Revenue from rendering a service- Passenger Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Rendering a service

For rendering a service - freight revenue, revenue is recognised when control of the goods has transferred, being when the goods have been transported to the customer's specific location. The transportation of goods by the group and company is a performance obligation. A receivable is recognised by the company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. No element of financing is deemed present as the sales are made with a credit term of 30 days.

For rendering a service- passenger revenue, revenue is recognised when the passengers have reached their destination. There is a single performance obligation being the passenger transportation.

2.11 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive recognised as an expense when there is a legal or constructive.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method. Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised vested, and are otherwise amortised

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Basis of preparation and material accounting policy information (continued)

To the extent that, at the beginning of the financial year, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in profit or loss over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In profit or loss, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

2.12 Government grants

Government grants are recognised when there is reasonable assurance that:

- the entity will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

2.13 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

3. Critical accounting estimates and judgements

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statement, are outlined as follows.

Critical accounting estimates and judgements (continued)

In applying the company accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised

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Accounting Policies

in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

The following are the critical judgements, apart from those involving estimations (which presented separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Lease term

Determining whether it is reasonably certain that an extension or termination option will be exercised at the commencement date, the company assesses whether the lessee is reasonably certain to exercise an option to extend the lease or to not exercised the option to terminate the lease. The company considered all relevant facts and circumstances that create and economic incentive for the lessee to exercise, the option, including any expected changes in facts and circumstances from the commencement date until exercise date of the option.

3.1 Key sources of estimation uncertainty

3.1.1 Trade receivables

The company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit and loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

Fair value estimation

Several assets and liabilities of the company are either measured at fair value or disclosure is made of their fair values.

3.1.2 Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

3.1.3 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

3.1.4 Useful lives of property, plant and equipment

Management assess the appropriateness of the useful life of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on group and company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

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Accounting Policies

Critical accounting estimates and judgements (continued)

3.1.5 Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in the note.

3.1.6 Leases

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below

Determination of the appropriate rate to discount the lease payments.

The company measures the lease liability at the present value of the lease payments that are not paid at commencement date, discounted by using the incremental borrowing rate of 10.50%. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security in funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

4. New Standards and Interpretations

4.1 Standards and Interpretations effective and adopted in the current year

Standards/Interpretation

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) Definition of Accounting Estimates (Amendments to IAS 8)
Amendments to IFRS 17

4.2 New standards and interpretations not yet adopted

Standard	Standard effective date	Adopted in the current year (Y/N)	Future adopted (Y/N)	Expected implementation date (where applicable)
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely	N	N	
Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1)	01 January 2024	N	N	
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	01 January 2024	N	N	
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	01 January 2024	N	N	
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	01 January 2024	N	N	
IFRS S2 Climate-related Disclosures	01 January 2024	N	N	
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	01 January 2024	N	N	

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Figures in N\$ '000

5. Property, plant and equipment

Balances at year end and movements for the year

	Land	Buildings	Motor vehicles	Fixtures and fittings	Cargo, Workshop and Operating Equipment	Computer equipment	Construction in progress	Perway and Casion equipment	Rolling Stock	Total
Reconciliation for the year ended 31 March 2024 - Group										
Balance at 1 April 2023										
At cost	866,746	597,404	69,250	25,954	47,142	79,572	907	119,070	1,128,703	2,934,748
Accumulated depreciation	-	(131,933)	(47,126)	(24,032)	(22,082)	(73,019)	-	(68,501)	(540,883)	(907,576)
Carrying amount	866,746	465,471	22,124	1,922	25,060	6,553	907	50,569	587,820	2,027,172
Movements for the year ended 31 March 2024										
Additions from acquisitions	-	-	3,572	433	5,571	768	-	3,404	11,870	25,618
Depreciation	-	(17,390)	(6,273)	(449)	(2,012)	(1,449)	-	(3,126)	(36,992)	(67,691)
Impairment loss recognised in profit or loss	-	-	-	-	-	-	-	-	(12,158)	(12,158)
Disposals	-	-	-	(39)	(43)	(11)	-	-	(3,131)	(3,224)
Property, plant and equipment at the end of the year	866,746	448,081	19,423	1,867	28,576	5,861	907	50,847	547,409	1,969,717
Closing balance at 31 March 2024										
At cost	866,746	597,404	71,027	23,988	52,159	79,614	907	122,173	1,138,434	2,952,452
Accumulated depreciation	-	(149,323)	(51,604)	(22,121)	(23,583)	(73,753)	-	(71,326)	(591,025)	(982,735)
Carrying amount	866,746	448,081	19,423	1,867	28,576	5,861	907	50,847	547,409	1,969,717

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Figures in N\$ '000

Property, plant and equipment continued...

Reconciliation for the year ended 31 March 2023 - Group

Balance at 1 April 2022

At cost	866,746	597,404	66,690	25,880	48,685	32,399	907	118,962	1,150,042	2,907,715
Accumulated depreciation	-	(114,541)	(40,965)	(23,552)	(23,254)	(25,203)	-	(65,776)	(509,936)	(803,227)
Carrying amount	866,746	482,863	25,725	2,328	25,431	7,196	907	53,186	640,106	2,104,488

Movements for the year ended 31 March 2023

Additions from acquisitions	-	-	4,927	73	1,592	664	-	108	4,995	12,359
Depreciation	-	-	-	-	-	-	-	-	2,147	2,147
Impairment loss recognised in profit or loss	-	(17,392)	(8,528)	(479)	(1,963)	(1,295)	-	(2,725)	(37,583)	(69,965)
Disposals	-	-	-	-	-	(12)	-	-	(21,831)	(21,843)
Transfers	-	-	-	-	-	-	-	-	(14)	(14)
Property, plant and equipment at the end of the year	866,746	465,471	22,124	1,922	25,060	6,553	907	50,569	587,820	2,027,172

Closing balance at 31 March 2023

At cost	866,746	597,404	69,250	25,954	47,142	79,572	907	119,070	1,128,703	2,934,748
Accumulated depreciation	-	(131,933)	(47,126)	(24,032)	(22,082)	(73,019)	-	(68,501)	(540,883)	(907,576)
Carrying amount	866,746	465,471	22,124	1,922	25,060	6,553	907	50,569	587,820	2,027,172

Reconciliation for the year ended 31 March 2024 - Company

Balance at 1 April 2023

At cost	683,265	597,404	69,073	6,128	44,667	74,257	907	84,417	1,128,703	2,688,821
Accumulated depreciation	-	(129,444)	(47,002)	(5,545)	(22,082)	(68,860)	-	(35,100)	(540,883)	(848,916)
Carrying amount	683,265	467,960	22,071	583	22,585	5,397	907	49,317	587,820	1,839,905

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Property, plant and equipment (continued)

Reconciliation for the year ended 31 March 2024 - Company

Movements for the year ended 31 March 2024

Additions from acquisitions	-	-	3,572	-	3,353	369	-	3,160	11,870	22,324
Depreciation	-	(14,901)	(6,273)	(244)	(1,501)	(1,079)	-	(3,040)	(36,992)	(64,030)
Disposals	-	-	-	-	-	-	-	-	(12,158)	(12,158)
Transfers	-	-	-	-	-	(11)	-	-	(3,131)	(3,142)
Property, plant and equipment at the end of the year	683,265	453,059	19,370	339	24,437	4,676	907	49,437	547,409	1,782,899

Closing balance at 31 March 2024

At cost	683,265	597,404	70,850	6,128	48,020	74,593	907	87,577	1,138,434	2,707,178
Accumulated depreciation	-	(144,345)	(51,480)	(5,789)	(23,583)	(69,917)	-	(38,140)	(591,025)	(924,279)
Carrying amount	683,265	453,059	19,370	339	24,437	4,676	907	49,437	547,409	1,782,899

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Property, plant and equipment continued...

Reconciliation for the year ended 31 March 2023 - Company

Balance at 1 April 2022

At cost	683,265	597,403	66,513	6,128	44,207	27,669	907	84,339	1,150,042	2,660,473
Accumulated depreciation	-	(114,540)	(40,841)	(5,293)	(20,473)	(21,286)	-	(32,465)	(509,936)	(744,834)
Carrying amount	683,265	482,863	25,672	835	23,734	6,383	907	51,874	640,106	1,915,639

Movements for the year ended 31 March 2023

Additions from acquisitions	-	-	4,927	-	460	79	-	78	4,995	10,539
Prior year adjustment	-	-	-	-	-	-	-	-	2,147	2,147
Depreciation	-	(14,903)	(8,528)	(252)	(1,609)	(1,053)	-	(2,635)	(37,583)	(66,563)
Disposals	-	-	-	-	-	(12)	-	-	(21,831)	(21,843)
Retirements	-	-	-	-	-	-	-	-	(14)	(14)
Property, plant and equipment at the end of the year	683,265	467,960	22,071	583	22,585	5,397	907	49,317	587,820	1,839,905

Closing balance at 31 March 2023

At cost	683,265	597,404	69,073	6,128	44,667	74,257	907	84,417	1,128,703	2,688,821
Accumulated depreciation	-	(129,444)	(47,002)	(5,545)	(22,082)	(68,860)	-	(35,100)	(540,883)	(848,916)
Carrying amount	683,265	467,960	22,071	583	22,585	5,397	907	49,317	587,820	1,839,905

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6. Investment property				
Balances at year end and movements for the year				
Reconciliation for the year				
Balance at the beginning of the year				
At fair value	1,183,722	1,231,601	1,183,722	1,231,601
Movements for the year				
Gains (losses) on fair value adjustment	5,981	(47,879)	5,981	(47,879)
Disposals	(4,928)	-	(4,928)	-
Investment property at the end of the year	1,184,775	1,183,722	1,184,775	1,183,722
Closing balance at the end of the year				
At fair value	1,184,775	1,183,722	1,184,775	1,183,722

Registers with details of the land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office.

7. Investments in subsidiary, joint ventures and associates

7.1 The amounts included on the statements of financial position comprise the following:

Investments in associates	12,693	17,516	12,693	17,516
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7.2 Investment in subsidiary

Number of investments	1
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7.2.1 Details of the group's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Held by	Voting Power	Carrying amount 2024	Carrying amount 2023
Swakopmund Station Hotel (Pty) Ltd	TransNamib Holdings Limited	100%	6,109	6,109

Acquisition of Subsidiary

On 18 March 2022 TransNamib Limited Holdings acquired the remaining 50% shares of Swakopmund Station Hotel for a cash consideration of N\$3 054 378. The sale agreement was entered into after approval from the Ministry of Public Enterprises to provide financial assistance to the hotel.

A bargain purchase gain of N\$33 485 000 was recognised through the income statement during the 2022. The gain arose from amount paid for the net assets.

The investment is held at cost and no impairment deemed necessary as the cost of the investment is lower than the par value of shares held.

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Notes to the Consolidated and Separate Financial Statements

Investments in subsidiary, joint ventures and associates (continued)

7.3 Investments in joint ventures

Number of investments

2

Details of the group's material joint ventures at the end of the reporting period are as follows:

Name of joint venture	Owner Interest %	Carrying amount 2024	Carrying amount 2023
Namibia Rail Construction (Pty) Ltd	51%	2,749	3,424
GPT-TransNamib Concrete Sleepers (Pty) Ltd	50%	9,944	14,092
		12,693	17,516

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Notes to the Consolidated and Separate Financial Statements

Figures in N\$ '000	Group 31 March 2024	Group 31 March 2023 As Restated	Company 31 March 2024	Company 31 March 2023 As Restated
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Investments in subsidiary, joint ventures and associates (continued)

7.3.2 Summarised financial information for material joint ventures

	GPT- TransNamib Concrete Sleepers (Pty) Ltd	Namibia Rail Construction (Pty) Ltd
At 31 March 2024		
Non-current assets	19,369	841
Cash and Cash equivalents	414	1,155
Current assets	3,903	3,543
Non-current Liabilities	(1,720)	-
Current Liabilities	(2,373)	(149)
Revenue		
Interest Income	708	4,437
Depreciation and amortisation	(3,873)	-
Tax Expense	(2,492)	(682)
Profit and loss	(5,295)	(1,324)
At 31 March 2023		
Non-current assets	23,241	4,724
Cash and Cash equivalents	324	892
Current assets	17,142	1,914
Non-current Liabilities	(4,212)	-
Current Liabilities	(8,607)	(816)
Revenue	66,403	9,294
Interest Income	-	1
Depreciation and armotisation	(3,864)	-
Tax Expense	(3,242)	(229)
Profit and loss	6,870	(106)

8. Inventories

Inventories comprise:

Consumable Stores	104,912	101,015	104,911	101,015
Cannibalised locomotives	15,075	15,075	15,075	15,075
Swakopmund Station Hotel - Inventory	1,284	1,428		
	121,271	117,518	119,986	116,090

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Figures in N\$ '000	Group 31 March 2024	Group 31 March 2023 As Restated	Company 31 March 2024	Company 31 March 2023 As Restated
9. Trade and other receivables				
Trade and other receivables comprise:				
Trade receivable - Freight	81,299	72,395	81,299	72,395
Trade receivable- Property	97,409	91,233	97,409	91,233
Other receivables - Spoornet	4,462	4,461	4,462	4,461
Other receivables - Swakopmund Station Hotel	5,867	3,891	-	-
Impairment other receivables - Swakopmund Station Hotel	(179)	(146)	-	-
Trade receivables impairment	(143,266)	(105,592)	(143,266)	(105,592)
	45,592	66,242	39,904	62,497
RSA VAT receivable and withholding taxes	4,372	4,262	4,372	4,084
Other Receivables	25,917	19,872	25,917	19,872
Other Receivables bad debts provision	(13,487)	(14,565)	(13,487)	(14,565)
Total trade and other receivables	62,394	75,811	56,706	71,888

Trade receivables inherently expose the company and its subsidiary to credit risk, being the risk that the company and its subsidiary will incur financial loss if customers fail to make payments as they fall due

In order to mitigate the risk of financial loss from defaults, the company and its subsidiary only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Customer credit limits are in place and are reviewed. The exposure to credit risk and the creditworthiness of customers, is continuously monitored. There have been no significant changes in the credit risk management policies and processes since the prior reporting period

Trade receivables arise from freight revenue and rental income - property

The company and its subsidiary uses a Provision matrix approach to measure the Expected Credit Losses's (ECLs) of trade receivables from the customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the life of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated on two segments, being Freight Revenue and Property rental income as the customers from the two segments have different credit risk characteristics in terms of age of customer relationship and type of service offered

The company does not require collateral in respect of trade and other receivables. The company does not have trade receivable for which no loss allowance is recognised because of collateral

The company and its subsidiary measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetimes expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date

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Figures in N\$ '000	Group 31 March 2024	Group 31 March 2023 As Restated	Company 31 March 2024	Company 31 March 2023 As Restated
Trade and other receivables (continued)				
The following table provides information about the exposure to credit risk and ECLs for trade receivables from the customers as at 31 March 2024:				
GROUP	2024		2023	
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate				
Freight Services				
Current: 7.97% (2023: 1.07%)	25,216	(2,208)	48,074	(537)
31 - 60 days past due: 17.41% (2023: 2.92%)	11,672	(2,206)	7,115	(208)
61 - 90 days past due: 35.80% (2023: 18.23%)	5,346	(2,417)	858	(156)
91 - 120 days past due: 100% (2023: 100%)	39,066	(39,067)	16,348	(15,029)
	81,300	(45,898)	72,395	(15,930)
Property rental				
Current: 29.9% (2023: 41.2%)	3,896	(1,166)	4,973	(961)
31 - 60 days past due: 45.3% (2023: 44.8%)	3,466	1,570	2,308	(1,225)
61 - 90 days past due: 61.2% (2023: 49%)	313	(192)	2,230	(1,188)
91 - 120 days past due: 100% (2023: 100%)	89,734	(89,977)	81,722	(81,826)
	97,409	(89,765)	91,233	(85,200)
Other receivables				
More than 120 days past due - 100%	24,766	(21,090)	14,569	(19,027)
Other receivable - Swakomund Station Hotel	5,867	(179)	3,891	(146)
	30,633	(21,269)	18,460	(19,173)
	209,342	(156,932)	182,088	(120,303)
COMPANY	2024		2023	
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate				
Freight Services				
Current: 7.97% (2023: 1.07%)	25,216	(2,208)	48,074	(537)
31 - 60 days past due: 17.41% (2023: 2.92%)	11,672	(2,206)	7,115	(208)
61 - 90 days past due: 35.80% (2023: 18.23%)	5,346	(2,417)	858	(156)
91 - 120 days past due: 100% (2023: 100%)	39,066	(39,067)	16,348	(15,029)
	81,300	(45,898)	72,395	(15,930)

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Figures in N\$ '000	Group 31 March 2024	Group 31 March 2023 As Restated	Company 31 March 2024	Company 31 March 2023 As Restated
Trade and other receivables (continued)				
Property rental				
Current: 29.9% (2023: 41.2%)	3,896	(1,166)	4,973	(961)
31 - 60 days past due: 45.3% (2023: 44.8%)	3,466	1,570	2,308	(1,225)
61 - 90 days past due: 61.2% (2023: 49%)	313	(192)	2,230	(1,188)
91 - 120 days past due: 100% (2023: 100%)	89,734	(89,977)	81,722	(81,826)
	97,409	(89,765)	91,233	(85,200)
Other receivables				
More than 120 days past due- 100%	25,917	(21,090)	14,569	(19,027)
	204,626	(156,753)	178,197	(120,157)

10. Deferred tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax assets:

Liabilities for health care benefits accrued	139,027	150,160	139,027	150,160
Other provisions	7,437	6,873	7,437	6,873
Provisions for doubtful debts	36,445	28,837	36,445	28,837
Deferred tax balance from temporary differences other than unused tax losses	182,909	185,870	182,909	185,870
Tax losses available for set off against future taxable income	1,033,095	1,028,145	1,033,095	1,028,145
	1,216,004	1,214,015	1,216,004	1,214,015

Deferred tax liabilities:

Property plant and equipment	(177,314)	(198,546)	(177,314)	(198,546)
Revaluation	(168,312)	(168,312)	(168,312)	(168,312)
Unrecognised deferred tax	(870,378)	(847,157)	(870,378)	(847,157)
Net deferred tax liabilities	(1,216,004)	(1,214,015)	(1,216,004)	(1,214,015)

Details of set-off of deferred tax assets and liabilities

Deferred Tax assets	1,216,004	1,214,015	1,216,004	1,214,015
Deferred Tax Liability	(1,216,004)	(1,214,015)	(1,216,004)	(1,214,015)
Total deferred tax liability per the statements of financial position	-	-	-	-

The deferred tax expense is not recognised as it is not probable that the entity will make sufficient taxable profits in the future to realise the temporary differences.

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Figures in N\$ '000	Group 31 March 2024	Group 31 March 2023 As Restated	Company 31 March 2024	Company 31 March 2023 As Restated
11. Operating lease receivables				
11.1 Operating lease receivables comprise the following balances				
Operating lease receivable	35,100	34,428	35,100	34,428
Total	35,100	34,428	35,100	34,428
Operating leases, in which the company is the lessor, relates to investment property owned by TransNamib Holdings Limited with lease terms being between one (1) to nine (9) years with an extension option.				
11.2 Future minimum lease payments receivable				
Operating leases, in which the company is the lessor, relates to investment property owned by Transnamib Holdings Limited with lease terms being between one (1) to nine (9) years with an extension option.				
11.3 Future minimum lease payments receivable				
Not later than one year	47,064	51,082	47,064	51,082
Later than one year and not later than two years	38,994	50,642	38,994	50,642
Later than two years and not later than three years	26,818	41,700	26,818	41,700
Later than three years and not later than four years	20,620	27,418	20,620	27,418
Later than four years and not later than five years	17,138	20,357	17,138	20,357
Later than five years	72,658	88,889	72,658	88,889
	223,292	280,088	223,292	280,088
12. Loan to group company				
Loan to group company comprises the following balances				
Swakopmund Station Hotel (Pty) Ltd	68	-	149,504	148,946
Loan is interest free and payable on demand				
13. Other non-financial assets				
Non-financial asset				
At the beginning of the year				
At cost	3,411	3,411	3,411	3,411
Carrying amount	3,411	3,411	3,411	3,411
Additions - Interest received				
	273	-	273	-
Carrying amount at the end of the year	3,684	3,411	3,684	3,411
At the end of the year				
At cost	3,684	3,411	3,684	3,411
Carrying amount	3,684	3,411	3,684	3,411

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Other non-financial assets(continued)				
Non-current asset	-	-	-	-
Current asset	3,684	3,411	3,684	3,411
	3,684	3,411	3,684	3,411

Funds held with IJG at an interest rate of 8.65% (2023:7.75%)

14. Cash and cash equivalents

14.1 Cash and cash equivalents included in current assets:

Cash				
Cash on hand	1,744	1,123	37	27
Balances with banks	229,123	195,518	213,353	186,887
	230,867	196,641	213,390	186,914

The cash and cash equivalents include a bank balance of N\$57,823,263, which is to be solely used for rail maintenance upon approval by the Ministry of Works and Transport.

14.2 Overdrawn cash and cash equivalents included in current liabilities

Bank overdrafts	(20,026)	(6,881)	(20,026)	(6,881)
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14.3 Net cash and cash equivalents

Current assets	230,867	196,641	213,390	186,914
Current liabilities	(20,026)	(6,881)	(20,026)	(6,881)
	210,841	189,760	193,364	180,033

15. Issued capital

Authorised and issued share capital

Authorised				
1 000 000 Ordinary shares of N\$1 each	1,000,000	1,000,000	1,000,000	1,000,000

Issued				
277 266 030 Ordinary shares of N\$1 each	277,266	277,266	277,266	277,266

16. Reserves

Classification of reserves

Revaluation Reserves	1,307,724	1,307,724	1,307,724	1,307,724
Reserve for remeasurement of Post Retirement Medical Aid	21,153	(32,740)	21,153	(32,740)
Total non distributable reserves	580,112	580,112	580,112	580,112
Total reserves	1,908,989	1,855,096	1,908,989	1,855,096

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17. Provisions				
Other provisions GROUP and COMPANY				
	Other Provision	Provision - VET Levy	Provision - Penalties and Interest (VAT, PAYE, INCOME, IMPORT VAT)	Total
Balance at 1 April 2023	1,377	28,290	394,990	424,657
Increase in existing provisions	2,203	5,740	174,951	182,894
Decrease in provision	(1,549)	-	-	(1,549)
Total changes	654	5,740	174,951	181,345
Balance at 31 March 2024	2,031	34,030	569,941	606,002
Balance at 1 April 2022	1,217	24,063	151,207	176,487
New provisions	-	6,133	-	6,133
Increase in existing provisions	1,006	-	243,783	244,789
Decrease in provision	(846)	(1,906)	-	(2,752)
Total changes	160	4,227	243,783	248,170
Balance at 31 March 2023	1,377	28,290	394,990	424,657
18. Trade and other payables				
18.1 Trade and other payables comprise:				
Trade payables	464,192	437,612	460,468	433,395
Other deposits	2,003	2,039	2,003	2,039
Provision leave	17,293	17,362	15,862	16,088
Accrued liabilities	39,923	66,043	20,756	53,367
Provision Bonus	8,504	5,736	8,130	5,393
Employee vendors	42	301	42	301
Value added tax	141,689	119,615	141,044	119,161
Total trade and other payables	673,646	648,708	648,305	629,744
18.2 Credit risk exposures				

The amount that best represents its maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements (eg netting agreements that do not qualify for offset in accordance with IAS 32); this disclosure is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk.

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	31 March 2024	31 March 2023 As Restated	31 March 2024	31 March 2023 As Restated

19. Financial instruments and risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

19.1 Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on loans receivable, trade and other receivables, contract receivables, lease receivables cash and cash equivalents, loan commitments and financial guarantees.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for credit worthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the credit worthiness of counterparties is continuously monitored.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

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Financial instruments and risk management (continued)

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

19.1 Categories of financial instruments

Categories of financial liabilities	At amortised cost	Over five (5) years	Total
Year ended 31 March 2024 - Group			
Other financial liabilities group A (Note 20)	-	2,101	2,101
Trade and other payables excluding non-financial liabilities (Note 18)	512,661	-	512,661
Bank overdraft (Note 14)	20,026	-	20,026
	532,687	2,101	534,788
Categories of financial assets			
Trade and other receivables	62,395	-	62,395
Cash and Cash equivalents	230,867	-	230,867
	293,262	-	293,262
Period ended 31 March 2023 - Group			
Other financial liabilities group A (Note 20)	-	3,602	3,602
Trade and other payables excluding non-financial liabilities (Note 18)	509,701	-	509,701
Bank overdraft (Note 14)	6,881	-	6,881
	516,582	3,602	520,184
Categories of financial assets			
Trade and other receivables	75,811	-	75,811
Cash and Cash equivalents	196,641	-	196,641
	272,452	-	272,452

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Financial instruments and risk management (continued)				
Year ended 31 March 2024 - Company				
Other financial liabilities group A (Note 20)		-	2,101	2,101
Trade and other payables excluding non-financial liabilities (Note 18)		489,400		489,400
Bank overdraft (Note 14)		20,026		20,026
		509,426	2,101	511,527
Categories of financial assets				
Trade and other receivables		56,706	-	56,706
Cash and Cash equivalents		213,390	-	213,390
		270,096	-	270,096
Period ended 31 March 2023 - Company				
Other financial liabilities group A (Note 20)		-	3,602	3,602
Trade and other payables excluding non-financial liabilities (Note 18)		492,457		492,457
Bank overdraft (Note 14)		6,881		6,881
		499,338	3,602	502,940
Categories of financial assets				
Trade and other receivables		71,888	-	71,888
Cash and Cash equivalents		914	-	186,914
		258,802	-	258,802

20. Other financial liabilities group A

Other financial liabilities group A comprise:

Legal Settlement liability	2,101	3,602	2,101	3,602
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Legal settlement relates to the settlement agreement of the case against Central Gas, where TransNamib has an obligation to provide rental to the tenant for a period of three years as compensation for lost revenue.

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Figures in N\$ '000	Group 31 March 2024	Group 31 March 2023 As Restated	Company 31 March 2024	Company 31 March 2023 As Restated
21. Deferred income				
Deferred income comprise:				
Opening balance	677,077	631,072	677,077	631,072
Released to income statement- assets	(36,639)	(61,840)	(36,639)	(61,841)
Released to income statement- GRN income	(230,002)	(193,445)	(230,002)	(193,444)
Grants received	230,000	301,290	230,000	301,290
	640,436	677,077	640,436	677,077
Deferred Income on Assets	451,605	488,244	451,605	488,244
Deferred Income on Working capital	188,831	188,833	188,831	188,833
	640,436	677,077	640,436	677,077
Non-current liabilities	640,436	677,077	640,436	677,077
Current liabilities	62,311	42,220	62,311	42,220
	702,747	719,297	702,747	719,297

Current liability of Deferred income is for funds solely used for rail maintenance upon approval by the Ministry of Works and Transport.

22. Post retirement medical aid and severance pay benefit

The actuarial valuation determined that the retirement plan was in a sound financial position.

22.1 Defined benefit plan - Retirement benefit obligation

22.1.1 The amounts recognised in the balance sheet are determined as follows:

The actuarial valuation determined that the retirement plan was in a sound financial position.

Opening balance	(469,251)	(435,458)	(469,251)	(435,458)
Benefits paid	26,368	29,372	26,368	29,372
Net expense recognised	(59,487)	(63,165)	(59,487)	(63,165)
Actuarial gain	53,894		53,894	
Liability in the balance sheet	(448,476)	(469,251)	(448,476)	(469,251)
Net expense recognised in profit and loss				
Current service cost- PRMA	54,008	55,768	54,008	55,768
current service cost- Severance pay	166	153	166	153
Interest cost- Severance	129	422	129	422
Interest cost- PRMA	8,338	6,822	8,338	6,822
Change in valuator assumption	(3,154)	-	(3,154)	-
	59,487	63,165	59,487	63,165

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<i>Post retirement medical aid and severance pay benefit (continued)</i>				
Defined benefit plan balances at year end				
Included in non-current liabilities	(448,476)	(469,251)	(448,476)	(469,251)
Key assumptions used				
Discount rate	15%	13%	15%	13%
<i>Severance pay benefit</i>				
We have assessed the sensitivity of the discount/inflation rate assumption on the defined benefit obligation by adding and subtracting 1% to the discount rate; and				
<i>Medical Aid</i>				
We have assessed the sensitivity of the discount/inflation rate assumption on the defined benefit obligation by adding and subtracting 1% to the discount rate.				
23. GRN Upgrade				
GRN Upgrade	62,311	42,220	62,311	42,220
	62,311	42,220	62,311	42,220
24. Revenue				
Revenue comprises:				
Rendering of services	371,050	455,391	369,850	454,584
Rental Income	67,472	70,358	67,472	70,358
Passenger income	13,646	10,444	13,646	10,444
Sale of goods	92,668	76,529	-	-
Total revenue	544,836	612,722	450,968	535,386
25. Cost of sales				
Cost of sales comprise:				
Sale of goods	9,755	76,529	-	-

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26. Other income				
Other income comprises:				
10% supervision fees and project income	68,278	68,535	68,278	68,535
Fuel Refund	16,407	8,557	16,407	8,557
Commission received	919	986	919	986
Discount received	40	55	40	55
Government grants	238,415	194,652	237,969	194,182
Other Recoveries - insurance	122	5,214	122	5,214
Total other income	324,181	277,999	323,735	277,529
27. Employee benefits expense				
Employee benefits expense comprises:				
Salaries	395,323	399,019	366,054	373,552
Executives and management	1,678	1,957	1,526	1,802
Wages	10,489	9,559	10,489	9,559
Total employee benefits expense	407,490	410,535	378,069	384,913
28. Depreciation and amortisation				
Depreciation and amortisation comprises:				
Depreciation	67,691	69,965	64,030	66,563
29. Other gains and (losses)				
Other gains and (losses) comprise:				
Fair value gains and (losses) on investment property	5,981	(47,879)	5,981	(47,879)

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30. Finance income				
Finance income comprises:				
Interest received	6,127	2,565	5,627	2,419
31. Finance costs				
Finance costs included in profit or loss:				
Interest paid	20,561	13,018	20,524	13,009
32. Share of profit or loss from equity accounted investments				
Share of profit or loss from equity accounted investments comprise:				
Income from equity accounted investments	(3,323)	3,863	(3,323)	3,863
33. Income tax expense				
33.1 The income tax for the year can be reconciled to the accounting loss as follows:				
Loss before tax from operations	(270,142)	(449,196)	(272,201)	(444,033)
Income tax calculated at 31.0%	(83,744)	(143,743)	(84,382)	(142,090)
Tax effect of				
Permanent differences	34,041	42,292	34,041	42,292
Temporary differences	49,703	101,451	50,341	99,798
The deferred tax expense is not recognised as it is not probable that the entity will make sufficient taxable profits in the future to realise the temporary differences.				
33.2 The income tax for the year can be reconciled to accounting loss as follows:				
Loss before tax from operations	(270,142)	(449,196)	(272,201)	(444,033)
Income tax calculated at 31.0%	31.00%	32.00%	31.00%	32.00%
Effective tax rate	31.00%	32.00%	31.00%	32.00%

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34. Contingent liabilities

34.1 Leon Barnard Architects Inc. Pty Ltd

The company has a pending case of Leon Barnard Architects Inc. (Pty) Ltd, the possible obligation is estimated to be N\$10.5 million. The case emanates from 2014 claims for unpaid monies for architectural services.

The case is ongoing, the liability is not certain as it is dependent on the court ruling.

At year-end the loss is not probable as final judgement is still pending.

34.2 Quenet Capital (Pty) Ltd

TransNamib, together with the Ministry of Works and Transport, was sued for the cancellation of the agreement, which was done as per Ministerial directive. The estimated obligation is N\$68 million.

The loss is not probable as the case is still ongoing.

35. Cash flows from operating activities

Loss for the year	(270,142)	(449,196)	(272,201)	(444,033)
Adjustments for:				
Finance income	(6,127)	(2,565)	(5,627)	(2,419)
Finance costs	20,561	13,018	20,524	13,009
Depreciation and amortisation expense	67,691	69,965	64,030	66,563
Impairment bad debts	37,298	(6,529)	37,286	(6,529)
Impairment loss on PPE	12,158	-	12,158	-
Fair value gains and losses	(5,981)	47,879	(5,981)	47,879
Undistributed profits of associates and joint ventures	3,323	(3,863)	3,323	(3,863)
Movements in retirement benefits assets and liabilities	33,119	33,793	33,119	33,793
Gain from remeasurement of IFRS 16	-	(743)	-	(743)
Other non cash adjustments	1,145	(515)	1,116	(337)
(Gains) and losses on disposal of non-current assets	(133)	21,191	(133)	21,191
Movements in provisions	181,340	248,174	181,340	248,174
Change in operating assets and liabilities:				
Movement in Inventories	(3,752)	(5,460)	(3,896)	(5,145)
Movement in Trade receivables	(23,212)	48,366	(21,414)	48,087
Operating lease receivables	(671)	(2,024)	(671)	(2,024)
Adjustments for increase in trade accounts payable	24,947	67,281	18,566	63,435
Adjustments for decrease in deferred income	(266,641)	(255,284)	(266,641)	(255,284)
Net cash flows used in operations	(195,077)	(176,512)	(205,102)	(178,246)

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36. Related parties

36.1 Other related parties

Entity name	Nature of relationship
The Government of the Republic of Namibia	Shareholder
Refer to the Directors Report	Directors
Swakopmund Station Hotel (Pty) Ltd	Investment in Subsidiary
Namibia Rail Construction	Investment in Associate
GPT-TransNamib	Investment in Associate

36.2 Directors emoluments

31 March 2024 Name	Directors emoluments paid / receivable for services as director from group
Mr. T Mberirua	279
Ms. G Michaels	307
Dr. K Keyser	244
Mr. P Ndeunyema	169
Ms. J Hatutale	239
Mr. V Kavari	92
Ms. J Shikongo-Asino	193
Total directors emoluments	1,523

31 March 2023 Name	Directors emoluments paid / receivable for services as director from group
Mr. T Mberirua	127
Ms. G Michaels	324
Dr. K Keyser	117
Mr. P Ndeunyema	97
Ms. J Hatutale	132
Ms. J Shikongo-Asino	280
Mr L Mathews	165
Adv S Tjijorkisa	132
Mr. V Mberema	156
Mr I N Ileka	148
Dr. M Ochurub	156
Total directors emoluments	1,834

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<i>Related parties (continued)</i>					
36.3 Related party transactions and balances					
	Shareholder	Subsidiaries	Associates	Key management personnel of the entity or its parent	Total
Year ended 31 March 2024					
Related party transactions					
Funds Received from the Republic of Namibia	230,000	-	-	-	230,000
Director Emoluments	-	-	-	1,526	1,526
Dividends Received	-	-	1,500	-	1,500
Outstanding balances for related party transactions					
Amounts receivable - Swakopmund Station Hotel	-	149,504	-	-	149,504
Period ended 31 March 2023					
Related party transactions					
Funds Received from the Republic of Namibia	301,289	-	-	-	301,289
Director Emoluments	-	-	-	1,834	1,834
Dividends Received	-	-	3,750	-	3,750
Outstanding balances for related party transactions					
Amounts receivable - Swakopmund Station Hotel	-	148,946	-	-	148,946

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37. Restatement of prior year figures

During the Financial years 2016-2019, the Government of the Republic of Namibia paid spares suppliers directly as part of the turnaround strategy. Once these parts arrived the funds were released into the Income Statement. The effect was that during 2017 the profit and loss was underestimated with N\$44 612 720.

During the audit of the 2023 financial year, it was noted that the Vocational Education Training levy (VET) amount declared to Namibia Training Authority with the monthly returns was lower than the VET amount/capital in the general ledger. TransNamib resubmitted these returns and as a result the interest and penalties increased as the based amount was now higher. The effect was that the Profit and Loss was overestimated with N\$6 133 000.

During the audit of the 2024 financial year, it was noted that expenses for weed control some municipal and security chargers related to the 2023 financial year were recognised in the 2024 financial year and no accrual was processed to account for this cost in the 2023 financial year. The effect is that the profit and loss was overestimated with N\$6 250 753.

During the audit of the 2024 financial year, it was noted that some capital expenditures were expensed in prior year and capitalised in current year. The effect is that assets were understated and Profit and loss was underestimated with N\$2 146 923.

The retrospective correction of the errors results in the below adjustments:

	Group 31 March 2023 As Restated	Company 31 March 2023 As Restated
(Increase)/decrease in Trade Creditors/ Accruals	(12,363)	(12,363)
Increase/(decrease) in assets (PPE)	2,146	2,146
Increase/(decrease) in assets (Trade and other receivables)	(164)	(164)
Decrease/(Increase) in Retained Income	(34,232)	(34,232)
Decrease/(Increase) in Deferred Income	44,613	44,613
	-	-

TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2024

Detailed Income Statement

Figures in N\$ '000	Notes	Group 31 March 2024	Group 31 March 2023 As Restated	Company 31 March 2024	Company 31 March 2023 As Restated
Revenue	24				
Passenger Income		13,646	10,444	13,646	10,444
Rendering of services		371,050	455,391	369,850	454,584
Rental Income		67,472	70,358	67,472	70,358
Sale of goods		92,668	76,529	-	-
		544,836	612,722	450,968	535,386
Other income	26				
Commission received		919	986	919	986
Discount received		40	55	40	55
Fees received		16,407	8,557	16,407	8,557
Other income - Hotel		238,415	194,652	237,969	194,182
Recoveries		122	5,214	122	5,214
Sundry income		68,278	68,535	68,278	68,535
		324,181	277,999	323,735	277,529
Raw materials and consumables used					
Sale of goods		(9,755)	(7,152)	-	-
Employee benefits expense	27				
Employee costs - executives and managers		(1,678)	(1,957)	(1,526)	(1,802)
Employee costs - salaries		(395,323)	(399,019)	(366,054)	(373,552)
Employee costs - wages		(10,489)	(9,559)	(10,489)	(9,559)
		(407,490)	(410,535)	(378,069)	(384,913)
Depreciation and amortisation	28				
Depreciation - property, plant and equip.		(67,691)	(69,965)	(64,030)	(66,563)
Reversal of impairment losses and impairment losses recognised in profit and loss					
Impairments and reversals - property, plant and equipment		(12,158)	-	(12,158)	-

TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2024

Detailed Income Statement

Notes	Group 31 March 2024	Group 31 March 2023 As Restated	Company 31 March 2024	Company 31 March 2023 As Restated
Figures in N\$ '000				
Other expenses				
Advertising	(45)	(23)	(45)	(23)
Auditors' remuneration	(1,597)	(1,192)	(1,253)	(756)
Bad debts	(37,298)	6,529	(37,286)	6,529
Bank charges	(2,894)	(2,620)	(732)	(640)
Commission paid	(3)	-	(3)	-
Computer expenses	(3,982)	(3,662)	(3,982)	(3,668)
Consulting fees	(4,462)	(820)	(4,462)	(820)
Discount allowed	19	(1)	-	(1)
Entertainment	(253)	(242)	(253)	(242)
Environmental levy	(363)	(294)	(363)	(294)
Fines and penalties	(180,692)	(248,014)	(180,692)	(248,014)
Flowers	(9)	-	(9)	-
Fuel,oil and lubricants	(183,110)	(236,699)	(182,979)	(236,632)
Gifts	-	(83)	-	(83)
Insurance	(17,274)	(19,142)	(17,274)	(19,142)
Legal expenses	(10,028)	(8,389)	(9,364)	(7,581)
Levies	(778)	(865)	(778)	(865)
Loss on disposal of assets written off	133	(21,191)	133	(21,191)
Medical expenses	(1,200)	(647)	(1,200)	(647)
Municipal charges	(47,071)	(44,426)	(47,071)	(44,426)
Operating Expenses	(46,546)	(42,973)	(456)	(345)
Operating lease charges	(28,107)	(75,768)	(28,107)	(75,768)
Other expenses 3	-	(11)	-	(11)
Postage	(25)	(102)	(25)	(102)
Printing and stationery	(506)	(1,175)	(226)	(851)
Protective clothing	(584)	(1,348)	(584)	(1,348)
Repairs and maintenance	(50,652)	(72,523)	(50,600)	(72,480)
Security	(3,171)	(6,813)	(3,171)	(6,813)
Subscriptions	(184)	(1,520)	(19)	(881)
Telecommunication	(1,192)	(1,633)	(1,192)	(1,622)
Training	616	(3,545)	616	(3,545)
Travel - Local	(9,031)	(8,604)	(9,031)	(8,604)
	(630,289)	(797,796)	(580,408)	(750,866)
Other gains and losses	29			
Fair value changes - investment property	5,981	(47,879)	5,981	(47,879)
Loss from operating activities		(252,385)	(442,606)	(253,981)
				(437,306)
Finance income	30			
Interest received	6,127	2,565	5,627	2,419
Finance costs	31			
Interest paid	(20,561)	(13,018)	(20,524)	(13,009)

TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2024

Detailed Income Statement

	Notes	Group 31 March 2024	Group 31 March 2023 As Restated	Company 31 March 2024	Company 31 March 2023 As Restated
Figures in N\$ '000					
Share of profit and loss from equity accounted investments	32				
Income from equity accounted investments		(3,323)	3,863	(3,323)	3,863
Loss for the year		(270,142)	(449,196)	(272,201)	(444,033)

TransNamib Holdings Limited

(Registration Number 99/114)
Consolidated and Separate
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TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2025

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TransNamib Holdings Limited

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Consolidated and Separate Annual Financial Statements for the year ended 31 March 2025

General Information

Country of Incorporation and Domicile	Namibia
Registration Number	99/114
Nature of Business and Principal Activities	The group providing and promoting rail transportation services in Namibia and elsewhere by managing, developing and utilising the resources and assets at its disposal.
Directors	Mr. T Mberirua Ms. G Michaels Dr. K Keyser Mr. P Ndeunyema Mr. V Kavari (Appointed 1 September 2023) Ms. J Hatutale (Resigned 14 March 2025)
Registered Office	16 Prof Mburumba Kerina, Street Windhoek Namibia
Business Address	16 Prof Mburumba Kerina, Street Windhoek Namibia
Postal Address	Private Bag 13204 Windhoek Namibia 10005
Bankers	First National Bank of Namibia Nedbank Namibia Limited Bank Windhoek Standard Bank Namibia Limited
Auditors	Grand Namibia Registered Accountants and Auditors 9 Axali Doeseb Street Windhoek Namibia
Company Secretary	Ms Helvi Haludilu 16 Prof Mburumba Kerina, Street Windhoek Namibia

TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2025

Directors' Responsibilities and Approval

The directors are required by the Namibian Companies Act 28 of 2004 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. These consolidated and separate annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®) and it is their responsibility to ensure that the consolidated and separate annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the consolidated and separate statement of financial position, results of operations and business of the group, and explain the transactions and financial position of the business of the group at the end of the financial year. The consolidated and separate annual financial statements are based upon appropriate accounting policies consistently applied throughout the group and supported by reasonable and prudent judgements and estimates.

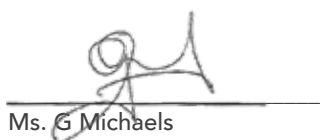
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

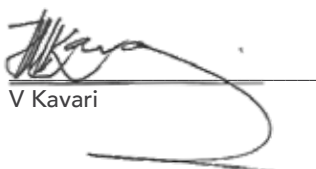
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the group will not be a going concern in the foreseeable future. The consolidated and separate annual financial statements support the viability of the group.

The consolidated and separate financial statements have been audited by the independent auditing firm, Grand Namibia Registered Accountants and Auditors, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholder, the directors and committees of the directors. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 135 to 136.

The consolidated and separate financial statements set out on pages 137 to 186, and the supplementary information set out on pages 187 to 189 which have been prepared on the going concern basis, were approved by the directors and were signed on 30 September 2025 on their behalf by:



Ms. G Michaels



V Kavari



Independent Auditor's Report

To the Shareholder of Transnamib Holdings Limited

Opinion

We have audited the consolidated and separate annual financial statements of TransNamib Holdings Limited ('the Company') and its subsidiaries ("the Group") set out on pages 137 to 186, which comprise the consolidated and separate statements of financial position as at 31 March 2025, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate annual financial statements, including a summary of material accounting policies and directors' report.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 31 March 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the IASB and the requirements of the Companies Act of Namibia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated and Separate Annual Financial Statements" section of our report. We are independent of the group and company in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards)* and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the directors' responsibilities and approval and the detailed income statement, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and separate annual financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate annual financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate annual 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 consolidated and separate annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, 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 Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements in accordance with IFRS® Accounting Standards as issued by the IASB 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 annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate annual financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and company and/or to cease operations or have no realistic alternative but to do so.

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Resident Partners: Ronald N Beukes (Managing) | Richard Theron | Petrus T Nghipandulwa

TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2025

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 annual financial statements as a whole is 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 annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate annual 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 or the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, 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 or 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 annual 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 or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate annual financial statements, including the disclosures, and whether the consolidated and separate annual 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 and separate annual 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 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.

Grand Namibia

Grand Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per P NGHIPANDULWA
Partner

Windhoek
30 September 2025

TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2025

Directors' Report

The directors have the pleasure of submitting their report on the consolidated and separate annual financial statement of TransNamib Holdings Limited for the year ended 31 March 2025

1. Review of financial results and activities

Main business and operations

The consolidated and separate annual financial statements have been prepared in accordance with international Financial Reporting Standards and the requirements of the Companies Act 28 of 2004. The accounting policies have been applied consistently compared to prior year.

The operating results and consolidated and separate statement of financial position of the group are fully set out in the attached financial statements and do not in our opinion require any further comment.

The group recorded a profit after tax for the year ended 31 March 2025 of N\$(‘000) 893,094 (31 March 2024: loss of N\$(‘000) 270,142).

2. Going concern

The consolidated and separate annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors, most significant of these is that the directors will procure funding from the Government of the Republic of Namibia (GRN) or other sources for the ongoing operations.

The group recorded a profit after tax for the year ended 31 March 2025 of N\$(‘000) 893,094 (31 March 2024: loss of N\$(‘000) 270,142).

The profit recorded in the current year is primarily attributable to the once-off events including:

- The settlement of the debt owed to Transnet amounting to N\$96 million by the government
- The settlement of the legacy tax liabilities by the Government N\$326 million
- The waiver of interest and penalties by the Namibia Revenue Agency amounting to N\$639 million

Excluding the impact of these non-recurring items, the company continues to operate at a loss.

During the year under review the company received N\$250 million utilised for locomotive repairs, maintenance and working capital.

The company has secured long term funding from the Development Bank of Southern Africa (DBSA) and the Development Bank of Namibia (DBN) to the tune of N\$2.659 billion. The Facility Agreements for both Lenders were signed in March 2023 and April 2024 respectively. This funding is earmarked to be used for the procurement of new rolling stock, which will improve the available capacity of the company. The conditions precedent for this funding was finalised on 30 September 2024.

Based on the foregoing the directors believe that the company has adequate long-term resources to continue as a going concern. The directors will continue to mobilise short to medium term resources required to bridge the gap up until long term funding project is complete. Additionally N\$320 million has been secured from GRN for the financial year ending 31 March 2026.

3. Events after reporting date

On 17 April 2025, Transnet wrote off interest amounting to N\$95,300,000 previously owed by TransNamib, following the settlement of the outstanding capital debt by the Government of the Republic of Namibia in January 2025.

Subsequent to year-end, Sinomine notified TransNamib that it will cease operating in the smelting of concentrate business. This development will materially affect the transportation volumes of copper concentrate and bulk acid previously moved by rail. While this event does not relate to conditions existing at the reporting date, it is expected to have a material effect on the Company's future operations.

TransNamib Holdings Limited

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Consolidated and Separate Annual Financial Statements for the year ended 31 March 2025

Subsequent to year-end on 10 September 2025, the Minister of Works and Transport made temporary appointments to the board of directors to ensure the continued effective governance and oversight of the company pending the finalisation of the substantive board appointments.

The TransNamib Temporary Board of Directors will serve as follows:

Mr. Theo Mberirua - Chairperson, and Dr. Jacobus P.B Keyser - Member, for a period ending February 28, 2026 and,

Ms. Gaenor Michaels - Deputy Chairperson, Mr. Pombili Ndeunyema - Member, and Mr. Fanuel Uugwanga - Member, effective September 01, 2025 to February 28, 2026.

It was further noted that Mr. Vemunjengua Theophelus Kavari will remain a Board Member until August 31, 2026.

4. Directors' interest in contracts

No changes were approved or made to the authorised or issued share capital of the company during the year under review.

5. Authorised and issued share capital

No changes were approved or made to the authorised or issued share capital of the company during the year under review.

6. Dividend

No dividend was declared or paid to the shareholder during the current or prior year.

7. Directors

The directors of the company during the year and up to the date of this report are as follows:

Mr. T Mberirua

Ms. G Michaels

Dr. K Keyser

Mr. P Ndeunyema

Mr. V Kavari

Ms. J Hatutale (Resigned 14 March 2025)

8. Litigation

8.1 Leon Barnard Architects Inc. Pty Ltd

The company has a pending case of Leon Barnard Architects Inc. (Pty) Ltd, the possible obligation is estimated to be N\$10.5 million. The case emanates from 2014 claims for unpaid monies for architectural services. In February 2024 TransNamib was ordered to pay Leon Barnard Architects, Transnamib appealed this ruling in March 2024. The case is ongoing, the liability is not certain as it is dependent on the court ruling. At year end the loss is not probable as final judgement is still pending.

8.2 Quenet Capital (Pty) Ltd

Transnamib, together with the Ministry of Works and Transport, was sued for the cancellation of the agreement, which was done as per Ministerial directive. The estimated obligation is N\$22 million. Trial date was set after year end. The loss is not probable as the case is still ongoing.

8.3 Challenge Air // Air Namibia and TransNamib

Challenge Air has issued a letter of demand to TransNamib for EUR 12 million, threatening liquidation proceedings if payment is not made. As at reporting date, no legal proceedings have been instituted and no case is registered in any Namibian court.

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Consolidated and Separate Annual Financial Statements for the year ended 31 March 2025

9. NOCLAR (Non-Compliance with Laws and Regulations)

The company has experienced prolonged cash flow constraints, which resulted in its inability to meet its obligations to pay Vocational Education and Training (VET) levies to the National Training Authority (NTA).

As at 31 March 2025, the outstanding balance due to the NTA, inclusive of penalties and interest, amounted to N\$61 million (2024: N\$63 million).

Notably, the company commenced payment of current VET levy obligations during the 2024 financial year. Furthermore, a payment plan has been agreed upon with the NTA to address the historical arrears and bring the account into good standing.

10. Property, plant and equipment

The additions for the current and prior financial year were as follows:

Additions: Group	Carrying amount 2025	Group 31 March 2024
Motor vehicles	384	3,572
Fixtures and fittings	88	433
Cargo, Workshop and Operating Equipment	709	5,571
Computer equipment	3,716	768
Construction in progress	40,909	-
Perway and Casion equipment	2,292	3,404
Rolling Stock	1,555	11,870
	49,653	25,618

11. Independent Auditors

Grand Namibia Chartered Accountants and Auditors will continue in office as external auditors of the company.

TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2025

Statements of Financial Position

Figures in N\$ '000	Notes	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
Assets					
Non-current assets					
Property, plant and equipment	5	1,962,430	1,969,717	1,741,618	1,782,899
Investment property	6	1,182,133	1,184,775	1,182,133	1,184,775
Investments in subsidiary	7	-	-	6,109	6,109
Investments in joint ventures	7	10,570	12,693	10,570	12,693
Operating lease receivables	12	34,904	35,100	34,904	35,100
Loan to group company	13	-	68	159,358	149,504
Total non-current assets		3,190,037	3,202,353	3,134,692	3,171,080
Current assets					
Inventories	8	130,389	121,271	129,059	119,986
Trade and other receivables	9	100,482	62,394	95,659	56,706
Other non-financial assets	14	3,977	3,684	3,977	3,684
Cash and cash equivalents	15	206,835	230,867	193,546	213,390
Total current assets		441,683	418,216	422,241	393,766
Total assets		3,631,720	3,620,569	3,556,933	3,564,846
Equity and liabilities					
Equity					
Issued capital	16	277,266	277,266	277,266	277,266
Accumulated loss		(106,766)	(1,018,684)	(167,328)	(1,049,066)
Reserves	17	1,909,597	1,908,989	1,909,597	1,908,989
Total equity		2,080,097	1,167,571	2,019,535	1,137,189
Liabilities					
Non-current liabilities					
Retirement benefit obligation	23	492,826	448,476	492,826	448,476
Legal Settlement liability	20	1,420	2,101	1,420	2,101
Deferred income	21	668,090	640,436	668,090	640,436
Total non-current liabilities		1,162,336	1,091,013	1,162,336	1,091,013
Current liabilities					
Provisions		48,629	606,002	48,629	606,002
Trade and other payables	18	266,338	673,646	252,822	648,305
Current tax liabilities	11	709	-	-	-
Deferred income	21	57,018	62,311	57,018	62,311
Bank overdraft	15	16,593	20,026	16,593	20,026
Total current liabilities		389,287	1,361,985	375,062	1,336,644
Total liabilities		1,551,623	2,452,998	1,537,398	2,427,657
Total equity and liabilities		3,631,720	3,620,569	3,556,933	3,564,846

TransNamib Holdings Limited

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Consolidated and Separate Annual Financial Statements for the year ended 31 March 2025

Statements of Profit or Loss and Other Comprehensive Income

Figures in N\$ '000	Notes	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
Revenue	23	539,217	544,836	446,388	450,968
Cost of Sales	25	(9,839)	(9,755)	-	-
Gross Profit		529,378	535,081	446,388	450,968
Other income	25	1,361,389	324,181	1,360,831	323,735
Loss on disposal of assets written off		(5,401)	133	(5,401)	133
Fuel, oil and lubricants		(170,316)	(183,110)	(170,177)	(182,979)
Employee benefits expense	26	(423,859)	(407,490)	(391,832)	(378,069)
Repairs and Maintenance		(43,394)	(50,652)	(43,198)	(50,600)
Operating lease charges		(32,226)	(28,107)	(32,226)	(28,107)
Depreciation and amortisation	27	(67,746)	(67,691)	(63,692)	(64,030)
Customs Fines and Penalties		(86,546)	(180,692)	(86,536)	(180,692)
Impairment loss recognised in profit and loss		(457)	(12,158)	(457)	(12,158)
Other expenses		(161,558)	(187,861)	(125,695)	(138,163)
Profit / (loss) from operating activities		899,264	(258,366)	888,005	(259,962)
Fair value gains/(losses) on investment properties	28	-	5,981	-	5,981
Finance income	29	8,170	6,127	7,321	5,627
Finance costs	30	(11,508)	(20,561)	(11,469)	(20,524)
Share of loss from equity accounted investments	31	(2,123)	(3,323)	(2,123)	(3,323)
Profit / (loss) before tax		893,803	(270,142)	881,734	(272,201)
Other comprehensive income net of tax					
Gains on remeasurement of defined benefits plan					
Income tax expense	32	(709)	-	-	-
Profit / (loss) for the year		893,094	(270,142)	881,734	(272,201)
Other comprehensive income net of tax					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on revaluation		18,824	-	-	-
Gains on remeasurements of defined benefit plans		608	53,894	608	53,894
Total other comprehensive income that will not be reclassified to profit or loss		19,432	53,894	608	53,894
Total other comprehensive income net of tax		19,432	53,894	608	53,894
Total comprehensive Profit/(loss)		912,526	(216,248)	882,342	(218,307)

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Statements of Changes in Equity - Group

Figures in N\$ `000	Issued capital	Revaluation surplus	Remeasured defined benefit plan reserve	Other non-distributable reserve	Accumulated loss	Total
Balance at 1 April 2023	277,266	1,307,724	(32,741)	580,112	(748,542)	1,383,819
Changes in equity						
Loss for the year	-	-	-	-	(270,142)	(270,142)
Total comprehensive income for the year	-	-	-	-	(270,142)	(270,142)
Actuarial gain on Post retirement Medical Aid			53,894	-		53,894
Balance at 31 March 2024	277,266	1,307,724	21,153	580,112	(1,018,684)	1,167,571
Balance at 1 April 2023	277,266	1,307,724	21,153	580,112	(1,018,684)	1,167,571
Changes in equity						
Profit for the year	-	-	-	-	893,094	893,094
Total comprehensive income for the year	-	-	-	-	893,094	893,094
Actuarial gain on Severance Pay Provision	-	-	608	-	-	608
Revaluation Surplus	-	-	-	-	18,824	18,824
Balance at 31 March 2024	277,266	1,307,724	21,761	580,112	(106,766)	2,080,097

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Statements of Changes in Equity - Company

Figures in N\$ '000	Issued capital	Revaluation surplus	Remeasured defined benefit plan reserve	Other non-distributable reserve	Accumulated loss	Total
Balance at 1 April 2023	277,266	1,307,724	(32,741)	580,112	(776,865)	1,355,496
Changes in equity						
Loss for the year	-	-	-	-	(272,201)	(272,201)
Total comprehensive income	-	-	-	-	(272,201)	(272,201)
Actuarial gain on Post retirement Medical Aid	-	-	53,894	-	-	53,894
Balance at 31 March 2024	277,266	1,307,724	21,153	580,112	(1,049,066)	1,137,189
Balance at 1 April 2024	277,266	1,307,724	21,153	580,112	(1,049,066)	1,137,189
Changes in equity						
Profit for the year	-	-	-	-	881,738	881,738
Total comprehensive income	-	-	-	-	881,738	881,738
Actuarial gain on Severance Pay Provision	-	-	608	-	-	608
Balance at 31 March 2025	277,266	1,307,724	21,761	580,112	(167,328)	2,019,535
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Statements of Cash Flows

Figures in N\$ `000	Notes	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
Net cash flows used in operations	34	(220,541)	(195,077)	(229,048)	(205,102)
Interest paid		(11,508)	(20,561)	(11,469)	(20,524)
Interest received		8,170	6,127	7,321	5,627
Net cash flows used in operating activities		(223,879)	(209,511)	(233,196)	(219,999)
Cash flows used in investing activities					
Dividends received			1,500		1,500
Proceeds from sales of property, plant and equipment		6,213	1,301	6,213	1,301
Purchase of property, plant and equipment		(49,481)	(25,618)	(30,273)	(22,324)
Proceeds from sales of investment property		2,522	4,820	2,522	4,820
Loans to subsidiary -Swakopmund Hotel			-	(9,854)	(557)
Cash flows used in investing activities		(40,746)	(17,997)	(31,392)	(15,260)
Cash flows from financing activities					
Movement other liability- Legal Settlement		(681)	(1,501)	(681)	(1,501)
Movement in GRN Upgrade		(5,293)	20,091	(5,293)	20,091
Funds received from the Government		250,000	230,000	250,000	230,000
Cash flows from financing activities		244,026	248,590	244,026	248,590
Net increase in cash and cash equivalents		(20,599)	21,081	(16,414)	13,331
Cash and cash equivalents at beginning of the year		210,841	189,760	193,367	180,033
Cash and cash equivalents at end of the year	15	190,242	210,841	176,953	193,364

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Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

2. Basis of preparation and material accounting policy information

The consolidated and annual separate annual financial statements have been prepared on the going concern basis in accordance, and in compliance with, International Financial Reporting Standards (IFRS) and Internal Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these consolidated annual financial statements and Companies Act 28 of 2004.

The consolidated and separate annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the group and company's functional currency.

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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Accounting Policies

Basis of preparation and material accounting policy information (continued)

Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in the statements of profit or loss and other comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to 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 other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the statements of profit or loss and other comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in investments in associates are recognised in the statements of profit or loss and other comprehensive income.

Joint arrangements

The group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. IFRS GAAP plc has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

The group applies Section 15 to all joint arrangements. Under Section 15 investments in joint controlled entities are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. IFRS GAAP plc has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

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Accounting Policies

Basis of preparation and material accounting policy information (continued)

2.2 Property, plant and equipment

Recognition

Property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Initial measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

The cost of an item of property, plant and equipment includes:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Subsequent measurement - Cost model

After initial recognition, property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent measurement - Revaluation model

After initial recognition, property, plant and equipment is measured at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation of an asset commences when it is available for use, and ceases at the earlier of the date that the asset is classified as held for sale, or the date that the asset is derecognised.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The depreciable amount of an asset is determined after deducting its residual value.

Useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of economic consumption of the benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

The measurement base, useful life or depreciation rate as well as the depreciation method for all major classes of assets are as follows:

Asset class	Useful life / depreciation rate	Depreciation method
Land	-	-
Buildings	Straightline	10-50 years
Motor vehicles	Straightline	3-10 years
Fixtures and fittings	Straightline	5-10 years
Cargo, Workshop and Operating Equipment	Straightline	5-10 years
Computer equipment	Straightline	5-10 years
Perway	Straightline	10-40 years
Casino equipment	Straightline	3-5 years
Rolling Stock	Straightline	10-40 years

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Accounting Policies

Basis of preparation and material accounting policy information (continued)

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are included in profit or loss when the compensation becomes receivable.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Gains are classified as other gains on the face of the statements of profit or loss and other comprehensive income.

2.3 Investment property

Recognition

Investment property is recognised as an asset when:

- it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and
- the cost of the investment property can be measured reliably.

Initial measurement

Investment property is initially measured at cost, with transaction costs and other directly attributable expenditure being included in the initial measurement.

The initial cost of investment property interest held under a lease is recognised at the lower of the fair value of the property and the present value of the minimum lease payments. An equivalent amount is recognised as a liability.

Subsequent measurement - Fair value model

After initial recognition, investment property is measured at fair value.

Disposals

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period of the retirement or disposal.

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Accounting Policies

Basis of preparation and material accounting policy information (continued)

2.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification and recognition

Classification of a financial instrument, or its component parts takes place on initial recognition. Each instrument is classified as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

Financial assets classification

The group classifies financial assets into the following categories:

- Financial assets subsequently measured at fair value through profit or loss.
- Financial assets subsequently measured at fair value through other comprehensive income (OCI).
- Financial assets subsequently measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

Financial liabilities classification

The group classifies financial liabilities into the following categories:

- Financial liabilities subsequently measured at amortised cost.
- Financial liabilities subsequently measured at fair value through profit or loss.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Recognition

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the company commits to purchase or sell the asset.

Initial measurement

Financial assets

When a financial asset is recognised initially, it is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial liabilities

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

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Accounting Policies

Basis of preparation and material accounting policy information (continued)

Subsequent measurement

Financial assets

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. Debt instruments are subsequently measured at:

- Amortised cost: assets held only for collection of principal and interest payments
 - Interest income is included in finance income using the effective interest rate method.
 - Any gain or loss on derecognition is recognised in profit or loss and presented in other gains / (losses) together with foreign exchange gains and losses.
 - Impairment losses are presented as a separate line item in the statement of profit or loss.
 - The company's financial assets at amortised cost includes trade receivables, and loans to associates and directors included under other non-current financial assets.
- Fair value through OCI: assets held only for collection of principal and interest payments and for selling the financial assets
 - Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.
 - When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses).
 - Interest income from these financial assets is included in finance income using the effective interest rate method.
 - Foreign exchange gains and losses are presented in other gains / (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
 - The company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.
 - The company elected to classify irrevocably its non-listed equity investments under this category.
- Fair value through profit or loss: assets that do not meet the criteria for amortised cost or fair value through OCI
 - A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains / (losses) in the period in which it arises.
 - The company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in OCI.
 - This category includes derivative instruments and listed equity investments which the company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Equity instruments

All equity investments are subsequently measured at fair value.

- Fair value through OCI: elected to present fair value gains and losses on equity investments in OCI
 - There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.
 - Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.
 - Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.
- Fair value through profit or loss: assets that do not meet the criteria for amortised cost or fair value through OCI assets
 - Changes in the fair value are recognised in other gains / (losses) in the statement of profit or loss as applicable.

Financial liabilities

- Fair value through profit or loss: financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss
 - Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
 - This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.
 - Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
 - Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.
 - Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The company has not designated any financial liability as at fair value through profit or loss.

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Accounting Policies

Basis of preparation and material accounting policy information (continued)

- Amortised cost: Loans and borrowings
 - After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.
 - Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.
 - Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.
 - The effective interest rate amortisation is included as finance costs in the statement of profit or loss.
 - This category generally applies to interest-bearing loans and borrowings.

Impairment of financial assets

A forward looking allowance for expected credit losses is recognised for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The impairment methodology applied depends on whether there has been a significant increase in credit risk:

- For credit exposures with no significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit loss).
- For credit exposures with significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit loss).

For trade receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date. A provision matrix was established that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the low credit risk simplification is applied. At every reporting date, the company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. The internal credit rating of the debt instrument is reassessed during this evaluation. It is also considered whether there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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Accounting Policies

Basis of preparation and material accounting policy information (continued)

Loan to (from) group company

This can include loans between holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

The loan to group company is classified as a financial asset at amortised cost, and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

The loan from group company is classified as a financial liabilities at amortised cost, and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest rate method, less allowance for expected credit losses. For trade receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date. A provision matrix was established that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Trade and other receivables are classified as debt instruments and loan commitments at amortised cost.

Other financial assets

Other financial assets are recognised initially at the fair value, including transaction costs except where the asset will subsequently be measured at fair value.

Other financial assets that are equity investments are subsequently measured at fair value through profit or loss. Other investments are subsequently measured at cost less impairment.

Other financial assets that are debt instruments are subsequently measured at amortised cost. Interest income is recognised on the basis of the effective interest method and is included in finance income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently carried at amortised cost.

Trade and other payables

Trade payables are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

2.5 Prepayments

Prepayments consist of various payments that have been made in advance for goods and services to be received in future. Prepayments are measured at amortised cost, and are derecognised when the goods and services to which the prepayment relate have been received.

2.6 Inventories

Definition

Inventories are assets:

- held for sale in the ordinary course of business;
- in the process of production for such sale; or
- in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Recognition

Inventories are recognised as an asset when

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the inventories can be measured reliably.

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Basis of preparation and material accounting policy information (continued)

Measurement

Inventories are measured at the lower of cost and net realisable value using either the first-in-first-out or weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects are assigned by using specific identification of their individual costs.

Recognition as an expense

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised, and the inventory is derecognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and the write-down or reversal is recognised against the expense as indicated above.

A provision is maintained for obsolete or damaged inventory. The level of the provision for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value or current replacement cost at financial year-end. Movements in this provision are included in the expense recognised as indicated above.

2.7 Tax

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

- deductible temporary differences;
- the carry forward of unused tax losses; and
- the carry forward of unused tax credits.

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. The amount already paid in respect of current and prior periods which exceeds the amount due for those periods, is recognised as an asset.

The benefit relating to a tax loss that can be carried back to recover current tax of a previous period is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset only where:

- there is a legally enforceable right to set off the recognised amounts; and
- there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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Basis of preparation and material accounting policy information (continued)

Tax expense (income)

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity.
- a business combination other than the acquisition by an investment of a subsidiary that is required to be measured at fair value through profit or loss.

Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period:

- in other comprehensive income, will be recognised in other comprehensive income;
- directly in equity, will be recognised directly in equity.

2.8 Leases as lessee

Definition

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

Identification of a lease

At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still or now contains a lease.

Where a contract contains a lease, each lease component with the contract is accounted for separately from the non-lease components. The consideration is then allocated to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components are determined on the basis of the price the lessor, or a similar supplier, would charge an entity for that component, or a similar component, separately. If an observable stand-alone price is not readily available, an estimate of the stand-alone price is made, maximising the use of observable information in each case. All non-lease components are accounted for in accordance with whatever other policy is applicable to them.

Lease term

The lease term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

The assessment of the reasonable certainty of the exercising of options to extend the lease or not exercising of options to terminate the lease is reassessed upon the occurrence of either a significant event or a significant change in circumstances that is within the group's control and it affects the reasonable certainty assumptions.

The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

Recognition

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the statement of financial performance within a classification relevant to the underlying asset, and not as a separate line item.

Measurement

Right-of-use assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The obligation for those costs are incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Subsequently, right-of-use assets are measured using the cost model.

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Basis of preparation and material accounting policy information (continued)

Subsequently, right-of-use assets are measured using the cost model, except for investment property which is measured at fair value in accordance with the policies for investment property.

Subsequently, right-of-use assets are measured using the fair value model using the policies applicable to the relevant class of the underlying asset.

Where a lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects a purchase option will be exercised, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The group tests for impairment where there is an indication that a right-of-use asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of a right-of-use asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date. Lease payments are discounted using the interest rate implicit in the lease, if the rate can be readily determined, else it is based on the relevant group entity's incremental borrowing rate. The following lease payments are included where they are not paid at the commencement date:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if there is reasonably certainty that the option will be exercised; and
- payments of penalties for terminating the lease, if the lease term reflects the exercising an option to terminate the lease.

Subsequently, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate described above, or if applicable the revised discount rate described below.

Profit or loss for the year will include the interest expense on the lease liability, and the variable costs not included in the measurement of the lease liability are included in the year in which the event of condition that triggers the payment of the variable costs occurs.

Reassessment of the lease liability

Where there are changes in the lease payments, the amount of the remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset. Where the carrying amount of the right of use asset is reduced to zero, and there is a further reduction in the measurement of the lease liability, the remaining amount of the remeasurement is recognised in profit or loss.

The remeasurement is performed by discounting the revised lease payments using a revised discount rate where there is a change in the lease term or where there is a change in the assessment of exercising an option contained in the contract. The discount rate is revised to the interest rate implicit in the remainder of the lease term if it can be readily determined, or at the relevant group entity's incremental borrowing rate at the date of the reassessment.

The remeasurement is performed by discounting the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee, or if there is a change in the future lease payments resulting from a change in an index or a rate used to determine those payments. This remeasurement will use an unchanged discount rate unless the change in lease payments resulted from a change in a floating interest rate.

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Lease modifications

A lease modification is treated as a separate lease if both: the modification increases the scope of the lease by adding the right to use one or more underlying assets, and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

Where the lease modification is not accounted for as a separate lease, at the effective date of the lease modification the following changes are made:

- allocate the consideration in the modified contract;
- determine the lease term of the modified lease; and
- remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the relevant group entity's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

Where the lease modification is not accounted for as a separate lease, the remeasurement of the lease liability is accounted for by:

- decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss.
- making a corresponding adjustment to the right-of-use asset for all other lease modifications.

2.9 Leases as lessor

Definition

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

Identification of a lease

At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still or now contains a lease.

Where a contract contains a lease component as well as a non-lease components, the consideration is allocated between the components in accordance with the requirements of revenue from contracts with customers.

Lease term

The lease term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised by the lessee, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised by the lessee.

The assessment of the reasonable certainty of the exercising of options to extend the lease by the lessee, or not exercising of options to terminate the lease by the lessee, is reassessed upon the occurrence of either a significant event or a significant change in circumstances that is within the group's control and it affects the reasonable certainty assumptions.

The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

Classification

Leases are classified as either an operating lease or a finance lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

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Basis of preparation and material accounting policy information (continued)

Operating leases

Lease payments from operating leases are recognised as income on either a straight-line basis or another systematic basis. Another systematic basis is applied if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

Costs, including depreciation, incurred in earning the lease income is recognised as an expense.

Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and those costs are recognised as an expense over the lease term on the same basis as the lease income.

Depreciation and impairment is calculated and recognised on the underlying asset in accordance with the relevant policy for the class of underlying asset.

Lease modifications

Modifications to an operating lease are accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

2.10 Provisions and contingencies

A provision is a liability of uncertain timing or amount. A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A provision is recognised when:

- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received when the obligation is settled. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating losses.

The present obligation under an onerous contract is recognised and measured as a provision.

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A constructive obligation to restructure arises only when:

- there is a detailed formal plan for the restructuring identifying at least the business or part of a business concerned, the principal locations affected, the location, function, and approximate number of employees who will be compensated for terminating their services, the expenditures that will be undertaken and when the plan will be implemented; and
- there has been raised a valid expectation in those affected that the restructuring will be carried out by starting to implement that plan or announcing its main features to those affected by it.

After initial recognition and until the liability is settled, cancelled or expires, a contingent liability is recognised in a business combination at the higher of the amount that would be recognised as a provision, and the amount initially recognised less cumulative amortisation.

Contingent assets and liabilities are not recognised, but details are disclosed in the notes to the consolidated and separate financial statements.

2.11 Revenue from contracts with customers

Revenue is income arising in the course of an entity's ordinary activities.

A contract with a customer is recognised when all of the following criteria are met:

- the contract has been approved and all parties to the contract are committed to performing their respective obligations;
- each party's rights regarding the goods or services to be transferred are identifiable;
- payment terms for the goods or services to be transferred are identifiable;
- the contract has commercial substance; and
- it is probable that the consideration in exchange for the goods or services that will be transferred will be collected.

At the inception of a contract, the goods or services promised in the contract are assessed and a performance obligation is identified for each promise to transfer to the customer either:

- a good or service that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer.

Revenue is recognised when or as the performance obligation is satisfied by transferring a promised good or service to a customer. Assets are transferred when or as the customer obtains control of that asset.

Measurement

When a performance obligation is satisfied, revenue is recognised as the amount of the transaction price that is allocated to the performance obligation, but excluding estimates of variable consideration that are constrained and any amounts collected on behalf of third parties. The transaction price may include fixed amounts, variable amounts, or both.

The group allocates the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the group expects to be entitled in exchange for transferring the promised goods or services to the customer.

The group recognises as an asset the incremental costs of obtaining a contract with a customer if the group expects to recover those costs.

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the group can specifically identify (for example, costs relating to services to be provided under renewal of an existing contract or costs of designing an asset to be transferred under a specific contract that has not yet been approved);
- the costs generate or enhance resources of the group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

When either party to a contract has performed, the group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the group's performance and the customer's payment. The group presents any unconditional rights to consideration separately as a receivable.

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2.12 Employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept an offer of benefits in exchange for the termination of employment.

The retirement benefit plans are governed by the Pension Funds Act, 1956 (Act 24 of 1956).

Short-term employee benefits

Compensation paid to employees for the rendering of services are recognised at the undiscounted amount paid or expected to be paid in the accounting period in which the services were rendered.

Where employees accumulate entitlement for paid absences, an expense is recognised as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. In the case of non-accumulating paid absences, the expense is recognised only when the absences occur.

The expected cost of profit-sharing and bonus payments are recognised when there is a present legal or constructive obligation to make such payments as a result of past events, and a reliable estimate of the obligation can be made. A present obligation exists when there is no realistic alternative but to make the payments.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to an entity during a period, the contribution payable to a defined contribution plan in exchange for that service is recognised:

- as a liability, after deducting any contribution already paid. Where the contribution already paid exceeds the contribution due for service before the end of the reporting period, the excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.
- as an expense, except where the amount is allowed as an inclusion in the cost of an asset.

Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

For defined benefit plans, the cost of providing benefits is determined using the projected unit cost method, with actuarial valuations being carried out at the end of each period. Remeasurement comprising actuarial gains and losses, the effect of changes to the asset ceiling, and the return on plan assets is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service costs
- Net interest expense or income
- Remeasurement

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Basis of preparation and material accounting policy information (continued)

The first two components of defined benefit costs are presented in profit or loss in the line item other operating expenses. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Termination benefits

A liability for termination benefit is recognised at the earlier of when the offer can no longer be withdrawn and when the related restructuring costs are recognised.

2.13 Government grants

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss of the period in which it becomes receivable.

Non-monetary grants are measured at fair value of the non-monetary asset and both the grant and asset are recognised at that fair value. An alternative course that is sometimes followed is to record both asset and grant at a nominal amount.

Government grants related to assets, including non-monetary grants at fair value are presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as part of profit or loss, either separately or under a general heading such as 'Other income'; alternatively, they are deducted in reporting the related expense.

Repayment of a grant related to income is applied first against any unamortised deferred credit recognised in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or when no deferred credit exists, the repayment is recognised immediately in profit or loss.

Repayment of a grant related to an asset is recognised by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised in profit or loss to date in the absence of the grant is recognised immediately in profit or loss.

Where a loan is received from government at below market interest rate, the difference between the fair value of the loan and the amount received is recognised as a government grant.

2.14 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

Where funds are borrowed generally and the entity uses the funds for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation will be calculated by applying a capitalisation rate to the costs incurred on the qualifying asset. The capitalisation rate is based on the weighted average of the borrowing rate applicable to all borrowings outstanding during the period, apart from borrowings made specifically for the purpose of obtaining a qualifying asset.

Capitalised borrowing costs are limited to actual borrowing costs incurred during any period.

The capitalising of borrowing costs as part of the cost of a qualifying asset will begin on the commencement date. The commencement date for capitalisation is the date when all of the following conditions are met:

- expenditures for the asset are incurred;
- borrowing costs are incurred; and
- activities that are necessary to prepare the asset for its intended use or sale have commenced.

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Basis of preparation and material accounting policy information (continued)

Capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended.

Capitalising borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When construction of a qualifying asset is completed in parts and each part is capable of being used while construction continues on other parts, capitalising borrowing costs ceases when all the activities necessary to prepare that part for its intended use or sale has been substantially completed.

2.15 Related parties

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

3. Critical accounting estimates and judgements

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statement, are outlined as follows:

In applying the company accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations (which presented separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Lease term

Determining whether it is reasonably certain that an extension or termination option will be exercised at the commencement date, the company assesses whether the lessee is reasonably certain to exercise an option to extend the lease or to not exercise the option to terminate the lease. The company considered all relevant facts and circumstances that create and economic incentive for the lessee to exercise the option, including any expected changes in facts and circumstances from the commencement date until exercise date of the option.

3.1 Key sources of estimation uncertainty

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1.1 Trade receivables

The company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit and loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

Fair value estimation

Several assets and liabilities of the company are either measured at fair value or disclosure is made of their fair values.

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Accounting Policies

Critical accounting estimates and judgements (continued)

3.1.2 Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

3.1.3 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

3.1.4 Useful lives of property, plant and equipment

Management assess the appropriateness of the useful life of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on group and company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

3.1.5 Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in the note.

3.1.6 Leases

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Determination of the appropriate rate to discount the lease payments

The company measures the lease liability at the present value of the lease payments that are not paid at commencement date discounted by using the incremental borrowing rate of 10.50%. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security in funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The rate is used, because the rate implicit in the lease cannot be accurately and readily determined. Furthermore, the group and company has external borrowings at a reputable financial institution at this rate.

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Accounting Policies

Critical accounting estimates and judgements (continued)

3.2 Critical judgements in applying the entity's accounting policies

3.2.1 Joint arrangements

IFRS GAAP plc holds 50% of the voting rights of its joint arrangement. The group has joint control over this arrangement as under the contractual agreements, unanimous consent is required from all parties to the agreements for all relevant activities.

The group's joint arrangement is structured as a limited company and provides the group's and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangement is classified as a joint venture of the group.

4. New Standards and Interpretations

4.1 Standards and Interpretations effective and adopted in the current year

Standards/Interpretations

Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1)

4.2 New standards and interpretations not yet adopted

Standard	Standard effective date	Adopted in the current year (Y/N)	Future adopted (Y/N)
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely	N	N
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	01 January 2024	N	N
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	01 January 2024	N	N
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	01 January 2024	N	N
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	01 January 2024	N	N
IFRS S2 Climate-related Disclosures	01 January 2024	N	N
Lack of Exchangeability (Amendments to IAS 21)	01 January 2025	N	N
Amendments to the SASB standards to enhance their international applicability	01 January 2025	N	N

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Figures in N\$ '000

5. Property, plant and equipment

Balances at year end and movements for the year

	Land	Buildings	Motor vehicles	Fixtures and fittings	Cargo, Workshop and Operating Equipment	Computer equipment	Construction in progress	Perway and Casion equipment	Rolling Stock	Total
Reconciliation for the year ended 31 March 2025 - Group										
Balance at 1 April 2024										
At cost	866,746	597,404	71,027	23,988	52,159	79,614	907	122,173	1,138,434	2,952,452
Accumulated depreciation	-	(149,323)	(51,604)	(22,121)	(23,583)	(73,753)	-	(71,326)	(591,025)	(982,735)
Carrying amount	866,746	448,081	19,423	1,867	28,576	5,861	907	50,847	547,409	1,969,717
Movements for the year ended 31 March 2025										
Additions from acquisitions	-	-	384	88	709	3,716	40,909	2,292	1,555	49,653
Depreciation	-	(17,322)	(5,800)	(344)	(2,326)	(2,302)	-	(2,953)	(36,699)	(67,746)
Impairment loss recognised in profit or loss	-	-	(457)	-	-	-	-	-	-	(457)
Revaluation increase (decrease)	18,824	-	-	-	-	-	-	-	-	18,824
Disposals	-	(1,057)	-	-	-	(1,399)	-	-	(4,199)	(6,655)
Transfers	-	-	-	-	-	-	(907)	-	-	(907)
Property, plant and equipment at the end of the year	885,570	429,702	13,550	1,611	26,959	5,876	40,909	50,186	508,066	1,962,429
Closing balance at 31 March 2025										
At cost	885,570	596,150	70,702	24,076	52,081	81,862	40,910	124,466	1,119,450	2,995,267
Accumulated depreciation	-	(166,448)	(57,152)	(22,465)	(25,122)	(75,986)	-	(74,280)	(611,384)	(1,032,837)
Carrying amount	885,570	429,702	13,550	1,611	26,959	5,876	40,910	50,186	508,066	1,962,430

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Figures in N\$ '000

Property, plant and equipment (continued)

Reconciliation for the year ended 31 March 2024 - Group

Balance at 1 April 2023

At cost	866,746	597,404	69,250	25,954	47,142	79,572	907	119,070	1,128,703	2,934,748
Accumulated depreciation	-	(131,933)	(47,126)	(24,032)	(22,082)	(73,019)	-	(68,501)	(540,883)	(907,576)
Carrying amount	866,746	465,471	22,124	1,922	25,060	6,553	907	50,569	587,820	2,027,172

Movements for the year ended 31 March 2024

Additions from acquisitions	-	-	3,572	433	5,571	768	-	3,404	11,870	25,618
Depreciation	-	-	(6,273)	(449)	(2,012)	(1,449)	-	(3,126)	(36,992)	(67,691)
Impairment loss recognised in profit or loss	-	(17,390)	-	-	-	-	-	-	(12,158)	(12,158)
Disposals	-	-	-	(39)	(43)	(11)	-	-	(3,131)	(3,224)
Property, plant and equipment at the end of the year	866,746	448,081	19,423	1,867	28,576	5,861	907	50,847	547,409	1,969,717

Closing balance at 31 March 2024

At cost	866,746	597,404	71,027	23,988	52,159	79,614	907	122,173	1,138,434	2,952,452
Accumulated depreciation	-	(149,323)	(51,604)	(22,121)	(23,583)	(73,753)	-	(71,326)	(591,025)	(982,735)
Carrying amount	866,746	448,081	19,423	1,867	28,576	5,861	907	50,847	547,409	1,969,717

Reconciliation for the year ended 31 March 2025 - Company

Balance at 1 April 2024

At cost	683,265	597,404	70,850	6,128	48,020	74,593	907	87,577	1,138,434	2,707,178
Accumulated depreciation	-	(144,345)	(51,480)	(5,789)	(23,583)	(69,917)	-	(38,140)	(591,025)	(924,279)
Carrying amount	683,265	453,059	19,370	339	24,437	4,676	907	49,437	547,409	1,782,899

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Property, plant and equipment (continued)

Movements for the year ended 31 March 2025

Additions from acquisitions	-		1	81	22	1,204	24,636	1,533		27,477
Depreciation	-	(14,833)	(5,800)	(123)	(1,540)	(1,845)	-	(2,852)	(36,699)	(63,692)
Impairment loss recognised in profit or loss		-	(457)	-	-	-	-	-		(457)
Increase (decrease) through transfers from construction in progress	-	-	-	-	-	-	(907)	-	(12,158)	(907)
Increase (decrease) through other changes	-	(1,058)	-	-	-	(11)	-	-	(2,644)	(3,702)
Property, plant and equipment at the end of the year	683,265	437,168	13,114	297	22,919	4,035	24,636	48,118	508,066	1,741,618

Closing balance at 31 March 2025

At cost	683,265	596,150	70,138	6,209	48,041	75,769	24,636	89,110	1,119,450	2,712,768
Accumulated depreciation	-	(158,982)	(57,024)	(5,912)	(25,122)	(71,734)	-	(40,992)	(611,384)	(971,150)
Carrying amount	683,265	437,168	13,114	297	22,919	4,035	24,636	48,118	508,066	1,741,618

Reconciliation for the year ended 31 March 2024 - Company

Balance at 1 April 2023

At cost	683,265	597,404	69,073	6,128	44,667	74,257	907	84,417	1,128,703	2,688,821
Accumulated depreciation	-	(129,444)	(47,002)	(5,545)	(22,082)	(68,860)	-	(35,100)	(540,883)	(848,916)
Carrying amount	683,265	467,960	22,071	583	22,585	5,397	907	49,317	587,820	1,839,905

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Figures in N\$ '000

Property, plant and equipment (continued)

Movements for the year ended 31 March 2024

Additions from acquisitions	-	-	3,572	-	3,353	369	-	3,160	11,870	22,324
Depreciation	-	(14,901)	(6,273)	(244)	(1,501)	(1,079)	-	(3,040)	(36,992)	(64,030)
Impairment loss recognised in profit or loss	-	-	-	-	-	-	-	-	(12,158)	(12,158)
Disposals	-	-	-	-	-	(11)	-	-	(3,131)	(3,142)
Property, plant and equipment at the end of the year	683,265	453,059	19,370	339	24,437	4,676	907	49,437	547,409	1,782,899

Closing balance at 31 March 2024

At cost	683,265	597,404	70,850	6,128	48,020	74,593	907	87,577	1,138,434	2,707,178
Accumulated depreciation	-	(144,345)	(51,480)	(5,789)	(23,583)	(69,917)	-	(38,140)	(591,025)	(924,279)
Carrying amount	683,265	453,059	19,370	339	24,437	4,676	907	49,437	547,409	1,782,899

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Notes to the Consolidated and Separate Financial Statements

Figures in N\$ '000	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
6. Investment property				
Balances at year end and movements for the year				
Reconciliation for the year				
Balance at the beginning of the year				
At fair value	1,184,775	1,183,722		1,183,722
Movements for the year				
Gains (losses) on fair value adjustment	-	5,981	(2,642)	5,981
Disposals	(2,642)	(4,928)	1,182,133	(4,928)
Investment property at the end of the year	1,182,133	1,184,775	1,182,133	1,184,775
Closing balance at the end of the year				
At fair value	1,182,133	1,184,775	1,182,133	1,184,775

Registers with details of the land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office

7. Investments in subsidiary, joint ventures and associates

7.1 The amounts included on the statements of financial position comprise the following:

Investments in associates	10,570	12,693	10,570	12,693
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7.2 Investment in subsidiary

Number of investments	1
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7.2.1 Details of the group's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Held by	Voting Power	Carrying amount 2024	Carrying amount 2023
Swakopmund Station Hotel (Pty) Ltd	Transnamib Holdings Limited	100%	6,109	6,109

Acquisition of Subsidiary

On 18 March 2022 TransNamib Limited Holdings acquired the remaining 50% shares of Swakopmund Station Hotel for a cash consideration of N\$3 054 378. The sale agreement was entered into after approval from the Ministry of Public Enterprises to provide financial assistance to the hotel.

A bargain purchase gain of N\$33 485 000 was recognised through the income statement during the 2022. The gain arose from amount paid for the net assets.

The investment is held at cost and no impairment deemed necessary as the cost of the investment is lower than the par value of shares held.

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Notes to the Consolidated and Separate Financial Statements

Figures in N\$ '000

Investments in subsidiary, joint ventures and associates (continued)

7.3 Investments in joint ventures

Number of investments

2

Details of the group's material joint ventures at the end of the reporting period are as follows:

Name of joint venture	Owner Interest %	Carrying amount 2024	Carrying amount 2023
Namibia Rail Construction (Pty) Ltd	51%	3,358	2,749
GPT-TransNamib Concrete Sleepers (Pty) Ltd	50%	7,212	9,944
		10,570	12,693

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Notes to the Consolidated and Separate Financial Statements

Figures in N\$ '000	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
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Investments in subsidiary, joint ventures and associates (continued)

7.3.2 Summarised financial information for material joint ventures

	GPT- TransNamib Concrete Sleepers (Pty) Ltd	Namibia Rail Construction (Pty) Ltd
At 31 March 2025		
Non-current assets	16,206	-
Cash and Cash equivalents	32	1,032
Current assets	1,890	2,037
Current Liabilities	3,999	(795)
Revenue	349	8,185
Interest Income	245	1
Depreciation and amortisation	3,162	-
Profit and loss	(5,464)	1,195
At 31 March 2024		
Non-current assets	19,369	841
Cash and Cash equivalents	414	1,155
Current assets	3,903	3,543
Non-current Liabilities	(1,720)	-
Current Liabilities	(2,373)	(149)
Revenue	708	4,437
Interest Income	-	1
Depreciation and amortisation	(3,873)	-
Tax Expense	(2,492)	(682)
Profit and loss	(5,295)	(1,324)

8. Inventories

Inventories comprise:

Consumable Stores	113,984	104,912	113,984	104,911
Cannibalised locomotives	15,075	15,075	15,075	15,075
Swakopmund Station Hotel - Inventory	1,330	1,284		
	130,389	121,271	129,059	119,986

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Notes to the Consolidated and Separate Financial Statements

Figures in N\$ '000	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
9. Trade and other receivables				
Trade and other receivables comprise:				
Trade receivable - Freight	97,098	81,299	97,098	81,299
Trade receivable- Property	110,274	97,409	110,274	97,409
Other receivables - Spoorinet	4,462	4,462	4,462	4,462
Other receivables - Swakopmund Station Hotel	3,786	5,867		-
Impairment other receivables - Swakopmund Station Hotel	-	(179)	-	-
Trade receivables impairment	(149,168)	(143,266)	(149,168)	(143,266)
	66,452	45,592	62,666	39,904
RSA VAT receivable and withholding taxes	5,779	4,372	5,779	4,372
Other Receivables	21,527	25,917	21,527	25,917
Other Receivables bad debts provision	(19,356)	(13,487)	(19,356)	(13,487)
Total trade and other receivables	74,402	62,394	70,616	56,706
Prepayments	422	-	422	-
Value added tax	25,658	-	24,621	-
Total trade and other receivables	100,482	62,394	95,659	56,706

Trade receivables inherently expose the company and its subsidiary to credit risk, being the risk that the company and its subsidiary will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company and its subsidiary only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Customer credit limits are in place and are reviewed. The exposure to credit risk and the creditworthiness of customers, is continuously monitored. There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

Trade receivables arise from freight revenue and rental income - property

The company and its subsidiary uses a Provision matrix approach to measure the Expected Credit Losses's (ECLs) of trade receivables from the customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the life of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated on two segments, being Freight Revenue and Property rental income as the customers from the two segments have different credit risk characteristics in terms of age of customer relationship and type of service offered.

The company does not require collateral in respect of trade and other receivables. The company does not have trade receivable for which no loss allowance is recognised because of collateral.

The company and its subsidiary measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetimes expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

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Figures in N\$ '000	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
Trade and other receivables (continued)				
The following table provides information about the exposure to credit risk and ECLs for trade receivables from the customers as at 31 March 2025:				
GROUP	2025		2024	
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate				
Freight Services				
Current: 3.02% (2024: 7.97%)	33,751	(1,019)	25,216	(2,208)
31 - 60 days past due: 5.75% (2024: 17.41%)	14,573	(837)	11,672	(2,206)
61 - 90 days past due: 17.27% (2024: 35.80%)	2,120	(366)	5,346	(2,417)
91 - 120 days past due: 93.13% (2024: 100%)	52,635	(49,019)	39,066	(39,066)
	103,079	(51,241)	81,300	(45,897)
Property rental				
Current: 14.9% (2024: 29.9%)	6,193	(920)	3,896	(1,166)
31 - 60 days past due: 40.7% (2024: 45.3%)	1,944	(792)	3,466	1,570
61 - 90 days past due: 51.3 (2024: 61.2%)	2,060	(1,057)	313	(192)
91 - 120 days past due: 93.1% (2024: 100%)	102,177	(95,158)	89,734	(89,977)
	112,374	(97,927)	97,409	(89,765)
Other receivables				
More than 120 days past due- 100%	21,528	(19,356)	25,917	(21,090)
Other receivable - Swakopmund Station Hotel	3,786	-	5,867	(179)
	25,314	(19,356)	31,784	(21,269)
	240,767	(168,524)	210,493	(156,931)
COMPANY	2025		2024	
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate				
Freight Services				
Current: 7.97% (2023: 1.07%)	33,751	(1,019)	25,216	(2,208)
31 - 60 days past due: 17.41% (2023: 2.92%)	14,573	(837)	11,672	(2,206)
61 - 90 days past due: 35.80% (2023: 18.23%)	2,120	(366)	5,346	(2,417)
91 - 120 days past due: 100% (2023: 100%)	52,635	(49,019)	39,066	(39,066)
	103,079	(51,241)	81,300	(45,897)

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Notes to the Consolidated and Separate Financial Statements

Figures in N\$ '000	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
Trade and other receivables (continued)				
Property rental				
Current: 29.9% (2023: 41.2%)	6,193	(920)	3,896	(1,166)
31 - 60 days past due: 45.3% (2023: 44.8%)	1,944	(792)	3,466	1,570
61 - 90 days past due: 61.2% (2023: 49%)	2,060	(1,057)	313	(192)
91 - 120 days past due: 100% (2023: 100%)	102,177	(95,158)	89,734	(89,977)
	112,374	(97,927)	97,409	(89,765)
Other receivables				
More than 120 days past due- 100%	21,528	(19,356)	25,917	(21,090)
	236,981	(168,524)	204,626	(156,752)

10. Deferred tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax assets:

Liabilities for health care benefits accrued	152,739	139,027	152,739	139,027
Other provisions	7,437	7,437	7,437	7,437
Provisions for doubtful debts	39,182	36,445	39,182	36,445
Deferred tax balance from temporary differences other than unused tax losses	199,358	182,909	199,358	182,909
Tax losses available for set off against future taxable income	921,813	1,033,095	921,813	1,033,095
	1,121,171	1,216,004	1,121,171	1,216,004

Deferred tax liabilities:

Property plant and equipment	(234,200)	(177,314)	(234,200)	(177,314)
Revaluation	(168,312)	(168,312)	(168,312)	(168,312)
Unrecognised deferred tax	(718,659)	(870,378)	(718,659)	(870,378)
Net deferred tax liabilities	(1,121,171)	(1,216,004)	(1,121,171)	(1,216,004)

Details of set-off of deferred tax assets and liabilities

Deferred Tax assets	1,121,171	1,216,004	1,121,171	1,216,004
Deferred Tax Liability	(1,121,171)	(1,216,004)	(1,121,171)	(1,216,004)

Total deferred tax liability per the statements of financial position

0	0	0	0
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The deferred tax expense is not recognised as it is not probable that the entity will make sufficient taxable profits in the future to realise the temporary differences.

11. Current tax liabilities

Current tax liabilities comprise the following balances

Net current tax liability from all items being set off	(709)	-	-	-
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Notes to the Consolidated and Separate Financial Statements

	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
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3,684

12. Operating lease receivables

12.1 Operating lease receivables comprise the following balances

Operating lease receivable	34,904	35,100	34,904	35,100
Total	34,904	35,100	34,904	35,100

12.2 Information related to leasing activities

Operating leases, in which the company is the lessor, relates to investment property owned by TransNamib Holdings Limited with lease terms being between one (1) to nine (9) years with an extension option.

12.3 Future minimum lease payments receivable

Not later than one year	44,756	47,064	44,756	47,064
Later than one year and not later than two years	31,781	38,994	31,781	38,994
Later than two years and not later than three years	25,450	26,818	25,450	26,818
Later than three years and not later than four years	21,994	20,620	21,994	20,620
Later than four years and not later than five years	19,813	17,138	19,813	17,138
Later than five years	65,066	72,658	65,066	72,658
	208,860	223,292	208,860	223,292

13. Loan to group company

Loan to group company comprise the following balances

Swakopmund Station Hotel (Pty) Ltd	-	68	159,358	149,504
Loan is interest free and payable on demand				

14. Other non-financial assets

Non-financial asset

At the beginning of the year

At cost	3,684	3,411	3,684	3,411
Carrying amount	3,684	3,411	3,684	3,411

Additions - Interest received

	293	273	293	273
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Carrying amount at the end of the year

At the end of the year

At cost	3,977	3,684	3,977	3,684
Carrying amount	3,977	3,684	3,977	3,684

Non-current asset

Current asset	-	-	-	-
	3,977	3,684	3,977	3,684
	3,977	3,684	3,977	3,684

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Other non-financial assets (continued)				
Funds held with IJG at an interest rate of 7.30% (2024:8.65%)				
15. Cash and cash equivalents				
15.1 Cash and cash equivalents included in current assets:				
Cash				
Cash on hand	1,054	1,744	50	37
Balances with banks	205,781	229,123	193,496	213,353
	206,835	230,867	193,546	213,390
The cash and cash equivalents include a bank balance of N\$57,050,642,71 which is to be solely used for rail maintenance upon approval by the Ministry of Works and Transport.				
15.2 Overdrawn cash and cash equivalents included in current liabilities				
Bank overdrafts	(16,593)	(20,026)	(16,593)	(20,026)
15.3 Net cash and cash equivalents				
Current assets	206,835	230,867	193,546	213,390
Current liabilities	(16,593)	(20,026)	(16,593)	(20,026)
	190,242	210,841	176,953	193,364
16. Issued capital				
Authorised and issued share capital				
Authorised				
1 000 000 Ordinary shares of N\$ 1 each	1,000,000	1,000,000	1,000,000	1,000,000
Issued				
277 266 030 Ordinary shares of N\$ 1 each	277,266	277,266	277,266	277,266
17. Reserves				
Classification of reserves				
Revaluation Reserves	1,307,724	1,307,724	21,153	1,307,724
Reserve for remeasurement of Post Retirement Medical Aid	21,761	21,761	21,761	21,761
Total non distributable reserves	580,112	580,112	580,112	580,112
Total reserves	1,909,597	1,909,597	1,909,597	1,909,597

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Figures in N\$ '000	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
18. Trade and other payables				
18.1 Trade and other payables comprise:				
Trade payables	203,458	464,192	198,630	460,468
Other deposits	485	2,003	485	2,003
Provision leave	16,423	17,293	14,852	15,862
Accrued liabilities	42,149	39,923	35,447	20,756
Provision Bonus	4,455	8,504	4,040	8,130
Employee vendors	(65)	42	(65)	42
Other Payables	(567)	-	(567)	-
Value added tax	-	141,689	-	141,044
Total trade and other payables	266,338	673,646	252,822	648,305

18.2 Credit risk exposures

The amount that best represents its maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements (eg netting agreements that do not qualify for offset in accordance with IAS 32); this disclosure is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk.

19. Financial instruments and risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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Figures in N\$ '000	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
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Financial instruments and risk management (continued)

19.1 Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on loans receivable, trade and other receivables, contract receivables, lease receivables cash and cash equivalents, loan commitments and financial guarantees.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for credit worthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the credit worthiness of counterparties is continuously monitored.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

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Figures in N\$ '000	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
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Financial instruments and risk management (continued)

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

19.2 Categories of financial instruments

Categories of financial liabilities

Year ended 31 March 2025 - Group

	At amortised cost	Over five (5) years	Total
Other financial liabilities group A (Note 20)	-	1,420	1,420
Trade and other payables excluding non-financial liabilities (Note 18)	249,430	-	249,430
Bank overdraft (Note 15)	16,593	-	16,593
	266,023	1,420	267,443

Period ended 31 March 2024 - Group

Other financial liabilities group A (Note 20)	-	2,101	2,101
Trade and other payables excluding non-financial liabilities (Note 18)	512,669	-	512,669
Bank overdraft (Note 15)	20,026	-	20,026
	532,695	2,101	534,796

Categories of financial assets

Trade and other receivables	62,395	-	62,395
Cash and Cash equivalents	230,867	-	230,867
	293,262	-	293,262

Year ended 31 March 2025 - Company

Other financial liabilities group A (Note 20)	-	1,420	1,420
Trade and other payables excluding non-financial liabilities (Note 18)	237,489	-	237,489
Bank overdraft (Note 15)	16,593	-	16,593
	254,082	1,420	255,502

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<i>Financial instruments and risk management (continued)</i>				
Categories of financial assets				
Trade and other receivables		95,659	-	95,659
Period ended 31 March 2024 - Company				
Other financial liabilities group A (Note 20)		-	2,101	2,101
Trade and other payables excluding non-financial liabilities (Note 18)		489,400		489,400
Bank overdraft (Note 15)		20,026		20,026
		509,426	2,101	511,527
Categories of financial assets				
Trade and other receivables		56,706	-	56,706
Cash and Cash equivalents		213,390	-	213,390
		270,096	-	270,096

20. Other financial liabilities group A

Other financial liabilities group A comprise:

Legal Settlement liability	1,420	2,101	1,420	2,101
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Legal settlement relates to the settlement agreement of the case against Central Gas, where TransNamib has an obligation to provide rental to the tenant for a period of three years as compensation for lost revenue.

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Figures in N\$ '000	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
21. Deferred income				
Deferred income comprise:				
Opening balance	640,436	677,077	640,436	677,077
Released to income statement- assets	(25,160)	(36,639)	(25,160)	(36,639)
Released to income statement- GRN income	(140,168)	(230,002)	(140,168)	(230,002)
Grants received	250,000	230,000	250,000	230,000
	725,108	640,436	725,108	640,436
Deferred Income on Assets	426,445	488,244	426,445	488,244
Deferred Income on Working capital	298,663	188,833	298,663	188,833
	725,108	677,077	725,108	677,077
Non-current liabilities	668,090	640,436	668,090	640,436
Current liabilities	57,018	62,311	57,018	62,311
	725,108	702,747	725,108	702,747

Current liability of Deferred income is for funds solely used for rail maintenance upon approval by the Ministry of Works and Transport.

22. Post retirement medical aid and severance pay benefit

The actuarial valuation determined that the retirement plan was in a sound financial position.

22.1 Defined benefit plan - Retirement benefit obligation

22.1.1 The amounts recognised in the balance sheet are determined as follows:

Opening balance	(448,476)	(469,251)	(448,476)	(469,251)
Benefits paid	26,959	26,368	26,207	26,368
Net expense recognised	(71,917)	(59,487)	(70,438)	(59,487)
Actuarial gain	608	53,894	-	53,894
Liability in the balance sheet	(492,826)	(448,476)	(492,707)	(448,476)
Net expense recognised in profit and loss				
Current service cost- PRMA	63,578	54,008	63,578	54,008
current service cost- Severance pay	630	166	-	166
Interest cost- Severance	849	-	-	-
Interest cost- PRMA	6,860	8,338	6,860	8,338
Change in valuator assumption	-	-	-	-
	71,917	62,512	70,438	62,512

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Figures in N\$ '000	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
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Post retirement medical aid and severance pay benefit (continued)

Defined benefit plan balances at year end

Included in non-current liabilities	(492,826)	(448,476)	(492,707)	(448,476)
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Key assumptions used

Discount rate	15%	15%	15%	15%
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Severance pay benefit

We have assessed the sensitivity of the discount/inflation rate assumption on the defined benefit obligation by adding and subtracting 1% to the discount rate; and

Medical Aid

We have assessed the sensitivity of the discount/inflation rate assumption on the defined benefit obligation by adding and subtracting 1% to the discount rate.

23. Revenue

Revenue comprises:

Rendering of services	375,155	371,050	373,916	369,850
Rental Income	68,523	67,472	68,523	67,472
Passenger income	3,949	13,646	3,949	13,646
Sale of goods	91,590	92,668	-	-
Total revenue	539,217	544,836	446,388	450,968

24. Cost of sales

Cost of sales comprise:

Sale of goods	9,839	9,755	-	-
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Notes to the Consolidated and Separate Financial Statements

Figures in N\$ '000	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
25. Other income				
Other income comprises:				
10% supervision fees and project income	72,277	68,278	72,277	68,278
Fuel Refund	15,078	16,407	15,078	16,407
Commission received	846	919	846	919
Discount received	59	40	59	40
Government grants	624,954	238,415	624,396	237,969
Waiver of penalties and interest (NAMRA)	648,166	-	648,166	-
Other Recoveries - insurance	9	122	9	122
Total other income	1,361,389	324,181	1,360,831	323,735
26. Employee benefits expense				
Employee benefits expense comprises:				
Salaries	413,840	395,323	381,968	366,054
Directors' Emoluments	1,485	1,678	1,363	1,526
Wages	8,501	10,489	8,501	10,489
Casual wages	33	-	-	-
Total employee benefits expense	423,859	407,490	391,832	378,069
27. Depreciation and amortisation				
Depreciation and amortisation comprises:				
Depreciation	67,746	67,691	63,692	64,030
28. Other gains and (losses)				
Other gains and (losses) comprise:				
Fair value gains and (losses) on investment property	-	5,981	-	5,981
29. Finance income				
Finance income comprises:				
Interest received	8,170	6,127	5,627	5,627

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Figures in N\$ '000	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
30. Finance costs				
Finance costs included in profit or loss:				
Interest received	11,508	20,561	5,627	20,524
31. Share of profit or loss from equity accounted investments				
Share of profit or loss from equity accounted investments comprise:				
Income from equity accounted investments	(2,123)	(3,323)	(2,123)	(3,323)
32. Income tax expense				
32.1 The income tax for the year can be reconciled to the accounting loss as follows:				
Profit / (loss) before tax from operations	893,803	(270,142)	881,734	(272,201)
Income tax calculated at 30.0%	708	(83,744)	264,520	(84,382)
Tax effect of				
Permanent differences	58,105	34,041	58,105	34,041
Temporary differences	16,819	49,703	34,041	50,341
Tax charge	708	0	-	0
The deferred tax expense is not recognised as it is not probable that the entity will make sufficient taxable profits in the future to realise the temporary differences.				
32.2 The income tax for the year can be reconciled to accounting loss as follows:				
Profit / (loss) before tax from operations	893,803	(270,142)	881,734	(272,201)
Income tax calculated at 31.0%	30.00%	31.00%	30.00%	31.00%
Effective tax rate	30.00%	31.00%	30.00%	31.00%

33. Contingent liabilities

33.1 Leon Barnard Architects Inc. Pty Ltd

The company was ordered to pay Leon Barnard Architects Inc. (Pty) Ltd, N\$10.5 million in February 2025. The company has appealed. The case emanates from 2014 claims for unpaid monies for architectural services.

The case is ongoing, the liability is not certain as it is dependent on the court ruling.

At year end the loss is not probable as final judgement is still pending.

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Figures in N\$ '000	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
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33.2 Quenet Capital (Pty) Ltd

TransNamib, together with the Ministry of Works and Transport, was sued for the cancellation of the agreement, which was done as per Ministerial directive. The estimated obligation is N\$22 million.

The loss is not probable as the case is still ongoing.

33.3 Challenge Air // Air Namibia and TransNamib

Challenge Air has issued a letter of demand to TransNamib for EUR 12 million, threatening liquidation proceedings if payment is not made. As at reporting date, no legal proceedings have been instituted and no case is registered in any Namibian court.

Given the uncertainty of the outcome, no provision has been made. The matter is disclosed as a contingent liability in line with IAS 37.

34. Cash flows from operating activities

Loss for the year	893,077	(270,142)	881,737	(272,201)
Adjustments for:				
Finance income	(8,170)	(6,127)	(7,321)	(5,627)
Finance costs	11,508	20,561	11,469	20,524
Depreciation and amortisation expense	67,748	67,691	63,692	64,030
Impairment bad debts	11,771	37,298	11,771	37,286
Impairment loss on PPE	457	12,158	457	12,158
Fair value gains and losses	-	(5,981)	-	(5,981)
Undistributed profits of associates and joint ventures	2,123	3,323	2,123	3,323
Movements in retirement benefits assets and liabilities	44,350	33,119	44,350	33,119
Other non-cash adjustments	(2,759)	1,145	4,027	1,116
(Gains) and losses on disposal of non-current assets	5,401	(133)	5,401	(133)
Movements in provisions	(557,373)	181,340	(557,373)	181,340
Change in operating assets and liabilities:				
Movement in Inventories	(9,116)	(3,752)	(9,072)	(3,896)
Movement in Trade receivables	(23,599)	(23,212)	(25,681)	(21,414)
Adjustments for increase in prepayments	(422)	-	(422)	-
Operating lease receivables	197	(670)	197	(671)
Adjustments for increase in trade accounts payable	(434,096)	24,947	(419,855)	18,566
Adjustments for decrease in deferred income	(222,346)	(266,641)	(222,346)	(266,641)
Movement in current tax payable	708			
Net cash flows used in operations	(220,541)	(195,076)	(216,846)	(205,102)

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Figures in N\$ '000	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
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35. Related parties

35.1 Other related parties

Entity name	Nature of relationship
The Government of the Republic of Namibia	Shareholder
Refer to the Directors Report	Directors
Swakopmund Station Hotel (Pty) Ltd	Investment in Subsidiary
Namibia Rail Construction	Investment in Associate
GPT-TransNamib	Investment in Associate

35.2 Directors emoluments

31 March 2025 Name	Directors emoluments paid / receivable for services as director from group
Mr. T Mberirua	265
Ms. G Michaels	299
Dr. K Keyser	248
Mr. P Ndeunyema	161
Mr. V Kavari	248
Ms. J Hatutale	227
Total directors emoluments	1,448

31 March 2024 Name	Directors emoluments paid / receivable for services as director from group
Mr. T Mberirua	279
Ms. G Michaels	307
Dr. K Keyser	244
Mr. P Ndeunyema	169
Mr. V Kavari	92
Ms. J Hatutale	239
Ms. J Shikongo-Asino	193
Total directors emoluments	1,523

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<i>Related parties (continued)</i>				
35.3 Related party transactions and balances				
	Shareholder	Associates	Associates	Key management personnel of the entity or its parent Total
Year ended 31 March 2025				
Related party transactions				
Funds Received from the Republic of Namibia	250,000	-	-	- 250,000
Director Emoluments	-	-	-	1,448 1,448
Outstanding balances for related party transactions				
Amounts receivable - Swakopmund Station Hotel	-	159,358	-	- 159,358
Period ended 31 March 2024				
Related party transactions				
Funds Received from the Republic of Namibia	230,000	-	-	- 230,000
Director Emoluments	-	-	-	1,526 1,526
Dividends Received	-	-	1,500	- 1,500
Outstanding balances for related party transactions				
Amounts receivable - Swakopmund Station Hotel	-	149,504	-	- 149,504

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Detailed Income Statement

Figures in N\$ '000	Notes	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
Revenue	23				
Passenger Income		3,949	13,646	3,949	13,646
Rendering of services		375,155	370,995	373,916	369,795
Rental Income		68,523	67,472	68,523	67,472
Sale of goods		91,590	92,668	-	-
		539,217	544,781	446,388	450,913
Other income	25				
Commission received		846	919	846	919
Discount received		59	40	59	40
Fees received		15,078	16,407	15,078	16,407
Other income - Hotel		624,954	238,415	624,396	237,969
Recoveries		9	122	9	122
Sundry income		72,277	68,278	72,277	68,278
Waiver of penalties and interest (NAMRA)		648,166	-	648,166	-
		1,361,389	324,181	1,360,831	323,735
Raw materials and consumables used					
Sale of goods		(9,839)	(9,755)	-	-
Employee benefits expense	26				
Employee costs - board members		(1,485)	(1,678)	(1,363)	(1,526)
Employee costs - casual wages		(33)	-	-	-
Employee costs - salaries		(413,840)	(395,323)	(381,968)	(366,054)
Employee costs - wages		(8,501)	(10,489)	(8,501)	(10,489)
		(423,859)	(407,490)	(391,832)	(378,069)
Depreciation and amortisation	27				
Depreciation - property, plant and equip.		(67,746)	(67,691)	(63,692)	(64,030)
Reversal of impairment losses and impairment losses recognised in profit and loss					
Impairments and reversals - property, plant and equipment		(457)	(12,158)	(457)	(12,158)

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Detailed Income Statement

Figures in N\$ '000	Notes	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
Other expenses					
Advertising		(256)	(45)	(256)	(45)
Auditors' remuneration		(1,467)	(1,597)	(1,058)	(1,253)
Bad debts		(13,271)	(37,298)	(13,271)	(37,286)
Bank charges		(2,717)	(2,894)	(589)	(732)
Commission paid		(30)	(3)	(30)	(3)
Computer expenses		(4,905)	(3,982)	(4,905)	(3,982)
Consulting fees		(4,442)	(4,462)	(4,442)	(4,462)
Discount allowed		19	19	(1)	-
Entertainment		(95)	(253)	(95)	(253)
Environmental levy		(314)	(363)	(314)	(363)
Fines and penalties		(86,546)	(180,692)	(86,536)	(180,692)
Flowers		-	(9)	-	(9)
Fuel,oil and lubricants		(170,316)	(183,110)	(170,177)	(182,979)
Insurance		(20,758)	(17,274)	(20,758)	(17,274)
Inventory write-offs		(2,714)	-	(2,714)	-
Legal expenses		(9,743)	(10,028)	(9,209)	(9,364)
Levies		(1,236)	(778)	(1,236)	(778)
Loss on disposal of assets written off		(5,401)	133	(5,401)	133
Medical expenses		(907)	(1,200)	(907)	(1,200)
Municipal charges		(52,196)	(47,071)	(52,196)	(47,071)
Operating Expenses		(32,664)	(46,491)	(478)	(401)
Operating lease charges		(31,440)	(28,107)	(31,440)	(28,107)
Postage		(15)	(25)	(15)	(25)
Printing and stationery		(650)	(506)	(315)	(226)
Protective clothing		(1,838)	(584)	(1,838)	(584)
Repairs and maintenance		(43,349)	(50,652)	(43,198)	(50,600)
Security		(5,438)	(3,171)	(5,438)	(3,171)
Subscriptions		(341)	(184)	(83)	(19)
Telecommunication		(976)	(1,192)	(976)	(1,192)
Training		(305)	616	(229)	616
Travel - Local		(5,128)	(9,031)	(5,128)	(9,031)
		(499,439)	(630,234)	(463,233)	(580,353)
Other gains and losses	28				
Fair value changes - investment property		-	5,981	-	5,981
Profit / (loss) from operating activities		899,266	(252,385)	888,005	(253,981)
Finance income	29				
Interest received		8,170	6,127	7,321	5,627
Finance costs	30				
Interest paid		(11,508)	(20,561)	(11,469)	(20,524)

TransNamib Holdings Limited

(Registration Number 99/114)

Consolidated and Separate Annual Financial Statements for the year ended 31 March 2025

Detailed Income Statement

Figures in N\$ '000	Notes	Group 31 March 2025	Group 31 March 2024	Company 31 March 2025	Company 31 March 2024
Share of profit and loss from equity accounted investments	31				
Income from equity accounted investments		(2,123)	(3,323)	(2,123)	(3,323)
Profit / (loss) before tax		893,805	(270,142)	881,734	(272,201)
Income tax	32				
Current tax		(709)	-	-	-
Profit / (loss) before tax		893,096	(270,142)	881,734	(272,201)

ABBREVIATIONS

ARC	Audit and Risk Committee
AUDITCO	Audit and Risk Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DBN	Development Bank of Namibia
DBSA	Development Bank of Southern Africa
DFI	Development Finance Institution
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
ETICOM	Engineering, Technology and Innovation Committee
EXCO	Executive Committee
FY	Financial Year
GDP	Gross Domestic Product
GPT	GPT-TransNamib Concrete Sleepers (Pty) Ltd
HR	Human Resources
HRCOM	Human Resources Committee
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
ISBP	Integrated Strategic Business Plan
ISO	International Organisation for Standardisation
JV	Joint Venture
KPI	Key Performance Indicator
King IV™	King IV Report on Corporate Governance for South Africa
MTEF	Medium-Term Expenditure Framework
NamCode	Corporate Governance Code for Namibia
Namport	Namibian Ports Authority
NDP6	Sixth National Development Plan
NIPDB	Namibia Investment Promotion and Development Board
PBT	Profit Before Tax
PEGA	Public Enterprises Governance Act
PPE	Property, Plant and Equipment
PROPCO	Properties, Commercial and Operations Committee
RTAs	Rail Transport Agreements
SADC	Southern African Development Community
SARA	Southern African Rail Association
SHERQ	Safety, Health, Environment, Risk, and Quality
SOE	State-Owned Enterprise
TNHL	TransNamib Holdings Limited
WBCG	Walvis Bay Corridor Group



Administration

Company Secretary and Legal Advisor

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