

ANNUAL REPORT

2023



NIPDB

Namibia Investment Promotion & Development Board

Office of the President



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“Our vision is clear. We plan to expand and spread the opportunities for growth and prosperity to be enjoyed by all Namibians in all parts of the country, with a specific focus on the disadvantaged sections of our population. We will do so by pursuing policies and strategies to safeguard macroeconomic stability, promote economic diversification and transformation of the Namibian economy to be more inclusive and resilient to internal and external shocks.

”

President Hage G. Geingob Inaugural Speech, 2015

Table of Contents

List of Abbreviations	5
Foreword by the Honourable Christine //Hoebes, Minister in the Presidency	6
Overview	10
Economic Recovery and Growth	10
Foreword by the Chairperson and Chief Executive Officer	12
Entrenching Good Corporate Governance	15
Advisory Board of Directors	16
Executive Board of Directors	20
Positioning Namibia as an Attractive Investment Destination with a thriving MSME Ecosystem	23
Investment Recovery and Growth	
Productivity Task Forces (PTF)	25
Growth in NIPDB's Potential Private Investment Pipeline	28
Kelp Blue – a Picture of Quality FDI	31
Improving Competitiveness	35
Working with Other OMA's	40
Building a Future-Ready Enterprise	49
Our People, Our Greatest Asset	59
Enhancing Engagement	59
Effective Financial Management	62
Looking Ahead: 2024 and Beyond	63
Annual Financial Statements for the year ended 31 March 2023	64
	65



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Namibia's economy recorded a growth rate of 4.2% in 2022.

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List of Abbreviations

AU	African Union
BIPA	Business and Intellectual Property Authority
CANEX	Creative Africa Nexus
CCI	Cultural and Creative Industry
CCT/ CCTED	Cabinet Committee on Treasury/ Cabinet Committee on Trade and Economic Development
CEO	Chief Executive Officer
DNV	Digital Nomad Visa
EPA	Economic Partnership Agreement
EU	European Union
FDI	Foreign Direct Investment
FID	Final Investment Decision
FMD	Foot and Mouth Disease
GDP	Gross Domestic Product
HA	Hectares
HGL	Havard Growth Lab
HPP	High Potential Pool
IFRS	International Financial Reporting Standards
IFRS FOR SMES	International Financial Reporting Standards for Small and Medium Enterprises
K2G	Know2Grow
MEA	Middle East and Africa Region
MEFT	Ministry of Environment, Forestry and Tourism
MIT	Ministry of Industrialisation and Trade
MFPE	Ministry of Finance and Public Enterprises
MHAISS	Ministry of Home Affairs, Immigration, Safety and Security
MME	Ministry of Mines and Energy
MOU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprises
NAC	Namibia Airports Company
NACC	Namibian Competition Commission
NCAA	Namibia Civil Aviation Authority
NEEEB	Namibia Equitable Economic Empowerment Bill
NIPDB, THE COMPANY, THE AGENCY	Namibia Investment Promotion and Development Board
NFC	Namibia Film Commission
NTB	Namibia Tourism Board
N\$	Namibia Dollar
OMAS	Offices, Ministries and Agencies
PTF	Productivity Task Force
OSC	One Stop Centre
SACU	Southern African Customs Union
SADC	Southern African Development Community
SDGs	Sustainable Development Goals
TC	Technical Committee
USD	United States Dollar

Foreword by the Honourable Christine //Hoebes, Minister in the Presidency



*Honourable Christine //Hoebes
Minister in the Presidency*

Dear Stakeholders,

It is a pleasure to present the Namibia Investment Promotion and Development Board (NIPDB) Annual Report for the year 2023. Following its establishment as the Investment Promotion Agency of Namibia, the NIPDB is mandated to implement the government's economic diversification strategy with a specific focus on investment promotion and MSME development activities. I am particularly pleased to highlight the remarkable progress we have made towards the realisation of the government's economic recovery objectives through the work of NIPDB, with the support of the public and private sector.

Sustainable investments, both foreign and domestic, remain key for Namibia's economic development and to create a sustainable future for all citizens. With all other growth options exhausted, investments have become even more critical as the primary lever that Namibia can pull to stimulate growth needed to revive an economy marred by a protracted downturn and exacerbated by the COVID-19 global pandemic. To succeed in attracting quality investments that stimulate economic activity and contribute towards overcoming challenges such as unemployment and inequality, it is imperative to raise Namibia's profile on the global stage and highlight the country's attractiveness as a viable and competitive investment destination.

The government's clear role in creating and fostering a favourable investment environment that is underpinned by transparency and rule of law, anchored in the ethos of creating shared value and supported by predictable and market-responsive policies has been highlighted during the period under review. As we acknowledge the role played by both local and foreign investors as catalysts in our economic growth, I wish to reiterate the Namibian government's commitment towards creating a conducive investment environment and improving the ease of doing business in Namibia by eliminating constraints and developing legislation that enable investments to succeed. Our enduring objective is to make Namibia one of the best investment destinations in the world.

I am particularly pleased to note that our efforts to market Namibia are paying off, as evidenced by close to 50 international business delegations that visited Namibia to explore investment opportunities during the period under review. We have also recorded a significant 70% growth in the investment pipeline which amounts to N\$66.3 billion. Further to that, four projects from this pipeline, valued at N\$ 2.8 billion are operational and contributing towards economic activity in the country.

Further to investments and equally significant is the role that MSMEs play in building economies and creating employment. In the absence of a well coordinated ecosystem aimed at supporting the startup and scaling of MSME, attracting investments will continue to see Namibia experiencing high levels of inequality and unemployment. While

MSME requires large projects as partners for them to thrive, equally the nation needs MSMEs for them to enjoy the full benefits of increased economic activities especially in extractive sectors that remain our larger prospects. In this regard, efforts have largely been geared towards building and sustaining an enabling ecosystem for MSME to thrive through the implementation of key targeted programmes from the Info4MSME App aimed at enhancing access to markets, to Know2Grow which strives to equip MSME with essential information to manage and grow their businesses, thus contributing to employment creation and moving the economy forward. I would like to commend all the stakeholders in the ecosystem for the support rendered to our MSMEs which lead to significant achievements and the success stories highlighted in this report. This demonstrates that with deliberate and outcome based support, MSMEs have the capacity to rise to transform into sustainable enterprises.

Namibia has bold plans of becoming an industrialised nation while creating a better quality of life for her people, as articulated in the Harambee Prosperity Plan II. Therefore, now is not the time to rest on our laurels. Our national socio economic challenges and daily struggles of our people should fuel our resolve to invest all our efforts into activities that move the needle of Namibia's economy. However, economic growth and stability will require close collaboration between private and public sectors as partners, united for a common cause.



We have also recorded a significant 70% growth in the investment pipeline which amounts to N\$66.3 billion.



Public and private sector collaboration in this transformative journey thus cannot be overstated. In this regard, I would like to commend the private sector for the willingness and commitment displayed to join forces with the government in carrying out investment attraction activities and maintaining a thriving business ecosystem in Namibia. It is only through collective efforts that we are witnessing an upward trajectory in Namibia's economic landscape, as well as heightened international interest in our priority sectors including renewable energy, agriculture, oil and gas, critical raw materials, mining and adjacent industries, which represented 90% of the investment interest by March 2023 - as presented in this report.

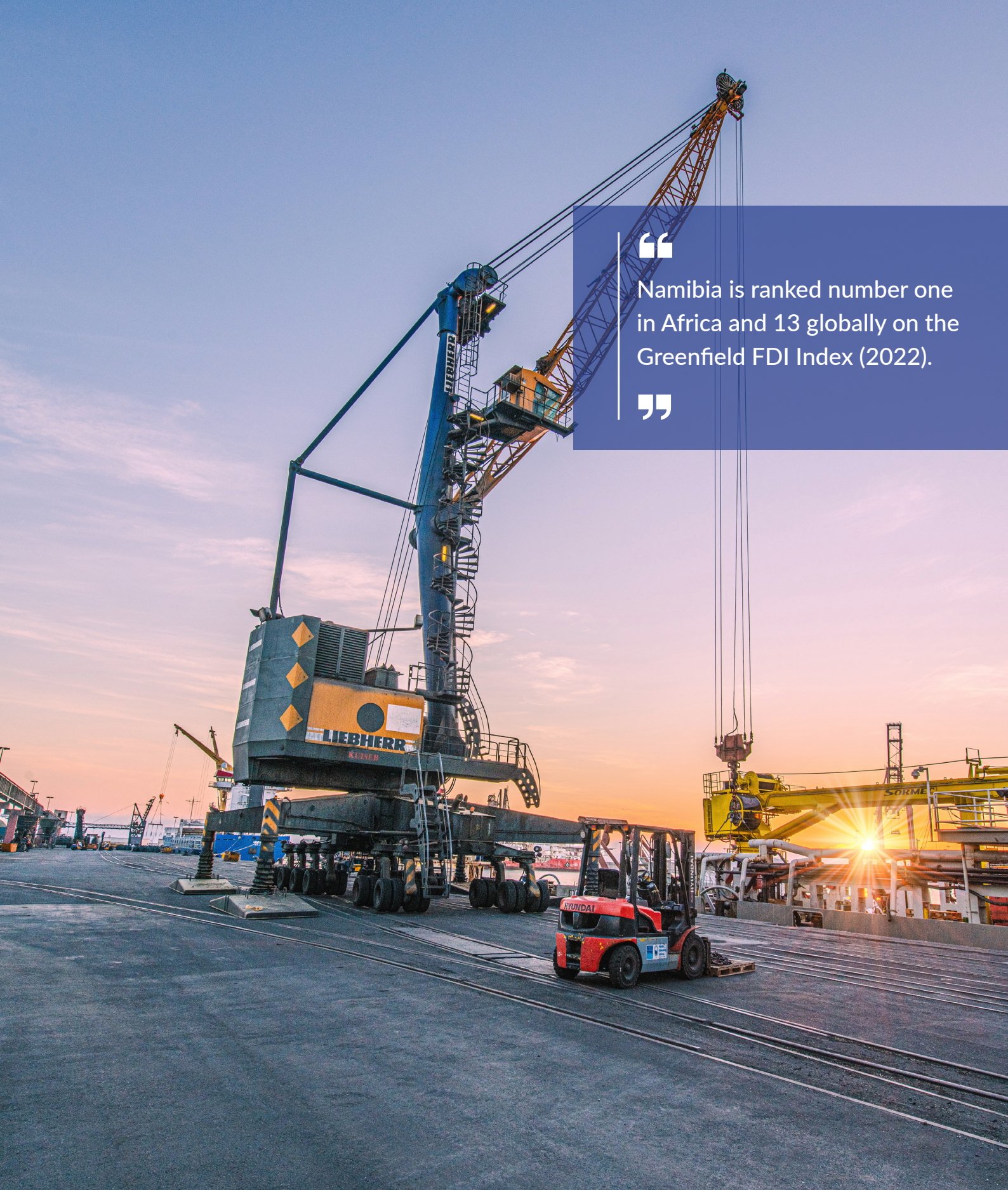
As we strive toward economic diversification, the Namibian Government remains committed to working closely with stakeholders in the public and private sectors to stimulate growth by increasing productivity in priority sectors, developing key infrastructure necessary for economic growth and promoting the sustainable development of natural resources.

Our ultimate goal is to build a thriving economy characterised by a flourishing society in which every citizen has an equal opportunity to prosper, reach their fullest potential and enjoy a good quality of life.

Yours sincerely,



*Honourable Christine //Hoebes
Minister in the Presidency*



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Namibia is ranked number one in Africa and 13 globally on the Greenfield FDI Index (2022).

”

Overview

Economic Recovery and Growth

After an extended period of economic recession from 2016 to 2020, Namibia's economy has shown promising signs of recovery, with growth rates of 2.7% in 2021 and 4.2% in 2022. This revival has been further underscored by a robust resurgence in Foreign Direct Investment (FDI) and private account activities, which have now reclaimed their pre-recession levels.

While these indicators point towards positive trends, Namibia still faces challenges such as elevated poverty rates, significant unemployment, and persistent inequalities. The NIPDB was instituted to support other government efforts in tackling these multifaceted issues. Leveraging strategic investments and meticulous coordination of the Micro, Small, and Medium-Sized Enterprise (MSME) sector, the NIPDB aims to address these challenges proactively. This commitment aligns with our mission: unlocking investment opportunities for inclusive growth.

The graph below shows a compelling correlation between FDI and the nation's Gross Domestic Product (GDP), amplifying the potential for strategic investment to drive comprehensive economic rejuvenation and create quality employment opportunities, thereby improving the quality of life of everyday Namibians.

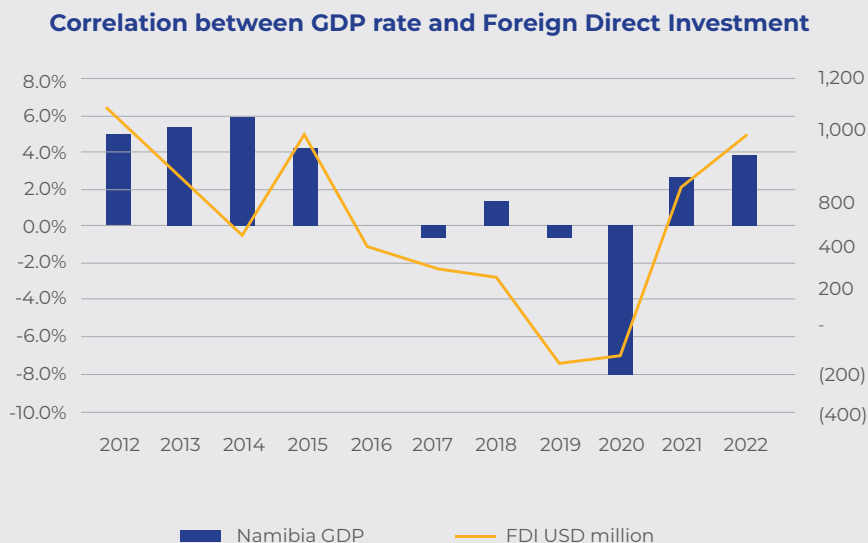


Figure 1: Correlation between GDP rate and FDI

While the macroeconomic climate has experienced an upswing, our primary focus should remain on our ultimate objective, driving transformative initiatives that achieve outcome at the grassroots level.

As we conclude our second year of operations, NIPDB is a more resilient organisation equipped to address our comprehensive mandate effectively. Over the past year, our pipeline has exhibited substantial growth of 70%, and its sectoral diversification has improved significantly. This encouraging development serves as an affirmative signal that investor interest in Namibia is on the rise.

Moving forward, we aim to streamline the investment process reducing the time investments require to materialise.



Foreword by the Chairperson and Chief Executive Officer



Nangula Uaandja:
*Chairperson and Chief Executive Officer
Namibia Investment Promotion
Development Board*

Unlocking investment opportunities for inclusive economic growth

Namibia's journey over the past several years has been one of resilience and resurgence. Emerging from a challenging period of economic recession, exacerbated by the COVID-19 pandemic and the fluctuating nature of the global economy - we can breathe a sigh of relief as our economy has shown strong signs of a remarkable recovery, with consecutive growth rates of 2.7% in 2021 and 3.9% in 2022, respectively. These positive signs serve as a testament to the concerted efforts of our government and all industry partners vested in ensuring that Namibia achieves her full economic potential.

As an organ of the State, the NIPDB's enduring objective remains to contribute towards the realisation of economic freedom, employment creation and prosperity for all Namibians. With this ultimate goal in mind, fostering positive change at both the grassroots and macroeconomic levels remains at the core of all we do. As we navigate through our operational endeavours, we remain committed to our mission of unlocking investment opportunities for inclusive economic growth.

The past year witnessed significant strides in our organisational growth and stability, which will propel the NIPDB towards the attainment of its strategic objectives. During the period under review, our investment pipeline surged by 70%, with diversification across

sectors and indicating a heightened investor interest in Namibia. While these numbers are encouraging, our focus extends beyond numerical achievements. The ultimate goal is to optimise the investment process within each phase of the pipeline to ensure that investments can swiftly materialise, thereby expediting their impact on the ground and creating the necessary employment opportunities. As it currently stands, the projects in the investment pipeline have the potential to generate 40 000 direct and indirect job opportunities in Namibia. We are proud to say that a total of N\$, 2.8bn have been invested during the period under review.

It is also noteworthy to mention that Namibia is steadily differentiating herself as an investment destination of choice. In 2022, the Greenfield FDI Performance Index that assesses the FDI that countries have attracted in proportion to the size of their economy ranked Namibia as number in Africa and 13th globally, respectively. This achievement cannot be attributed to the NIPDB alone, but to all the public and private entities that are actively promoting the country locally and abroad.

One thing that is always top of mind for us is that the NIPDB cannot win alone. We cannot achieve any of our objectives without the support and collaboration of our public and private sector stakeholders. Through these strategic collaborations with various entities, we have been able to elevate Namibia's brand and profile on the global stage. Participation in foreign investment promotion events, delegation visits, information sessions, panel discussions and targeted investor meetings in key markets have all contributed to increasing

awareness of and spotlighting Namibia's investment appeal. This is evidenced by an increase in visiting delegations focused on exploring the country's investment opportunities, as we welcomed at least 46 incoming delegations during the period under review.

Furthermore, we have actively and deliberately forged relationships that will catalyse the realisation of our goals. Encounters with industry leaders such as Neste and AW-Energy are testament to our proactive engagement. These interactions have led to commitments for substantial investments in Namibia, ranging from green hydrogen initiatives to establishing local branches.

These and other notable achievements recorded during the year under review are outlined in the following pages of the report.

Turning my focus internally, for the past two years, we have been laying the foundation for the NIPDB, moulding it into an organisation that transcends individuals and thrives on collective purpose. Our aim has been to develop and implement key systems and processes that will enable the organisation to function optimally and become a source of value for our employees and external stakeholders.

In the next few months, we will traverse through the first thousand days of operation. The significance of this milestone is not lost on me as the first substantive CEO of the NIPDB and our team at large. These are the days we have been waiting for, a time when our collective hard work transitions into visible impact.

Our successes, big or small, would not have been possible without the support and leadership of His Excellency President Hage Geingob who has remained a pillar of wisdom and guidance throughout our journey thus far. Likewise, I would like to express our gratitude to our Portfolio Minister, Hon. Christine //Hoebes for her support and counsel. We are always indebted to our Advisory Board for their guidance and support.

A heartfelt thank you also goes to our partners, both in the public and private sector without whose support and collaboration the NIPDB will not achieve its mandate.

The last thank you is for the extraordinary group of Namibians who make up TEAM NIPDB. I am yet to meet a more hard-working, resilient and committed team. Thank you NIPDBians for the amazing work that you do, and for showing your love for Namibia through your selfless service to the organisation and our stakeholders. I consider myself very fortunate and blessed to work with all of you, and I thank you all for your contributions to making Namibia the best place to live, work and invest in.

May we always remain united by the common cause of developing Namibia and unlocking opportunities that enable a better quality of life for all our people.



Nangula Uaandja:
*Chairperson and Chief Executive Officer
Namibia Investment Promotion
Development Board*

Entrenching Good Corporate Governance

Beyond structural aspects and adherence to compliance, robust governance is underpinned by an effective control framework fortified by established processes, procedures and systems. Our governance approach is further strengthened by the “pervasive tone at the top” and reinforced by our core principles of accountability and integrity.

We take pride in nurturing a culture that fosters mutual encouragement to uphold ethical behaviour and engage in rigorous inquiry, pushing ourselves to deliver excellence while upholding our values. Aligned with international best practices, we have instituted corporate governance structures and frameworks, a commitment reinforced by our status as a Public Enterprise.

The Agency maintains a dual reporting structure to both the Presidency and the Ministry of Finance and Public Enterprises (MFPE), as illustrated below.

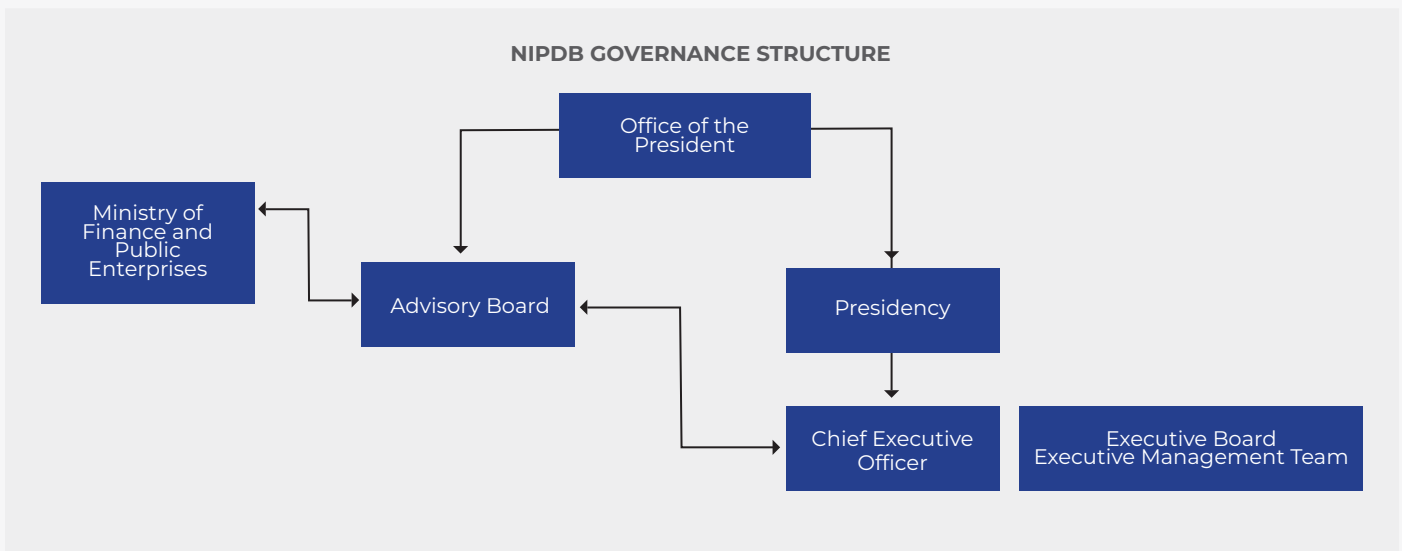


Figure 2: NIPDB Governance structure

The Agency’s executives are appointed as the Board of Directors and “those charged with governance” per the Companies Act, 2004 (No. 28 of 2004). Conversely, the company’s members constitute the Advisory Board. In addition to upholding their legislative and contractual commitments as stipulated in the Articles of Association, the Advisory Board counsels the President concerning the Agency’s performance. It is worth noting that the CEO serves as the Chairperson for both the Executive and Advisory Boards.

Members of the Advisory Board, the CEO, and all Executives have signed performance agreements.

Advisory Board of Directors



Nangula Uandja
Chairperson and
Chief Executive Officer

Experience

With over two decades of audit experience, Nangula held leadership at a prominent local Big 4 audit firm for a decade. Her career has led her to deeply resonate with Namibia's pressing issues of triple unemployment, inequality and poverty challenges.



Hans Gerdes
Independent
non-executive member

Experience

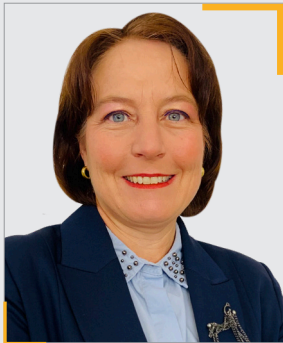
An admitted legal practitioner, Hans has a wealth of knowledge and experience in commercial law. His expertise spans diverse legal domains, including competition law and governance related to investment fund licensing and registration.



Vendura Hilger
Independent
non-executive member

Experience

With over two decades of experience as a successful business owner, Vendura has demonstrated adeptness in managing sponsored funds. She has also played a significant role in training welfare organisations on income generation activities and assisting micro-enterprises in enhancing their business acumen.



Dagmar Honsbein
Independent
non-executive member

Experience

Dagmar possesses a wealth of experience garnered over 25 years in scientific service consultations, climate-resilience infrastructure, and fostering the expansion of the natural resource industry. Her experience spans multiple continents, including Africa, the Americas and Europe.



Stefan Hugo
Independent
non-executive member

Experience

Stefan serves as the managing director of a group of companies within the media sector. Stephan's core objective lies in fostering team growth and devising strategies to drive positive collective change worldwide.



James Mnyupe
Independent,
non-executive member

Experience

An accomplished investment professional, James is dedicated to advancing national economic and developmental goals by leveraging capital and savings markets. He counsels the President on potential events and emerging risks that could lead to economic instability in Namibia and proposes viable corrective measures.



Vetumbuavi Mungunda

Independent
non-executive member

Experience

Vetumbuavi is the founder of Ombu Capital, a firm specialising in investment management and business advisory. He has an 18-year history as a Chartered Accountant, having served as the Managing Partner of Deloitte Namibia and the Regional Managing Partner for Deloitte Southern Corridor. Until 2021, Vetumbuavi was the Chief Executive of Standard Bank Namibia and served on the High Level Panel on the Namibian Economy from 2019-2020. Presently, he is a board member of the Namibia Chamber of Commerce and Industry and holds directorships at Schoemans, Namibia Breweries Limited, Oryx Properties and Bank Windhoek Limited.



Kauna Ndilula

Independent
non-executive member

Experience

Kauna is the Executive Director of Business Financial Solutions (BFS), a company she founded to finance SMEs. Under her leadership, BFS has invested more than N\$1.8 billion in SMEs and facilitated funding for nearly 600 facilities.



Martin Kaali Shipanga

Independent
non-executive member

Experience

A bona fide entrepreneur, Martin's notable achievements include employing over 200 individuals and establishing well-known Namibian brands across diverse sectors, including food and media.

Advisory Board

Terms of service

The independent non-executive members were appointed for a three-year term, concluding on 31 March 2024. The role of the Advisory Board members is to support the President in executing his duties as the head of NIPDB.

Compensation

The independent, non-executive Advisory Board members are compensated in accordance with MFPE's guidelines for a Tier 3 organisation. During the year under review, their total remuneration amounted to N\$606,906 (excluding the Chairperson and CEO).

Meeting Attendance

Four Advisory Board meetings and the Annual General Meeting were held during the year, with an attendance rate of 80%.

ATTENDANCE (1 APRIL 2021 – 31 MARCH 2023)

ADVISORY BOARD MEMBERS	MEETING DATES			ANNUAL GENERAL MEETING	
	22-Apr-22	21-Jul-22	27-Oct-22	30-Mar-23	05-Sep-22
Nangula Uaandja (Chairperson)	x	✓	✓	✓	✓
Hans Gerdes	✓	✓	✓	✓	✓
Vendura Hilger	✓	✓	✓	✓	✓
Dagmar Honsbein	x	✓	✓	✓	✓
Stefan Hugo	✓	x	x	✓	✓
James Mnyupe	x	x	x	✓	✓
Vetumbuavi Mungunda	✓	✓	✓	✓	✓
Kauna Ndilula	✓	✓	✓	✓	x
Martin Shipanga	✓	x	✓	✓	✓

Table 1: Advisory Board Meeting Attendance

* The Executive Management Team are standing invitees of the Advisory Board Meetings.

✓ Attended

x Apologies

All Executive Directors are standing invitees to the Advisory Board meetings.

Executive Board of Directors



Nangula Uaandja
Chairperson and
Chief Executive Officer



Dino Ballotti
Executive:
MSME Development,
Innovation and
Acceleration



Margareth Gustavo
Executive:
Strategy and Branding



Jessica Hauuanga
Head of Department:
Investor Experience,
Retention and Aftercare



Richwell Lukonga
Chief Operations Officer



Julia Muetudhana
Executive:
Talent, Innovation
and Productivity



François van Schalkwyk
Executive:
Investments and New
Ventures

**Ms Julia Muetudhana was appointed after year-end.*

Three Executive Board meetings were held with an attendance rate of 94%. The Executive Directors do not receive additional compensation for attending Board meetings.

ATTENDANCE (1 APRIL 2022 – 31 MARCH 2023)				
EXECUTIVE DIRECTORS	MEETING DATES			ANNUAL GENERAL MEETING DATE
	01-Jul-22	17-Oct-22	03-Mar-23	3-Mar-22
Nangula Uaandja (Chairperson)	✓	✓	✓	✓
Dino Ballotti	✓	✓	✓	✓
Margareth Gustavo	✓	✓	✓	✓
Jessica Hauuanga	✓	✓	✓	✓
Richwell Lukonga	✓	✓	✓	✓
James Mnyupe	*	*	*	*
François van Schalkwyk	✓	X	✓	✓

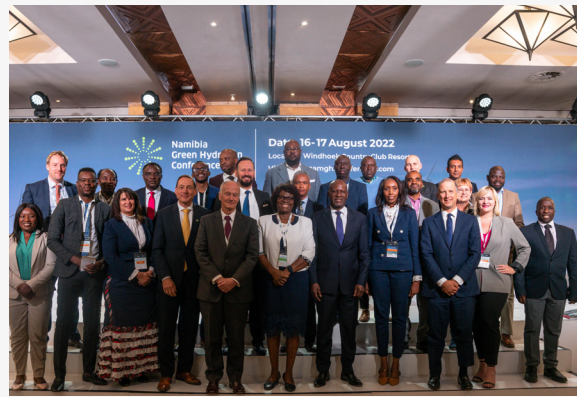
Table 2: Executive Directors Meeting Attendance

* Mr James Mnyupe serves on the Advisory Board and Executive Board of Directors.

Mr Mnyupe attends the Board of Directors meetings on invitation only.

✓ Attended

X Apologies



Positioning Namibia as an Attractive Investment Destination with a thriving MSME Ecosystem



We actively engaged in numerous awareness-building endeavours, and collaborated with various other Government Offices, Ministries and Agencies (OMAs) to elevate Namibia's profile and spotlight its investment attractiveness. These initiatives encompassed participation in events, inclusion in mission trips and delegations, hosting "invest in Namibia" sessions, contributing to panel discussions, and holding targeted investor meetings.

Our attendance and form of participation at events is determined through an internal process. There are four reasons why we attend events, summarised as follows:

Type of Event/ Mission	Examples of events held during the period under review	Example of outcomes
General brand awareness events - telling the world about Namibia	Dubai Expo, World Economic Forum, AFSIC, Africa Mining Indaba, Africa Energy Indaba, Africa @PDAC	General awareness, Address misconceptions, some leads, investor confidence, FDI Inflow
Support missions as part of Namibia's delegation	Accompanying the President, Vice President, Prime Minister, Deputy Prime Minister, Missions by the Ministry of International Relations and Cooperation	Advance awareness of Namibia, economic diplomacy, FDI inflow, improved investor confidence and some leads generated
Targeted events - Namibia investment summits, meetings with specific investors	Dubai Investment Summit 2022, Europe Mini Tour 2021, Finland 2022, South Korea 2022, Canada 2022, US-Africa Leaders' Summit	Followed by visiting delegates to Namibia Direct leads generated and feedback
Attendance of conferences and summits	Investment summits, conferences, shows and trade fairs	Build partnerships, Exposure and learning, some leads

Table 3: Reasons why the NIPDB attends investment promotion missions

Namibia is honoured to have received high-profile visitors before and after year end including, state visits by the Vice Chancellor to the Federal Republic of Germany, the President of the Republic of Finland, the Prime Minister of the Kingdom of Denmark, the Prime Minister of the Netherlands and the President of the Republic of Cuba.

Our visits abroad have led to increased international business delegations travelling to Namibia, highlighting the nation's expanding investor interest and awareness, as depicted on the global map below.

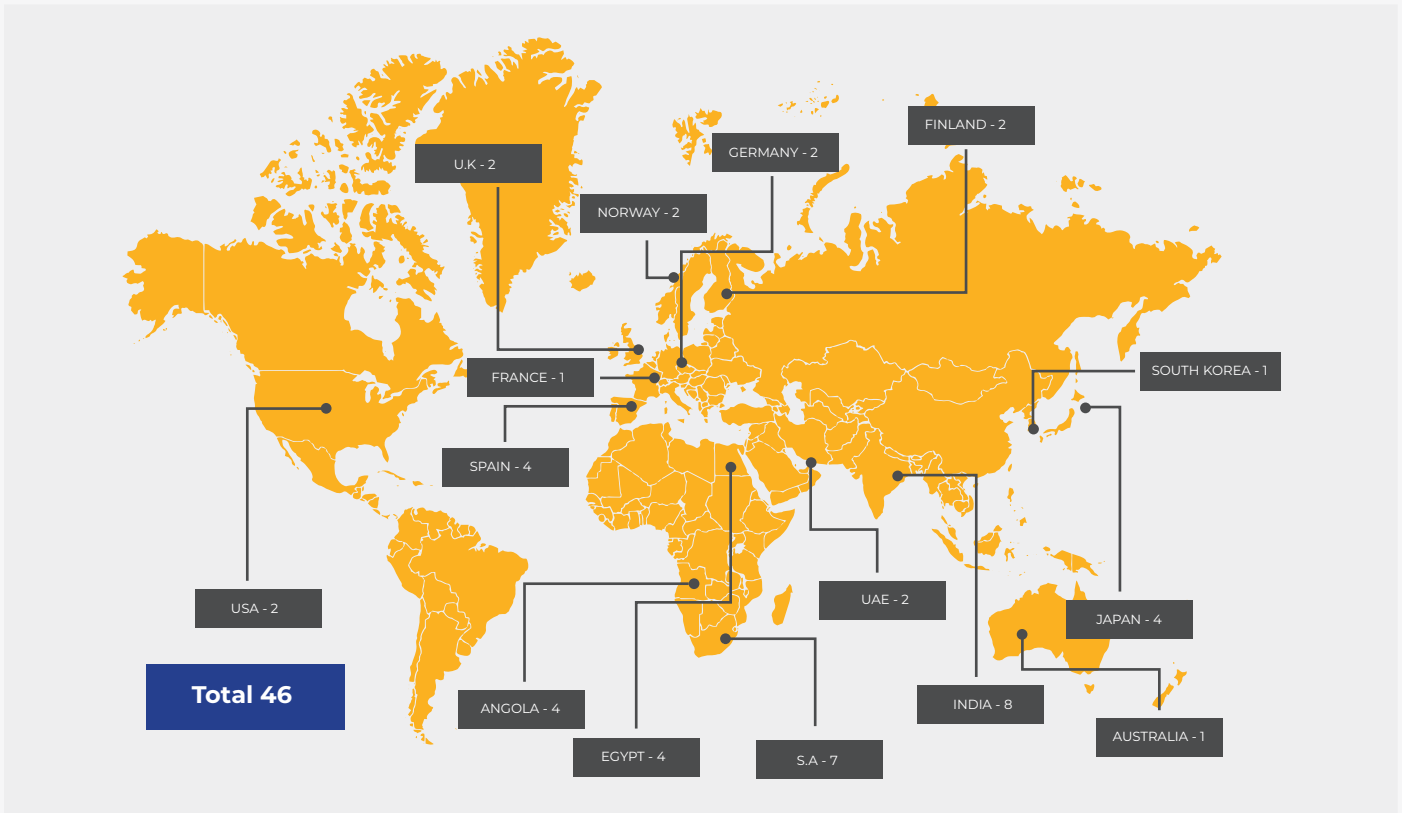


Figure 3: Total NIPDB delegation visits

To further grow awareness and increase visiting delegations, we posted five Investment and Export Promotion Attaches to China, Egypt, South Africa, the United Kingdom, and the United States. The IEPAs were posted in accordance with our approved Foreign Representation Framework and are responsible for identity and approaching potential investors in their region, generating investment leads.

Investment Recovery and Growth

Namibia has demonstrated significant improvement and recovery in the recent two years, as evidenced by the positive trajectory of FD) and GDP growth in 2021 and 2022. FDI experienced a decline from 2016, with net outflows recorded in 2019 and 2020, only to rebound in 2021 and 2022.

This trend could signify a lack of investor confidence in the local market during the previous years, leading to the repatriation of funds and reduced re-investment, among other factors.

The surge in FDI during 2021 and 2022 was driven by various sectors and most notably mining and oil and gas exploration activities. This remarkable upswing is evidence of heightened investor trust and confidence in Namibia's economic prospects.

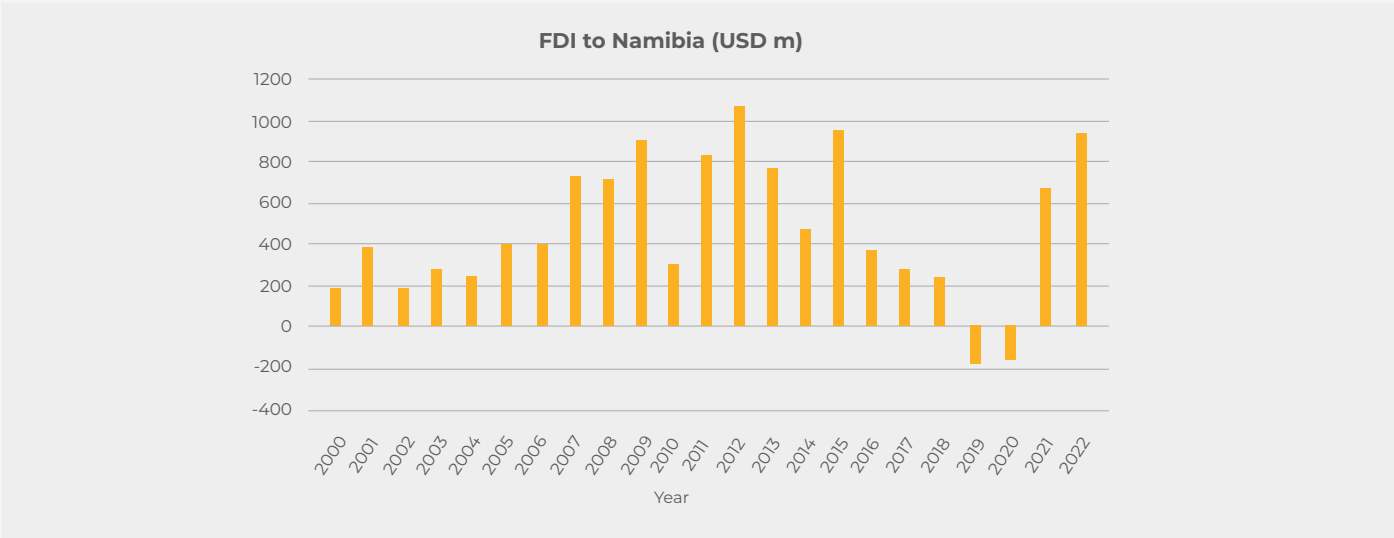


Figure 4: FDI to Namibia

The same trend can be observed in private account activities, indicating growth in other investments, as with FDI, with private financial accounts reaching a ten-year high in 2022.

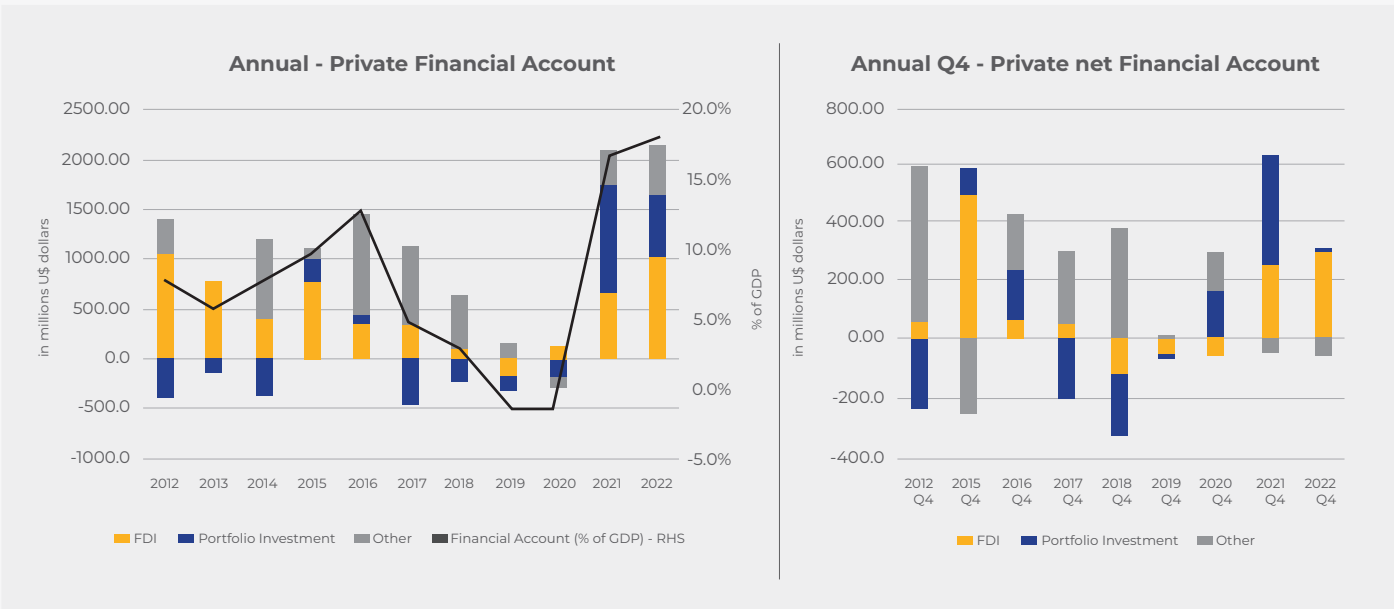


Figure 5: Annual - Private Financial Account

Figure 6: Annual Q4 - Private net Financial Account

According to FDI Intelligence, Namibia secured the fifth most substantial share of capital investment FDI within the Middle East and Africa Region (MEA) in 2021, accounting for 7% of the total, as illustrated in Figure 7.

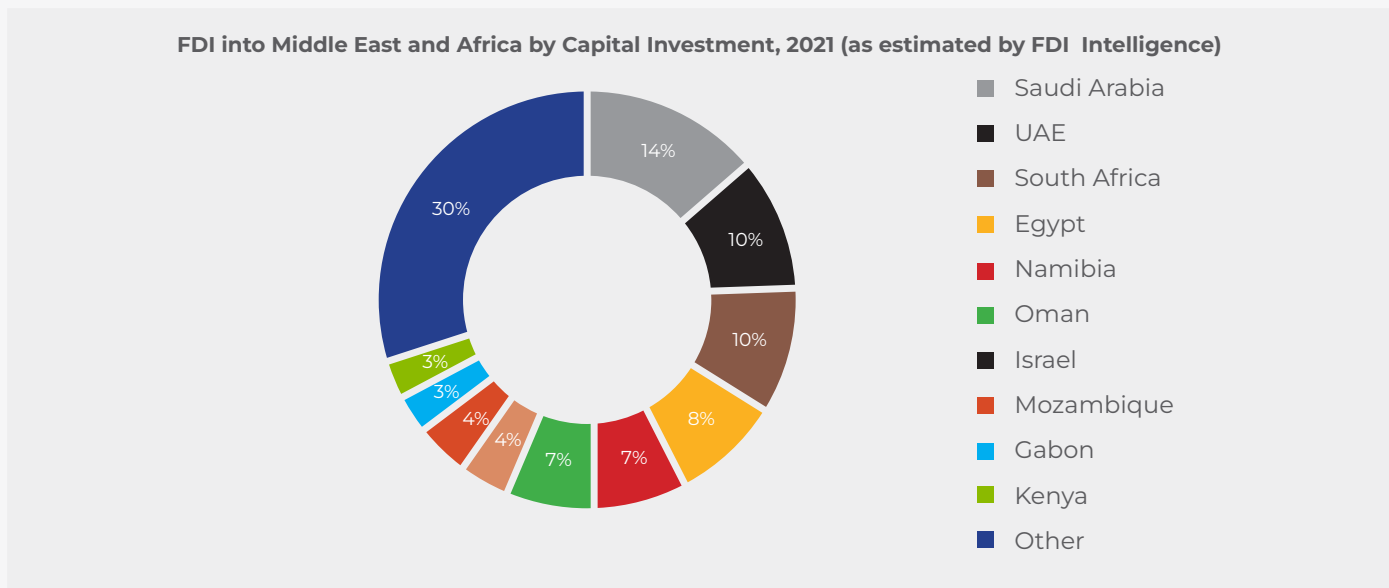


Figure 7: FDI Flows to the Middle Est and Africa (2021)

The Greenfield FDI Performance Index assesses the FDI that countries have attracted in proportion to the size of their economy. In 2022, Namibia stood out impressively within its peer group, securing the top position in Africa and ranking 13th globally.

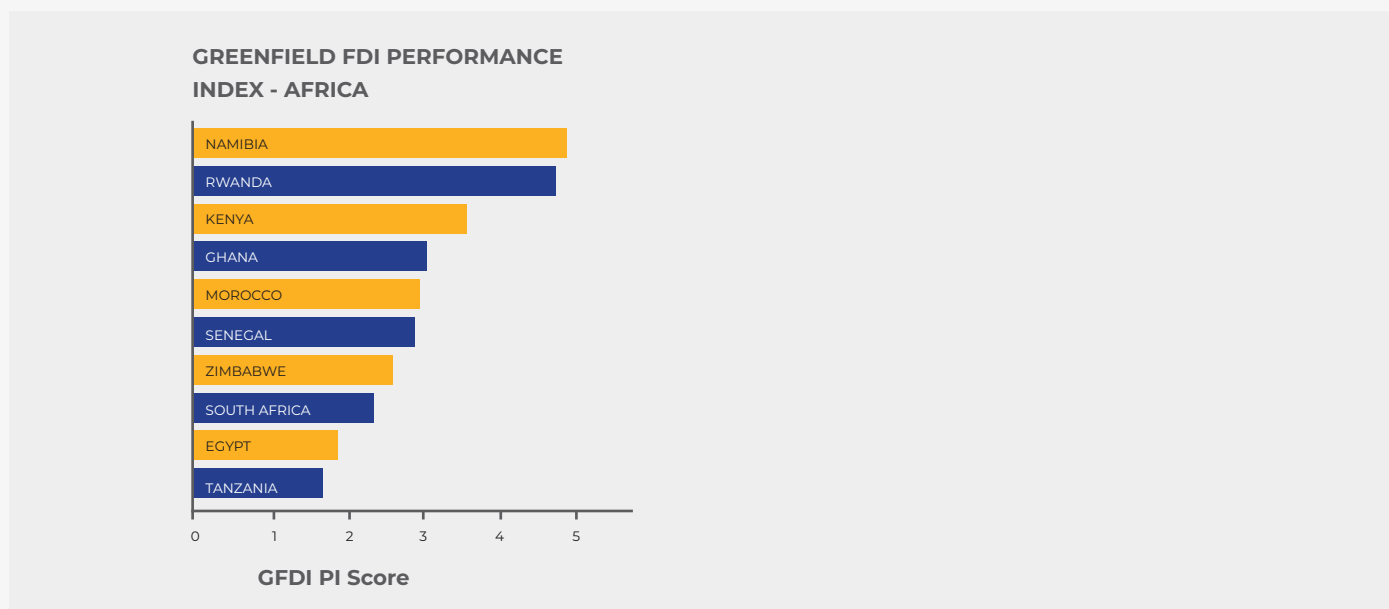


Figure 8: Greenfield FDI Performance Index - Africa

The Hyphen Hydrogen Energy (green hydrogen) project has gained significant attention as a substantial venture within the MEA region. It anticipates a total investment of USD 4.4 billion and potentially creating more than 3,000 permanent jobs during the production phase. The initial phase is on track to initiate production by 2026, which is pivotal to providing clean energy to the region and the global market.

Namibia must keep the momentum and continue implementing initiatives to stimulate economic development and growth.

Spotlight:

Supporting the Development of Namibia's Green Hydrogen Sector



Namibia is in a race to power the future with the development of its Green Hydrogen Sector. This sector has the potential to catalyse development in the Southern regions, enable Namibia's energy independence and simultaneously increase the nation's export revenues.

In collaboration with the Green Hydrogen Commissioner and as a representative on the Green Hydrogen Council and Technical Committee, NIPDB supports the nation's efforts to develop the sector and educate Namibians on the sector so that they may ready themselves to capitalise on the sector's development and growth. As such, NIPDB organised and managed the following Green Hydrogen-specific events:

Spotlight:

Supporting the Development of Namibia's Green Hydrogen Sector

Green Hydrogen Conference, Namibia – August 2022

The Economic Association of Namibia (EAN), in collaboration with NIPDB, with support from the Hanns Seidel Foundation, collaborated to deliver the Namibia Green Hydrogen Conference 2022. The conference was entirely funded with support from the private sector and non-governmental organisations. It was a platform for Namibian stakeholders to deliberate and unpack the green hydrogen industry while promoting Namibia as a competitive investment destination. The conference brought together policymakers, Parliamentarians, the Private Sector, Academics, Civil Society and the Public.

The Conference's key objectives were:

- That key insight around the potential, challenges and risks of developing a green hydrogen economy are disseminated and thoroughly debated;
- That key stakeholders have made their input, and their input is included in the Conference Outcomes; and
- That the key resolutions from the Conference form part of the strategic roadmap for both the public and private sectors on how the country can best benefit from investments in Green Hydrogen.

Namibia Green Hydrogen (GH2) Masterclass 2022, Namibia – December 2022

The conference objectives were to:

- a) To create a formal platform for GH2 experts to share in-depth knowledge about specific focus subjects in GH2;
- b) To provide students and academia with an opportunity to learn about GH2 trends worldwide;
- c) To give GH2 enthusiasts and collaborators an update regarding GH2 pilot projects in the country; and
- d) To create an opportunity for networking between participants and experts.

The Master Class was facilitated through presentations that each speaker provided. At the end of the presentations, there was also an opportunity for questions and answers to provide participants (in person and virtual) an opportunity to ask questions or clarify matters from the presentation.

There was also a panel discussion on Day 2 of the Master Class, with guided questions and an invitation for questions from the audience.

Overall, there was an overwhelming sense of satisfaction from the participants in terms of learning new things about GH2 and a desire to have further Master Classes to learn and engage more.

Spotlight:

Supporting the Development of Namibia's Green Hydrogen Sector

Green Hydrogen Private Sector Task Force – Ongoing

The Task Force is established to drive Namibia's private sector involvement and beneficiation from this significant national industry. The core mandate of the Task Force is to bring together Namibian players in the hydrogen sector across the entire value chain (large industrial groups, MSMEs, start-ups, laboratories and research and development centres etc.). Apart from the Executive Committee, the Task Force is supported by five working groups tackling various elements of the GH2 value chain.

Productivity Task Forces (PTF)

In 2021, the Harvard Growth Lab introduced the concept of PTFs in a report produced for the Namibian Government.

These task forces are sector-specific, public-private, temporary working groups focused on improving sector productivity by identifying and solving constraints. PTFs are a method of increasing the production of existing sectors and building new growth sectors.

The NIPDB and HGL collaborated to launch the following PTFs.

PTF on High-Value Fruits

This PTF was championed by Hon. Iipumbu Shiimi, the Minister of Finance since its inception in December 2021 (the first year of NIPDB's operations).

Leaders and representatives from the following institutions attended at least one of the meetings held: the Ministry of Finance, the Ministry of Agriculture, Water and Land Reform (MAWLR), the Ministry of International Relations and Cooperation, the Namibia Industrial Development Agency, the Namibian Agronomic Board, the Namibia Trade Forum, the Namibia Revenue Agency, the HGL and NIPDB, as well as the Agricultural Trade Forum, the Namibia Chamber of Commerce and Industry, the Namibia Grape Growers Association, and several farmers of and investors in grapes, dates and blueberries.

At these meetings, key constraints to the productivity of the sector were identified, filtered and prioritised.

The following key constraints were identified by the High-Value Fruits Taskforce:

- Market access to China;
- Cultivar access;
- Water security, especially in the South;
- Access to land, especially in the North;
- Plant health;
- Export constraints; and
- Import constraints.

These key constraints were then discussed and action items that would lead to their resolution were determined.

The attendees of the meetings, who are deemed the members of the PTF, are tasked with attending to the identified actions between meetings.

At each successive meeting, to which new members are often invited and which are not always attended by all the members, as required, progress is reported and new actions are identified.

This process and these meetings are repeated until the key constraints are resolved.

PTF on the beef value chain

This PTF was launched in August 2022 and was initially championed by Hon. Obeth Kandjoze, the Director General of the National Planning Commission, and focuses on the entire value chain of beef.

Leaders and representatives from the following institutions have attended at least one of the meetings: Ministry of Agriculture, Water and Land Reform, the Meat Board of Namibia, Namibia Agricultural Union / Namibia Livestock Union, the Namibia National Farmers Union, Feedmaster Namibia, the Beef Value Chain Forum of Namibia, Bank of Namibia, Ombua Capital, NIPDB, Meatco, World Bank and AgraProvision (Agra).

The following represents the most recent classification of constraints:

- Animal health as an enabler;
- Fragmentation and lack of data;
- Individual farmer productivity;
- Emergency management; and
- Offtake and unlocked markets.

Drought was identified as the primary constraint as proven by the live exports slump around 2016. It was agreed that the Beef Value Chain is characterised by many industries as well as different needs between Foot-and-mouth disease (FMD)-endemic and FMD-free zones. The needs are also vastly different between communal, emerging commercial and commercial farmers.

The work of the PTF will be aligned to broader national objectives such as employment creation, GDP and export growth; and not to the narrow interests of individual sector players.

The participation and commitment of all farmers' unions, particularly those that represent communal farmers, is strongly encouraged.

The PTF agreed on the following objectives:

- Return herd size, beef exports and jobs created to pre-drought levels;
- Raise prices and quantities and reduce the seasonality of exports under Commodity-Based Trade; and
- Increase offtake %.

Hon. Calle Schlettwein, the Minister of Agriculture, Water and Land Reform (MAWLR), has since become the champion of both the High-Value Fruits and Beef Value Chain PTFs in February 2023.

Spotlight: New sector development: television and film

In December 2022, we launched a task force focusing on the entire value chain of television and film production. Mr Ebson Uanguta, the Deputy Governor of the Bank of Namibia, champions this effort.

The meetings brought together leaders and representatives from several key institutions, including the Bank of Namibia, Namibia Film Commission, NIPDB, and various private-sector television and film producers and experts.

The following top five challenges hindering the growth of the television and film sector were identified:

- Strengthening the role of the Namibia Film Commission (NFC);
- Addressing the need for specialised skills;
- Improving infrastructure;
- Establishing effective incentives; and
- Streamlining procedures and laws.

Spotlight:

New sector development: television and film

The task force also noted the following observations:

- The Task Force's scope should expand to encompass television commercials;
- Recognising television and film as not only an art and communication matter but also a business;
- Advocating for an institutional arrangement where the NFC operates under an economic ministry, such as the Ministry of Industrialisation and Trade, in alignment with global norms. This approach acknowledges filmmaking is a business and underscores the industry's need for development in Namibia; and
- Considering benchmarking Namibia against countries such as Finland and Canada to gain insights into how they developed and promoted their film industries.

The task force's efforts have extended beyond the year-end, with continued meetings and growing momentum. The group has identified potential practical solutions for addressing the above mentioned constraints and challenges.

Growth in NIPDB's Potential Private Investment Pipeline

The private investment pipeline supported by NIPDB experienced a remarkable growth of 70% (amounting to N\$66.3 billion) between 31 March 2022 and 31 March 2023.



161 bn

▲ +70%

➤ **N\$ 66.3 bn growth**

The NIPDB's pipeline consists of four phases:

<p>Enquiries (pre-pipeline or pre-lead)</p>	<p>NIPDB receives a wide variety of enquiries spanning trade and investment. Within this range of enquiries, there are occasions when business concepts lack supporting case studies, which calls for a thorough assessment. Our role involves skilfully managing and discerning these enquiries. Any queries related to trade matters are directed to the Ministry of Industrialisation and Trade for appropriate handling. Simultaneously, the remaining enquiries are categorised into actionable and non-actionable segments. Following this classification, we identify the “serious” or actionable enquiries that showcase feasibility. These promising enquiries are then converted into leads, seamlessly integrating them into the investment pipeline.</p>
<p>Leads</p>	<p>Viable investments that necessitate further information regarding whether Namibia is the optimal location, possesses the required infrastructure, offers market access, and so forth, to sustain the investment. The investor is currently in the decision-making phase and seeks guidance and assistance from NIPDB.</p>
<p>Final Investment Decision (FID)</p>	<p>The investor's decision to invest is firm, and NIPDB is actively involved in advancing the investment towards realisation. Yet to be achieved, however, is the financial closure. In certain instances, the investor is still in the process of securing the necessary funding/ offtake for the project, while in other cases, the project is awaiting government approvals and/or permits/authorisations.</p>
<p>Capital Deployed</p>	<p>Expenditure has commenced to establish the investment, marked by the ground-breaking phase. This progress has led to the creation of temporary employment opportunities for construction work, alongside several permanent positions dedicated to managing the investment.</p>
<p>Operationalisation (post-pipeline)</p>	<p>The investment has been established and is operational. Permanent jobs have been created.</p>

Table 4: NIPDB Investment Pipeline

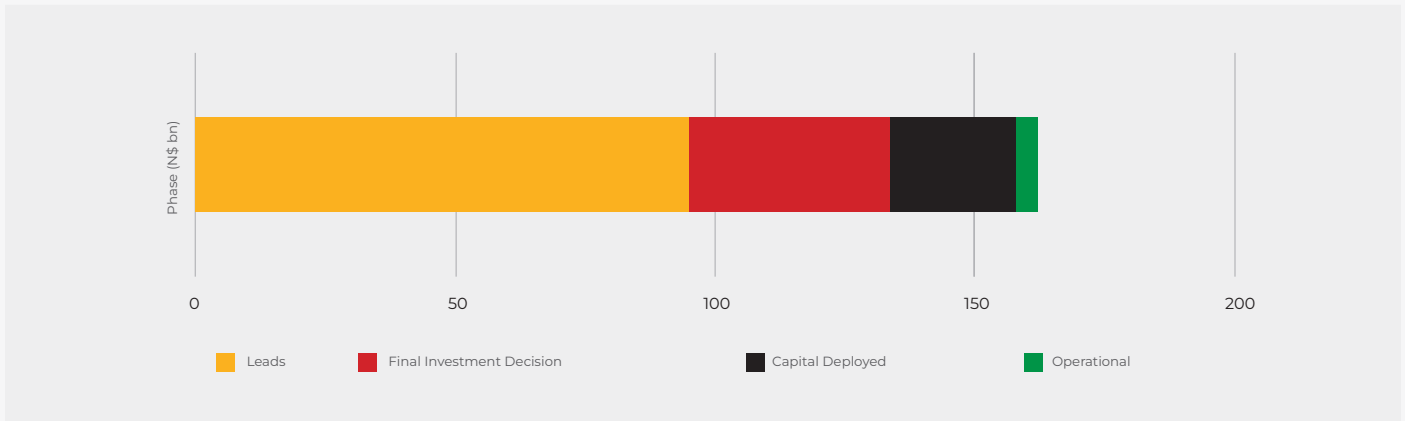


Figure 9: NIPDB's Investment Pipeline

Interest has broadened across diverse sectors, with renewable energy accounting for only 39% of the pipeline by the end of March 2023, in contrast to the 73% recorded on 31 March 2022.

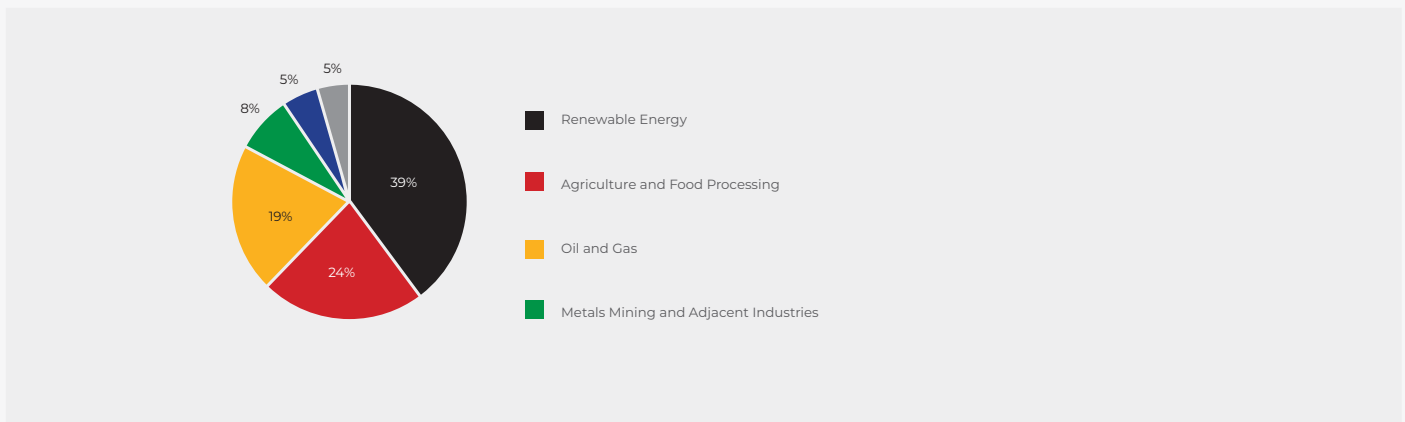


Figure 10: Sectors in NIPDB investment Pipeline

Four projects supported by NIPDB were operational at year-end, with investments amounting to N\$2.8 billion made.

As the year drew to a close, our efforts were focused on actively facilitating projects at the FID stage, holding the potential to generate 40,000 direct and indirect job opportunities throughout Namibia.

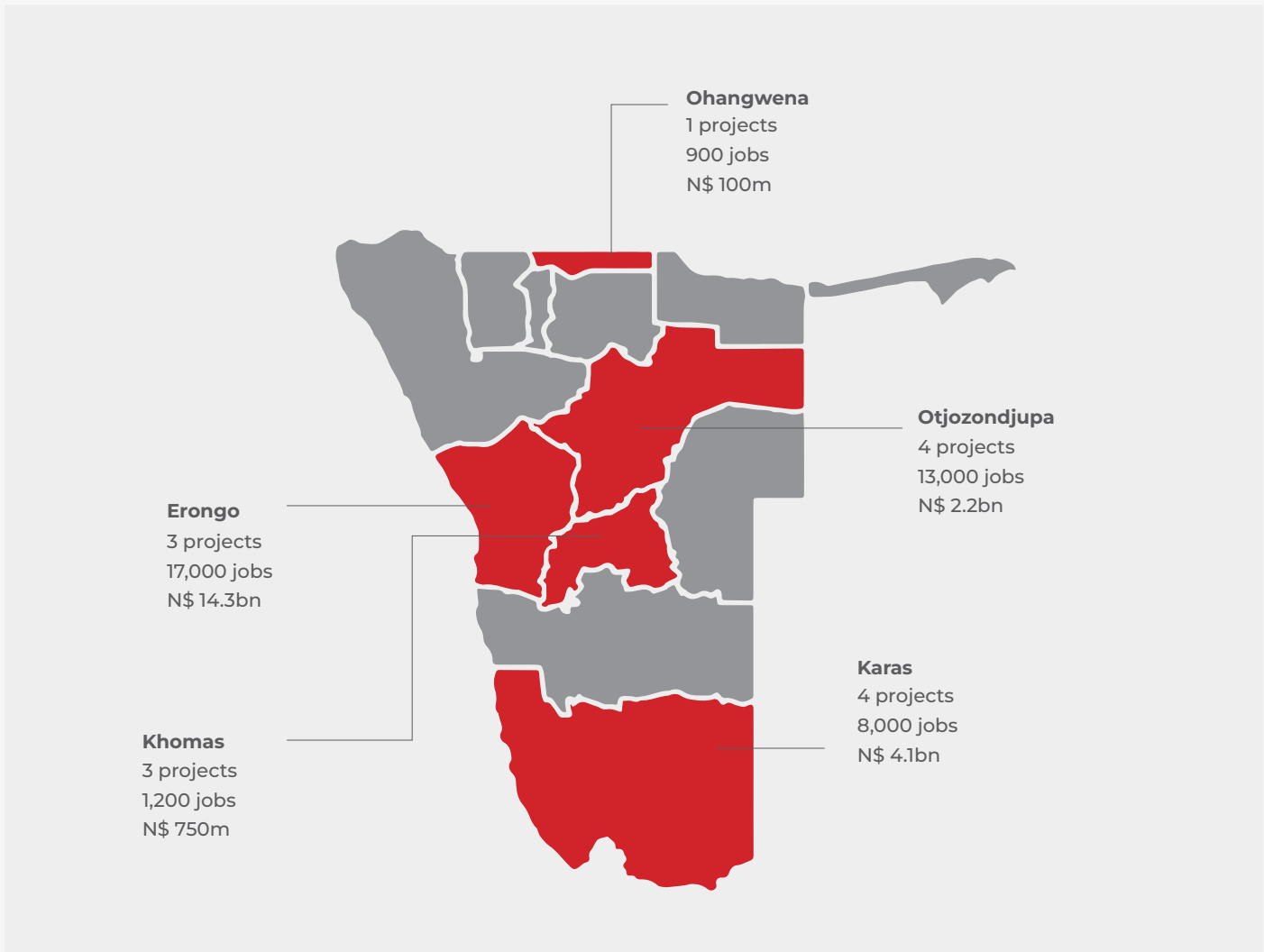


Figure 11: Projects in FID at year end

The increase in the pipeline’s size is a promising sign of growing investor enthusiasm for potential investments. Despite the growth in the pipeline, the rate of conversion from lead to operationalization stage remains low. Hence, our primary focus remains in actively expediting project facilitation, aiming to accelerate their movement through pipeline phases for quicker operational implementation.

Spotlight

Kelp Blue – a Picture of Quality FDI



Kelp Blue is a unique enterprise which plants and harvests giant kelp forests off the coast of Namibia in Lüderitz to increase marine biodiversity, sequester carbon and create sustainable input materials for multiple industries. This investor first came to Namibia in 2021 to start the pilot project. The company is currently in the early stages of preparing for commercial scale



Figure 12: Kelp Blue Investment

Kelp Blue is in the process of cultivating healthy kelp forests, thriving with life. The company has been able to rapidly achieve major milestones. In addition to this, early yield indications are more positive than initially expected. To date (September 2023) the company has installed over five ha of forest at a rate of 1ha per month. The forest area is expected to be over 20 ha by the end of 2023, with an expected area of 150 ha by the end of 2025.

Only the canopy of the kelp is harvested, leaving the bulk of the biomass in the ocean to form new habitat for marine life. This kelp is processed in the pilot factory into products new to Namibia. Excess product will be exported.

Kelp Blue has secured a sizeable global offtake contract to supply biostimulant and is developing the extraction method for alginates and fucoidan, with production expected to commence shortly.

The company's R&D focus for future product lines is on developing biodegradable plastics and extracting a substance that can be used to enhance the nutrition of existing ingredients.

Why Namibia?

Resources, particularly the climate:

"The Benguela current brings cold, nutrient-rich waters to the waters surrounding Lüderitz – it is one of the only upwelling systems globally which maintains this cycle all year round. Combined with Namibia's many sun hours, this governs seaweed's stable, continuous production. The waters offshore Namibia, specifically around Lüderitz, are the most productive in the world."

People, systems and processes:

"Very supportive government and regulatory bodies for climate-positive endeavours in the Blue Economy and an overall excellent experience operating within Namibia."

The investment value is expected to grow more than five times between the commercial and pilot phases.

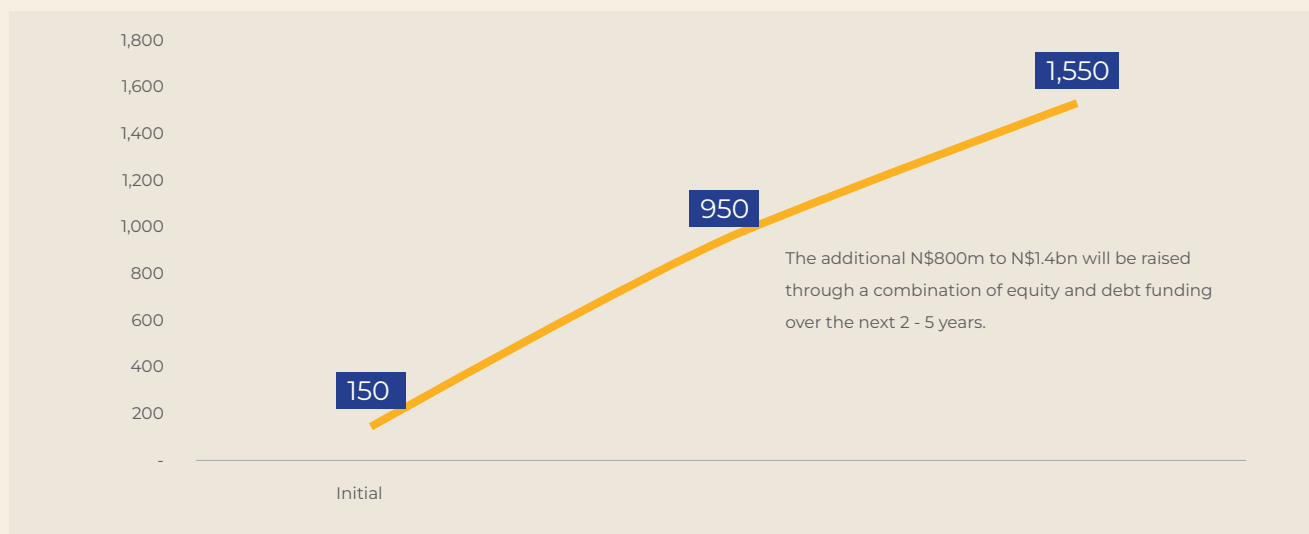


Figure 13: Kelp Blue Namibia Investment Value (N\$m)

The company is tentatively considering corporate blue bonds that will be listed on the Namibia Stock Exchange (NSX) as a potential funding instrument. The potential listing on the NSX would allow more Namibians to participate in the growth of this innovative company and directly contribute to the sustainable use of our ocean and its resources.

The Kelp Blue Group has introduced internationally competitive technologies and know-how to Namibia through investment. The Group's technological journey includes the following key milestones:

- Designing revolutionary offshore netting modules to support its seaweed at large scales;
- Designing the world's first solar-powered, autonomous kelp harvesting vessels;
- Developing mechanised seeding devices to outplant its kelp sporophytes;
- Commenced a selective breeding program in its kelp hatchery; and
- Developing an in-house processing method for the production of biostimulants.

Kelp Blue's operation is not merely an extractive enterprise but also decarbonises and augments the ocean's health.

Giant Kelp is an effective and positive ecosystem engineer, boosting fish stocks and increasing biodiversity. More than 800 species are known to shelter in Kelp forests, and the company is tracking more and more species each week with their marine monitoring activities.

Building Giant Kelp forests will drastically boost Namibia's marine ecosystem. Based on current scientific estimates, Giant Kelp forests have the potential to sequester vast amounts of carbon, 5-10x more than tropical rainforests.

Kelp Blue directly contributes to achieving four Sustainable Development Goals (SDGs).

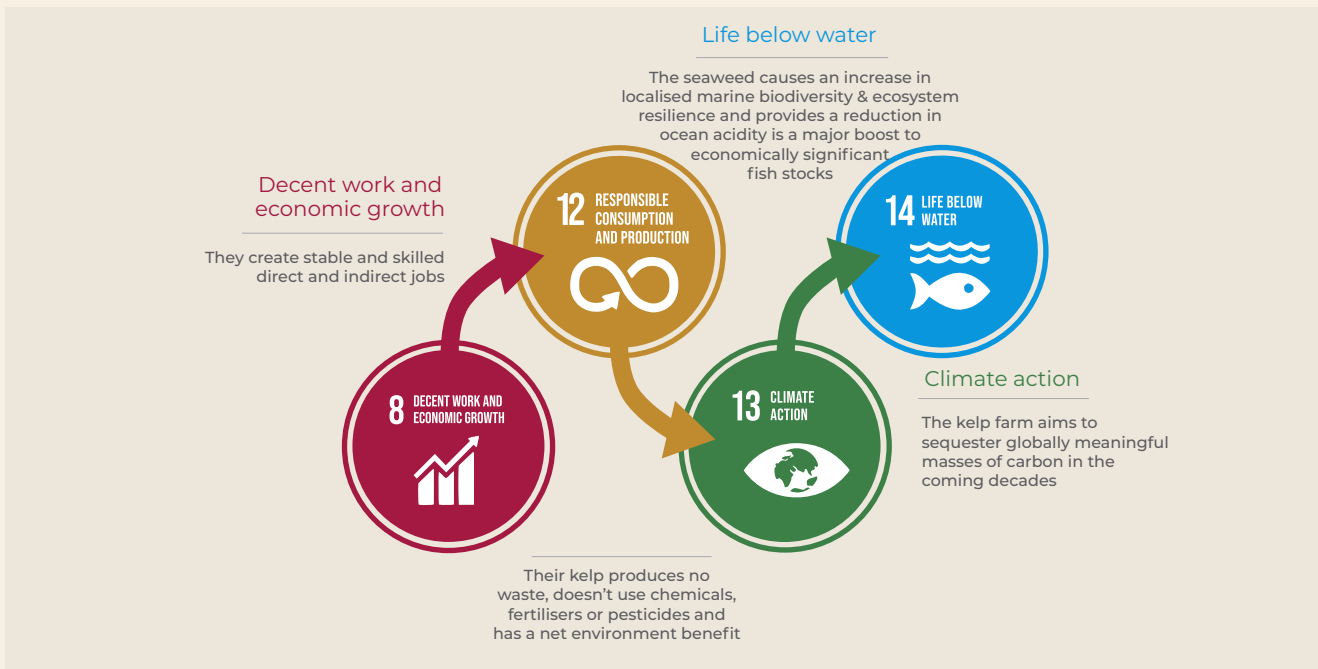


Figure 14: Kelp Blue's Direct Contribution to advancing Sustainable Development Goals (SDGs)

The company has created new, quality and skilled jobs resulting in local work opportunities for mechanical engineers, divers, lab technicians and environmental scientists. This is in addition to the administrative team and support staff. The team comprises **40 employees**, of which **91% are Namibian and 48% are female**. The company projects to **double** their staff complement by 2025. Two in five (40%) employees originally hail from Lüderitz.



A portion of the company's shareholding is set aside for its employees, enabling them to participate in the growth of the company's value.

Beyond its employees, Kelp Blue is a socially conscious organisation, investing in community development programmes to support gifted children in Lüderitz to access quality education and sports amenities.

- Set up the Lüderitz Blue School, an international standard primary school in Lüderitz offering a wide range of academic subjects; and
- Supporting the renovations of local sports facilities.

What makes this investment a quality FDI project is its:

- Sustainability impact,
- High quality, skilled jobs created,
- R&D and new technologies utilised,
- Innovative products geared for export markets with the potential to improve the trade balance.

Improving Competitiveness

NIPDB continues encouraging and participating in public/private sector dialogue for an investment-friendly policy environment.

ACTIVELY ENGAGED

(incl. technical or working committee participation)

- Migration Bill (currently called the Immigration Control Act 7 of 1993)
- Namibia Investment Promotion and Facilitation Bill
- Special Economic Zones and Incentives
- National Equitable Economic Empowerment Bill
- SACU, SADC, AU Investment Committees/ Platforms

INPUT PROVIDED

- Land Bill
- Diamond Bill
- BON's Draft Capital Flows Management Regulations
- Data Protection Act Bill
- Minerals (Prospecting and Mining) Act 33 of 1992

INPUT SOUGHT FROM NIPDB

- Labour Law

Namibia Investment Promotion and Facilitation Bill

The Technical Committee responsible for enhancing the Namibia Investment Promotion and Facilitation Bill has made substantial progress during the period under review. The committee completed the review of the Bill, yet a few questions still need to be addressed. Stakeholder consultations have now commenced and continued to tackle these questions and gather input for the Bill's finalisation. This approach emphasises collaborative refinement and ensures a comprehensive well-informed legislative framework to promote and facilitate investments in Namibia.

Immigration Policy

The Technical Committee responsible for enhancing the Namibia Investment Promotion and Facilitation Bill has made substantial progress during the period under review. The committee completed the review of the Bill, yet a few questions still need to be addressed. Stakeholder consultations have now commenced and continued to tackle these questions and gather input for the Bill's finalisation. This approach emphasises collaborative refinement and ensures a comprehensive well-informed legislative framework to promote and facilitate investments in Namibia.

Furthermore, in the second quarter, a Concept Note for a Namibia Digital Nomad Visa programme was presented to the Ministry of Home Affairs Immigration Selection Board and received approval. The Digital Nomad Visa (DNV) forms part of the Desert Visa Programme proposal. It aims to provide a platform for location-independent professionals and remote workers to operate from Namibia for up to six months.

Several activities across NIPDB departments and engagements with external stakeholders were initiated and successfully concluded to bring the visa concept to fruition. The DNV was formally launched in October 2022.

Spotlight: Digital Nomad Visa (DNV)

In collaboration with the Namibia Tourism Board (NTB) and the Ministry of Home Affairs, Immigration, Safety and Security (MHAISS), NIPDB launched the DNV in October 2022, making Namibia only the fourth African country to adopt this initiative. Nineteen applications were received, and five approvals were granted by the end of the financial year (31 March 2023). The first digital nomads arrived in Namibia in May 2023.

Nomad Visa Applications by Year End

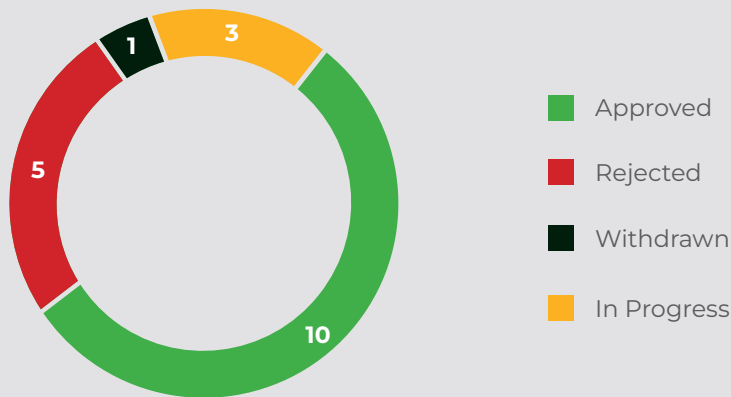


Figure 15: Nomad Visa Applications by year end

Spotlight:

Digital Nomad Visa (DNV)

INTRODUCING THE NAMIBIA DIGITAL NOMAD VISA

REIMAGE WORK AND TRAVEL

Experience day to day living and working
in Africa's best holiday destinations.



Five of the received applications were rejected, with 80% of the rejections attributed to applicants already being in the country during the application process.

An equal distribution is observed among the approved digital nomads: half are fellow Africans, while the other half hail from North America and Europe. The applications in progress are ongoing primarily due to outstanding documents from the applicants.

Regarding DNV applications, a gradual increase in momentum is noticeable. Although enquiries are experiencing a downward trend, some minor monthly fluctuations are being observed.

Namibia Digital Nomad Visa (DNV) Data

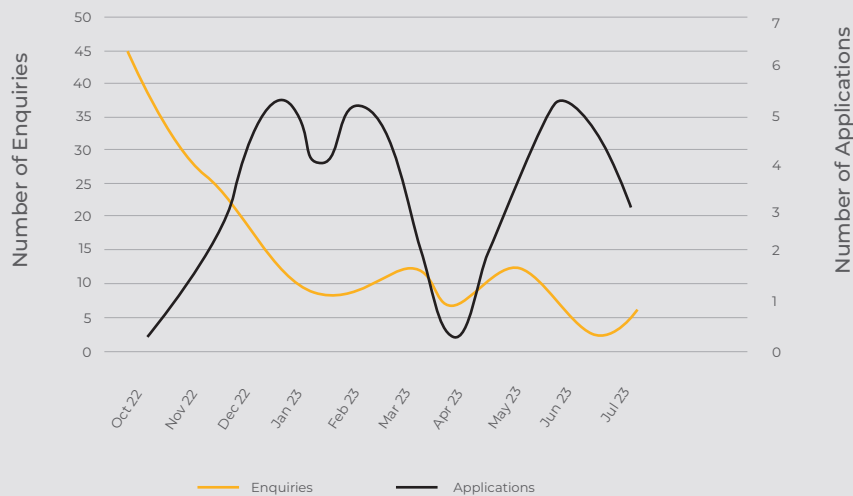


Figure 16: Namibia Digital Nomad Visa

Spotlight:

Digital Nomad Visa (DNV)

Moving forward, NIPDB and other relevant stakeholders have outlined plans to:

- Conduct targeted and direct marketing towards source markets;
- Improve the existing visa requirements for better accessibility; and
- Optimise and streamline the visa application process for quicker turnaround times.

Furthermore, Namibia's focus must include infrastructure upgrades for tourism establishments and the ICT network, enabling Digital Nomads to work seamlessly from any location within the country. Such infrastructure improvements will distinguish us, especially as regional competition intensifies.

We are fortunate to have built a strategic relationship with MHAISS, founded on trust and supported by a common commitment to develop solutions to enhance Namibia's competitiveness.

National Equitable Economic Empowerment Bill (NEEEB)

Completing the NEEEB is an urgent policy imperative, as it holds critical significance for local and foreign investors. Its completion would assure investors regarding potential impacts on their business operations, particularly in interactions with the Government. Subsequent communications with the Office of the Prime Minister and the Ministry of Justice have indicated that the Bill is currently undergoing the legal drafting process. The Agency's unwavering dedication to continued engagement aims to foster a positive transformation in the Namibian economy. This transformation is envisioned to stimulate economic activity and encourage increased investment.

Investment Incentives Framework & Special Economic Zones (SEZ) Policy

Significant progress has been achieved in developing the investment incentives framework and SEZ Policy. NIPDB has actively contributed by providing both oral and written input for consideration into the SEZ policy, resulting in its approval per the Cabinet decision 14th/23.08.22.007. Similarly, the Technical Committee (TC) focused on investment incentives has persisted in its efforts to conclude the development of this framework. The TC has improved the framework's text and content, making it ready for re-tabling to CCT/CCTED.

Other Laws Affecting Business Climate

In addition to the above, and aligned with its mandate to provide input on legislation that may impact the business environment, NIPDB:

- Was requested by the Ministry of Labour to provide input on Namibia's Labour Laws, including the Labour Act 11 of 2007, the Employment Services Act 8 of 2011, and others;

- Participated in a stakeholder consultation held by the Namibia Civil Aviation Authority (NCAA) concerning Part 139 of the Aerodrome Regulations; and
- Continued its engagement with NCAA leadership regarding concerns expressed by the private sector on this matter. Discussions on this matter are ongoing.
- Contributed insights to the Minerals Bill.

NIPDB Investment Policy Working Committee

The Investment Policy Working Committee convened its inception and subsequent second meetings during the period under review.

A thorough, informed and consultative approach is vital to propose impactful policy reforms, enabling the advocacy and promotion of policies and alterations that enhance investment conditions. Recognising this, NIPDB established the Policy Reform Working Committee. This committee is entrusted with facilitating the development of investment-friendly policies to bolster Namibia's competitiveness as an investment destination and streamline the ease of doing business.

The Committee comprises professionals from both the public and private sectors, possessing expertise in economics, law, investment and representation of industry associations. Their contributions are posed to influence the committee's endeavours positively.

The committee's first meeting focused on defining its mandate and provided members with an overview of NIPDB's Policy Unit operations and the importance of their contributions. The second meeting provided valuable insights and robust discussions concerning Namibia's policy and legislative formulation process. Subsequent meetings will set out the committee's work plan and delve into generating input for priority policies that impact Namibia's investment environment.

Improving the Ease of Doing Business



The Minister of Industrialisation and Trade launched NIPDB's physical One Stop Centre (OSC) in October 2022. MHAISS has already begun occupying the premises, while MME, MEFT, NACC, and BIPA have designated focal individuals responsible for providing services within the OSC.

The full occupation of the OSC depends on the following actions:

- NIPDB's completion of all pending MOUs, of which four out of nine have already been signed;
- The appointment of focal individuals by specific other OMAs to serve investors at the OSC; and
- NIPDB provides support to OMAs in equipping them to assist investors at the OSC effectively.

CCTED has approved integrating digital services to supplement the OSC, drive e-service offerings, and improve Namibia's Ease of Doing Business and competitiveness. The online portal will increase speed and transparency and streamline documentation required by various OMAs, reducing the administrative burden on investors.

This integrated investor portal will support the Government's project to digitalise public services and offer services online.

Three days visa turnaround achieved

The NIPDB continues to build on its strong relationship with MHAISS, and our collaborative efforts to facilitate easier entry for investors and specialised skills into Namibia are yielding positive results. NIPDB facilitated a total of 476 work visas and permits during the period under review.

81% COMPLETED FROM APRIL 2022 – MARCH 2023

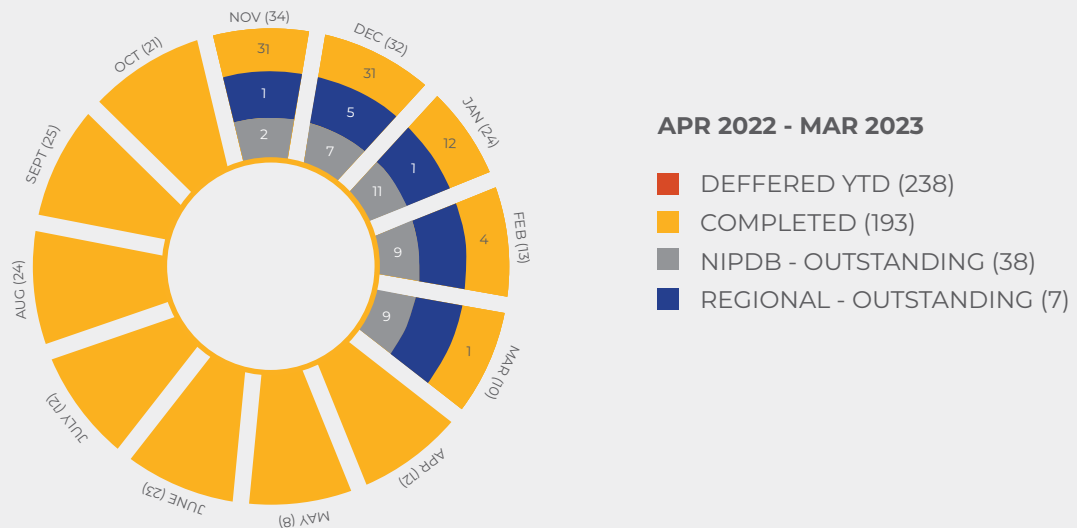


Figure 17: 81% Completed from April 2022 - March 2023

In addition to facilitating processes and permits, NIPDB's mandate encompasses providing support to investors in matters related to expansions and business rescue activities where possible.

Spotlight:

Business rescue for jobs and investment retention – Otjimbele Asparagus Plant

The Government of the Republic of Namibia was officially notified about the planned termination and withdrawal of an international investor from the agricultural sector in Namibia. The investor cited pest-related concerns, deeming the operations unsustainable.

In response, the Prime Minister directed that a Technical Team be constituted to consider this matter and make recommendations that will address this specific challenge and utilise it as a case study for tackling potential comparable challenges in current and future projects.

The Technical Team was tasked with:

- Providing guidance to the Government and facilitating suitable and sustainable responses and actions to counteract the production challenges encountered by the project in hopes of reversing the decision to abandon the investment; and
- Mitigating the impact of the investor's withdrawal, advising the Government on the project's future operations, and implementing measures to avert similar challenges in the future.

Snapshot of the investment:



Assets of **N\$130 million** including crop production facilities, factory building, machinery, staff housing and a processing plant.



Consumed globally, asparagus provides Namibia with an opportunity to **access international markets** through varied distribution networks.



Can employ **700** people at peak production between the farm and the production facility. Minimum employees of 80-100.



Created more purchasing power for locals, which in turn led to an overall boost in the economy, particularly positively impacting their **quality of life**.



An excellent product for **AfCFTA** participation as Namibia seeks to expand its basket of exports to the continental market through AfCFTA.



The investors brought **new production technology and innovative** capacity. The company invested in the latest technology and innovation to enhance processes and the productivity thereof. Furthermore, this led to the transfer and development of skills, further building the **skills base** of the country.

Furthermore, the project is situated in Etunda in the Omusati Region, at one of the largest green schemes in the country. The project has generated much-needed employment opportunities in the north-western region, contributing to economic growth beyond established urban centres.

The Technical Committee established the following objectives:

Otjimbele Agriculture aims to exit the Namibian market. However, they see potential in cultivating alternative crops, including the continuation of asparagus production for the Fresh Market at Etunda. Financial partners such as the DBN, GIPF, Commercial Banks, and private equity entities are being approached to explore their interest in partnering with ITUM, a consortium of Spanish investors keen on acquiring Otjimbele Agriculture. With over 60 years of technical expertise, this consortium intends to acquire the farm through a joint venture with local partners, focusing on fresh asparagus and other produce.



Spotlight:

Business rescue for jobs and investment retention – Otjimbele Asparagus Plant

A new investor has stepped in to secure the investment and safeguard threatened jobs

In early November 2022, the Project Manager introduced the Research and Technology of Uva de Mesa, SL (ITUM), a Spanish Consortium specialising in table grape breeding and other crops.

Although ITUM had previously considered exploring table grape opportunities in the southern region of Namibia, they have yet to proceed with those opportunities. However, they recognised a strong alignment following the introduction and provision of data from the Asparagus project at Otjimbele. This alignment drew parallels with an area in Eastern Spain renowned for its fruit cultivation, often called the “Basket of Europe.” This resonance motivated ITUM to express a keen interest in visiting the farm.

The Project Manager and the Specialists representing ITUM visited Namibia, starting with a site visit to the Otjimbele operations. Following a positive visit to Etunda, they met with various stakeholders, including the Omusati Region Governor, NIPDB, MAWLR, MOF, NAB, AGRIBANK, and a group of Private Equity firms and Commercial Banks.

ITUM has, in principle, committed to the following:

- Taking over as new investors within the current structure of Otjimbele through a share transfer;
- Identifying a Namibian capital partner (debt, equity or a combination) and jointly investing around €6 million (about N\$107 million) for the acquisition and conversion of Otjimbele;
- Continuing with the production of asparagus for the fresh market, mainly for export to South Africa during its off-season;
- Cultivating grapes and a range of other fruits (bananas, strawberries, apples, watermelon, oranges, potatoes, tomatoes, onions, carrots, bell peppers, broccoli, etc.);
- Providing training in advanced agricultural practices to small-scale farmers in Etunda and other green schemes in collaboration with the MAWLR-operated “Infant Extension Personal”;
- Retaining the processing area in Oshifo for sorting and packaging and converting the warehouse area into a modular cold storage facility; and
- Commencing production by September 2023.

Additionally, besides Otjimbele, the prospective investors have identified an abundant Orchard (Government-owned) in the Etunda area (with mangoes and oranges) that they are eager to take over.

The Governor has pledged his support to the project and committed to working alongside the Otjimbele Agriculture team to secure new ownership and sustain the upliftment of the region.

Working with Other OMAs

The NIPDB cannot deliver on its mandate in a vacuum and is committed to working hand-in-hand with fellow OMAs to deliver results for Namibia.

Youth in Tourism Entrepreneurship Programme and a Pan African Youth in Tourism Innovation Challenge and Summit 2022 – 2024, Windhoek, July 2022

NIPDB undertook a joint secretarial role and supported assisted the Ministry of Environment, Forestry and Tourism (MEFT) to arrange Namibia's first Africa Youth in Tourism Event.

The main objectives of this project were to:

- Implement a national Tourism Recover Plan and identified youth programmes, and;
- Host a pan-African youth in tourism innovation challenge and summit for 2022, 2023 and 2024 for an innovative Africa youth in travel, tourism and MICE, seeking for market access, mentorship, partnerships, entrepreneurship capacity building and development opportunities.
- The summit provides an opportunity for innovative youth to present their projects and start-ups to the global marketplace to find the required technical, funding and mentorship support.

Innovation Investment Readiness (IIR) Week, Windhoek – July 2022

The NIPDB, together with Namibia University of Science and Technology (NUST) and Mobile Telecommunications Company (MTC), organised the IIR week from 11 - 15 July 2022, bringing together key stakeholders in the Namibia digitalisation space. The aim of the IIR week was to identify prototyping projects leading, to stronger competitiveness and investment attractiveness in certain areas.

The identified industries and/or focus areas were; food and agro-processing, chemicals and basic materials (manufacturing), metals, mining and adjacent industries (mining and value addition), machinery and electronics (manufacturing), transport and logistics, renewables and green hydrogen, tourism, tech (fintech and others) and digital and global business services.

The IIR week served as a key step in the development of our Investment Attraction Strategy, since it demonstrated the effectiveness of sourcing investment propositions from key identified stakeholders. This approach will henceforth be applied in NIPDB's Investment Analysis work stream. This workstream will focus on identifying key competitive advantages that the Namibian business environment possesses within the international landscape, and will result in detailed sectoral profiles which will be distributed to all Investment and Export Promotion Attachés and Partners and utilised to target investments.



Namibia Aviation and Connectivity Forum, Windhoek – November 2022

The Namibia Airports Company (NAC) conducted the Namibian Aviation and Connectivity Forum with various aviation and transport industry partners. The forum's objective was to resuscitate and reimagine the Namibia aviation industry and its related ecosystem post COVID-19. NIPDB is honoured to have supported NAC in this endeavour as NIPDB's CEO worked closely with NAC's CEO as the Deputy Chairperson of the Forum. Furthermore, our employees participated on five technical working groups in support of the forum.

The 27th Conference of the Parties (COP27), Egypt – November 2022

In November 2022, the Government of the Arab Republic of Egypt hosted the 27th Conference of the Parties of the UNFCCC (COP 27), with a view to build on previous successes and pave the way for future ambition to effectively tackle the global challenge of climate change. Building from COP26, the Namibian delegation was again expected to participate in a series of dialogue sessions aimed at catalysing interest from public and private entities to accelerate investment in Namibia's Nationally Determined Contributions' (NDC's) actions that have potential to have co-benefits for achieving climate, land and biodiversity targets.

NIPDB was tasked with supporting MEFT, as the lead agency, with elevating Namibia's visibility at COP27 by coordinating the marketing, branding and communications pertaining to the country's participation. NIPDB also contributed by availing through technical assistance and four human resources to accompany and support the delegation to Sharm-El-Sheikh. Further support was rendered by:

- Facilitating the design and branding of the Namibian pavilion;
- Co-ordinating media interviews for the delegation and publicity to amplify the country's position at COP27 in the mainstream media and on social media platforms. This resulted in over 16 news items published on Namibia's participation, including interviews with His Excellency President Hage Geingob and Hon. Tom Alweendo on BBC Worldwide, as well as local media (NBC TV, The Namibian, New Era, amongst others). The news items were seen/read by over 4 million people worldwide and generated free publicity for Namibia valued at N\$ 700,000 (data sourced from Meltwater Media Intelligence system);
- Conceptualising and developing marketing communications material to promote the different thematic events hosted at the Namibian Pavilion on social media; and
- Collaborating with other stakeholders to host an investment attraction-focused event at the Namibian Pavilion on 10 November 2022.

We also actively pursued strategic partnerships during the year and concluded MOUs with our counterparts in Ghana and India, with many other MOUs in the review process.

Supporting the Sustainable Growth of the MSME Sector

NIPDB has been entrusted with a dual mandate: (i) developing appropriate institutional mechanisms and assuming a lead coordinating role across all levers for developing MSMEs nationally and; (ii) implementing the National MSME Policy of 2016 form part of our core mandate.

With a cohesive support system, the MSME sector has the potential to contribute significantly to the economic and social development of the country. This sector can foster entrepreneurship, generate employment opportunities, and reduce poverty at comparatively lower capital costs.

Over recent years, Namibia has witnessed the expansion of MSMEs across various sectors of the economy. These enterprises have diversified their product and service offerings, aligning with global trends while striving to meet domestic and global market demands.

NIPDB envisions a progressive MSME sector as we continue to promote the growth and development of the sector through collaborative efforts with relevant OMAs and other stakeholders by supporting existing enterprises, adopting cutting-edge technologies and encouraging the creation of new enterprises.

We have developed a responsive set of initiatives to meet the demands and needs of MSMEs of all sizes in both the traditional and emerging sectors, facilitating their growth and enhancing their competitiveness.

Optimising the ecosystem, facilitating capacity building and increasing market access for MSMEs



NIPDB launched the in4MSME mobile and web App in September 2022, underpinned by the objective of advancing the digitalisation of MSMEs. These platforms serve as a marketplace, allowing MSMEs to showcase their services while being easily identifiable by region and specialisation for potential clients. The development expenses were shared by NIPDB and MTC. NIPDB's focus revolves around optimising and improving these platforms and encouraging more MSMEs to register on the App. This strategic approach aims to expedite the locating of businesses by interested parties in the short-to-medium term. Presently, the App boasts approximately 90 registered MSMEs.

In a collaborative effort, NIPDB supported the Rundu Town Council in hosting its first trade fair post-COVID-19. The Kavango Region remains among Namibia's least developed and most poverty-stricken region. Consequently, NIPDB maintains a steadfast commitment to stimulating entrepreneurship and overall development in these regions as a top priority.

NIPDB hosted the *first annual Know2Grow (K2G) NextGen Entrepreneurs event* in Tsumeb in November 2022.

The first annual K2G NextGen Entrepreneurs gathering was hosted under the theme: "Scaling through Innovation, Value Addition and Co-operatives". K2G NextGen Entrepreneurs is a market access and capacity-building platform designed to support the entrepreneurial visions of youth-owned scalable Namibian businesses. The platform allowed entrepreneurs across Namibia to showcase their business offerings, engage various industry stakeholders and network with fellow young entrepreneurs. The overarching goal was to promote the growth and acceleration of

these young entrepreneurs' business ventures by exposing them to potential support and crucial business linkages.

The event featured the participation of 140 MSMEs, with 60 joining in person and an additional 80 virtually. Other exhibitors included 30 Business Support Organisations, among which NIPDB was prominently featured. The event received robust attendance and enthusiastic feedback as many young Namibians presented remarkable products, including innovations such as bricks crafted from recycled plastic, value-added processed foods, and cosmetic products. This platform is a testament to the considerable potential of Namibian SMEs to scale their operations and effectively export their products with the requisite support.

Highlighted outcomes of the event encompass:

- Three MSMEs received N\$20,000 cash prizes, courtesy of ABinBev, coupled with training from the World Bank Innovation Bridge Portal;
- The three aforementioned MSMEs invested the funds towards developing their respective products;
- An additional three MSMEs received highly subsidised retail space from the Tsumeb Mall (an event partner) for six months; and
- NIPDB extended comprehensive support to all 60 in-person exhibitors through consultation sessions.



The subsequent K2G event will take place in Swakopmund in November 2023.

The K2G platform is further amplified by introducing the High Potential Pool (HPP), a programme developed to facilitate the expansion of scalable MSMEs, particularly those with a significant potential for exporting their products. MSMEs who are part of the HPP are offered an opportunity to participate in various export-focused capacity-building initiatives, market access platforms, and facilities. Additionally, they benefit from technical and financial support, encompassing subsidised product development (including certification, licensing, branding and labelling). Participation in the HPP enables businesses to venture into international markets by exporting their products, which takes their business to international markets.

HPP highlights:

- By year-end, five private sector partners were secured (Bank Windhoek, First National Bank Namibia, Letshego, Nedbank and Standard Bank Namibia);
- Activities commenced in March 2023;
- By year-end, 60 Scalable MSMEs had undergone vetting and joined the pool; and
- A product development pilot involving six MSMEs from the pool is currently underway.



Additionally, a minimum of 40% of the initial K2G exhibitors have been incorporated into the HPP, allowing them to leverage the international market access provided by the pool.

The Chelete Cage initiative supports the NIPDB HPP to unlock funding opportunities. In the first iteration of this initiative, six MSMEs participated in the event and were invited to pitch for funding. The judging panel comprised bankers, financial sector experts and a lead private sector specialist from the World Bank. The three winning pitches collectively received N\$60,000 in cash prizes. Every participant received technical assistance in preparation for pitching and received feedback on improving their enterprises from the judges.

SHEREBUILDS THE WORLD

NIPDB supports the Namibian leg of a business development lab program facilitated by the Riga Business School, funded by the Latvian Ministry of Foreign Affairs. The first cohort targeted youth female graduates (aged 18 - 35). The programmes' initiatives are set to run annually with a nationwide footprint.

- 34 Female Entrepreneurs were selected for the programme, which is a combination of a three-day boot camp and online training for three months;
- Of the 34, 26 entrepreneurs successfully registered for the three months online training;
- 22 of the 26 entrepreneurs (85%) completed the training and were accordingly certified by Riga Business School; and
- Three participants were awarded the Start Up Pitch Competition 2023 certificate for successfully pitching their conceptualised business idea.

TECHNOVATION SOCIAL

Global triumphs in the Cultural and Creative Industry (CCI) have propelled economic growth in numerous countries. The Philippines, for instance, has capitalised on pageant participation, leveraging events like Miss Universe and Miss World to enhance its global presence, attract tourists, and showcase its rich cultural heritage.

Similarly, the fashion industries in France and Italy have significantly contributed to their economic growth. Paris and Milan Fashion Weeks have positioned these countries at the forefront of the global fashion industry, catalysing job creation, innovation, and exports of luxury goods and textiles.

Through TechNovation Social, we aim to leverage the potential of the creative economy to drive economic transformation, job creation, and sustainable human development. By placing MSMEs with their talents and skills at the centre of the development process and fostering cooperation across all levers of the economy, we can create a more inclusive and socially cohesive society. Our goal is to unlock the full potential of the creative industry and employ it as a catalyst to propel our economy into the realm of the highly acclaimed knowledge economy.



While creatives work from a place of passion, it is equally crucial to prioritise their ventures' business and financial aspects. If they cannot handle these matters themselves, investing in a knowledgeable and trustworthy support team can be the difference between success and failure. Talent alone is not always sufficient to achieve success. One must leverage new tools and resources to take the business to the next level. We at the NIPDB and our partners want to support them on that journey."

- Mr Dino Ballotti, Executive Director:
MSME Development Innovation and Acceleration at the NIPDB.

Following last year's successful engagement of more than 1,000 MSMEs at the Technovation Social, 25 MSMEs in the CCI were invited to showcase their goods and considered for sponsorship to participate at the Creative Africa Nexus (CANEX) in Cairo in November 2023 by external panellists.

Twelve winners were selected to attend CANEX.

The 12 MSMEs will participate in a training programme to gain the most value from their experience and participation as part of the journey. Amongst others, the programmes will focus on brand development, capacity building, pitching for television and brand visibility through the partner and sponsor organisations, namely:

Coca-Cola Beverages Africa, FNB Namibia, City of Windhoek, Multichoice Namibia, Turipamwe, Redflag, Creative Culture Investments, CANEX at the Intra-African Trade Forum (IATF), Business Box and the MTC Windhoek Fashion Week.

Private sector collaboration is a crucial driver of MSME growth and development in Namibia, and we are grateful for the unwavering support of the sponsors who availed cash and in-kind sponsorships.



“Technovation creates a platform for FNB Namibia’s clients within the cultural and creative industry to grow their businesses, meet like-minded individuals as well as engage potential investors while also inspiring the next generation of business owners to chase their dreams and make tangible contributions to our nation.”

- Ms Hileni Amadhila, Communication Specialist at FNB Namibia

THE BANKERS BREAKFAST

The Bankers Breakfast, held annually, aims to solicit support from the private financial sector for the MSME funding agenda and share insights garnered from the Namibian MSME sector. This event provides a valuable opportunity to strengthen the relationship between commercial banks and MSMEs, thus contributing to the thriving economic development of the MSME sector.

The breakfast serves as a platform that fosters increased engagement, ultimately leading to the development of more MSME-friendly products. Moreover, it plays a crucial role in enhancing the uptake of the Credit Guarantee Scheme, contributing to a more robust and conducive environment for MSME growth.

MSMEs that have benefited from NIPDB Initiatives






Ilotu Cosmetics	Ndaka Mushrooms and Processing cc	MIC Procurement	MIST Agricultural Laboratory (MISTAL)	Nels Babies
 <ul style="list-style-type: none"> November 2022. K2G NextGen awarded retail space (Tsumeb) plus retail coaching. February 2023 - Chelete Cage won N\$20 000 (2nd place). Funds invested in clinical trial testing for line products. 	 <ul style="list-style-type: none"> November 2022. K2G NextGen awarded retail space (Tsumeb) plus retail coaching. February 2023 - Chelete Cage won pitched for seed funding won N\$30k (1st place). 	 <ul style="list-style-type: none"> November 2022. K2G NextGen awarded retail space that was allocated to fellow winner Ndako Mushroom. 	 <ul style="list-style-type: none"> As a result of the mission to Luanda, Angola, MISTAL is currently in negotiations with the Angolan Association of Young Producers (AAYP), seeking to secure buyers through the association members. The MoU has been drafted and is being reviewed. 	 <ul style="list-style-type: none"> The NIPDB came to learn of Nel's Babies & Kiddies through the mission to Angola. NIPDB learned of Nel's funding challenges to open a third store in Grove or Maerua Mall. NIPDB assisted with securing funds from a commercial bank. The third shop opened in Grove Mall.

Table 5: MSMEs who have benefited from NIPDB Initiatives

Building a Future-Ready Enterprise



We are actively continuing to fortify NIPDB as an organisation, with the aim of fulfilling our broad mandate. The period under review marks the conclusion of our initial two-year operationalisation strategy, during which we gained valuable insights. Over the past two quarters, we have embarked on the development of a comprehensive five-year strategy. Despite the ambitious nature of this strategy, we are propelled by the seven-year timeline leading to Vision 2030, firmly believing in its attainability. This strategy underscores the immense intensity, focus and dedication required to synergise with other Government efforts and realise the nation's vision.

To consistently deliver sustained results, we must strengthen the organisation with suitable systems, people and processes. Our commitment to a purpose-driven approach remains unwavering as we strive to build a resilient and sustainable NIPDB.

Our People, Our Greatest Asset

Our Human Capital team has been dedicated to ensuring the success of NIPDB through strategic staffing efforts. As we concluded this financial year, the organisational structure was finalised, marking a substantial improvement from last year's 61% staffing rate. Notably, the sixth and final outstanding Executive Director recruitment was successfully accomplished shortly after the year-end. As of year-end, our workforce comprised **71 employees**.

Given the competitive nature of the investment promotion sector, the demand for highly skilled professionals is paramount. Thus, our unwavering focus remains on both attracting and retaining top-tier talent. Our rigorous recruitment and selection process enables us to diligently place individuals with diverse expertise into appropriate roles. We pride ourselves on maintaining a well-balanced composition, ensuring adequate representation of private and public sector experience by gender, age and race.

It is essential to care for our people, and as such, we have completed the process of defining our organisational culture, a journey we embarked on last year. Our culture was officially launched on 1 November 2022, during which we articulated our values and their significance to what they mean to us. On that day, NIPDBians committed to being #Brave4NAMIBIA, and our next and ongoing steps are to cultivate and sustain the values.

We identified Culture Ambassadors across NIPDB who went above and beyond their daily responsibilities to develop, define and present NIPDB's culture to the Advisory Board before launching it to the rest of NIPDB.

The culture launch was well received, and we invited all our employees to embrace the ethos of #Brave4NAMIBIA, supported by the three fundamental culture keystones (BRV).

Belonging

There's no place I would rather build and be.

Results

We have an uncommon commitment to getting things done.

Virtue

We hold ourselves to a higher standard.

Our core values with the acronym of NAMIBIA further expound on the culture keystones.

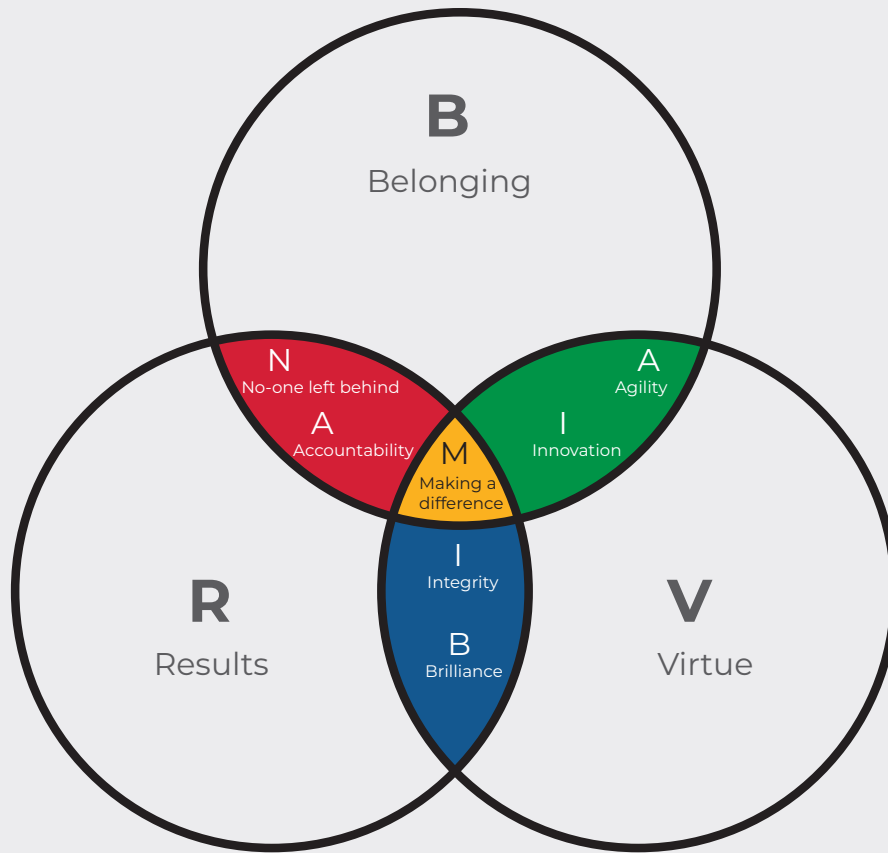


Figure 18: NIPDB Values and Culture Key Stones

Alongside talent acquisition, instilling a culture of performance and accountability is essential. The inauguration of the Performance Management System took place in December 2022, with the initial assessments scheduled for the year ending 31 March 2023. This system measures performance against established goals and aligns with our values, catalysing individual growth and career advancement.

Enhancing Engagement

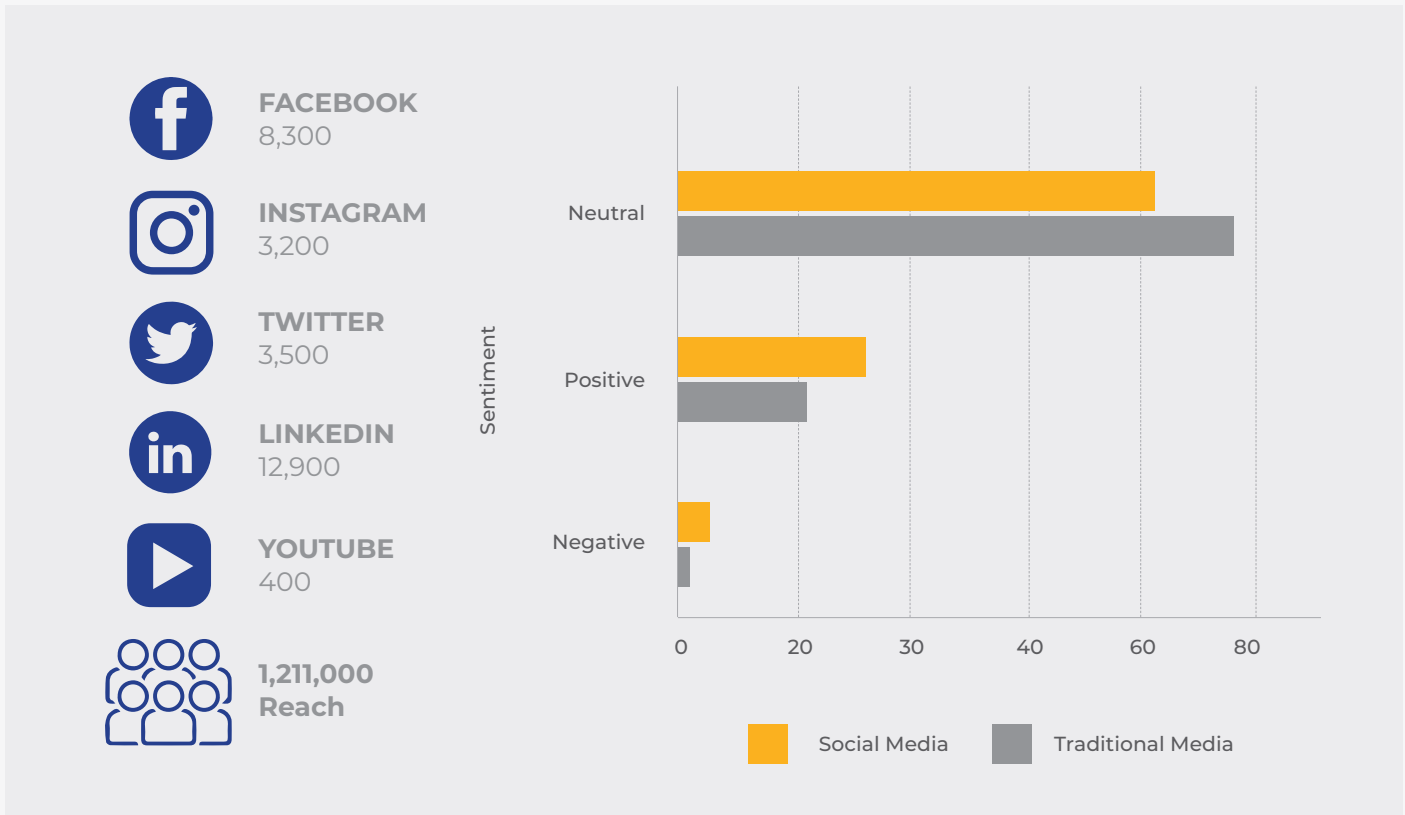


Figure 19: NIPDB Social Media engagement

As an organisation that serves a global audience with divergent needs and expectations, it is imperative that NIPDB establishes a solid online presence and effectively utilises various platforms as conduits for effective stakeholder engagement that will lead to positive perceptions.

Perception becomes a reality...

In the previous year, NIPDB has progressively expanded its online audience, including both Namibian and global stakeholders, with interactions surpassing **one million worldwide**. Notably, the sentiment from stakeholders has consistently exhibited favourability, with a monthly average of positive engagements exceeding 60% and negative sentiment remaining below 10%.

Moreover, NIPDB has recorded an upward trend in positive media coverage, averaging over 75% per quarter. These results can be directly attributed to our proactive media engagement and the prompt and pertinent dissemination of information.

In addition to social media, we commenced the process of in-person engagements with various stakeholder groups including regional and local authorities, youth, trade unions, financiers, employers' federations, the private sector, and the media, amongst others. The engagements were held both during and after the financial year.

Effective Financial Management

As a Government-funded public enterprise, NIPDB champions fiscal responsibility and stewardship through the effective execution of financial planning, financial oversight and controls, and financial reporting and monitoring.

We are pleased to report that we have received an unqualified external audit report highlighting our commitment to sound financial practices. Moreover, in 2022, we successfully designed and implemented controls that effectively mitigated the audit qualifications in 2022.

Additionally, a change in accounting policy regarding the first-time adoption of the International Financial Reporting Standards (IFRS), as last year's financial statements were prepared using International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SMEs), necessitated the restatement of the 2022 financials. Consequently, the adjustment led to a reduction in the prior year's accumulated earnings by N\$2,447,623.



Looking Ahead: 2024 and Beyond

With recruiting the Executive Director: Talent, Innovation and Productivity, we are eager to initiate endeavours that effectively coordinate current and future skills requirements in Namibia. A survey conducted by the World Bank indicates that the availability of skills and talent holds the utmost importance for investors when deciding where to invest.

While the collaboration with MHAISS and the facilitation of work visas and permits currently contribute to the accessibility of skills, Namibia needs to cultivate its domestic skills capacity over the long term. This involves enhancing the ratio of local engagement in specialised skills, a necessity that becomes even more pronounced in emerging sectors such as oil and gas and green hydrogen.

However, gaining insights into industry-specific skills demands, assessing skill availability, tracking employment trends, and connecting with Namibians in the diaspora remain challenging. Establishing a baseline understanding of skills and competencies is crucial to achieving a substantial impact.

While awareness of Namibia as an investment destination is growing, there remains a need to better facilitate linkages between investors, MSMEs and talented individuals. Progress has been initiated, yet there remains room for improvement, especially as other OMAs lead discussions about increasing local content in emerging sectors. Consequently, prioritising the matchmaking of investors with qualified MSMEs has become increasingly vital for NIPDB.

Furthermore, the closure of Startup Namibia has left a noticeable void in the market, potentially jeopardising the strides made in the national startup ecosystem over the past two years. We aim to intensify efforts that support the development and expansion of the Namibian startup landscape, attracting more local startup funding and enabling the growth of the digital service sector.

In our third and fourth years of operations, we anticipate a surge in investments in our pipeline transitioning into operational projects and groundbreaking endeavours. Collaborating closely with stakeholders throughout the investment process is a key strategy to expedite the timeline from investment inception to realisation.



Be captivated by the epic symphony of Namibia's landscapes, where the wild roams free, and ancient tales echo, evoking the spirit of adventure for Namibia's untamed heart.



Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

General Information

Country of incorporated and domicile	Namibia
Nature of business principal activities	National Investment Promotion and Development and Micro, Small & Medium Enterprises (MSME) Coordination
Directors	Nangula Uaandja Dino Ballotti Margreth Gustavo Jessica Hauuanga Richwell Lukonga James Mnyupe Francois Van Schalkwyk
Registered Office	C/O Garten Street & Dr. AB May Street Windhoek Namibia 9000
Postal Address	Private Bag 12039 Windhoek Namibia 9000
Bankers	Bank Windhoek Limited First National Bank Namibia
Auditors	Grand Namibia 9 Axali Doeseb Street Windhoek Namibia
Secretary	Ms. Edwina Jacobs
Advisory board members	Hans-Bruno Gerdes Elizabeth Hilger Dagmar Honsbein Stefan Hugo Vetumbuavi Mungunda Kaunapuaua Ndilula Martin Shipanga

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Index

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

	Page
General Information	70
Directors' Responsibilities and Approval	72
Directors' Report	74 - 77
Independent Auditor's Report	78 - 81
Statement of Financial Position	82
Statement of Profit or Loss and Other Comprehensive Income	83
Statement of Changes in Equity	84
Statement of Cash Flows	85
Accounting Policies	86 - 96
Notes to the Annual Financial Statements	97 - 120

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of Namibia to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
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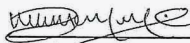
Directors' Responsibilities and Approval

The directors have reviewed the company's cash flow forecast for the year to 31 March 2024 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.


The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 78 to 81.

The annual financial statements set out on page 82, which have been prepared on the going concern basis, were approved by the board of directors on 7 August 2023 and were signed on their behalf by:

Approval of financial statements



Nangula Uaandja



James Mnyupe

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Namibia Investment Promotion and Development Board (Non Profit Association Incorporated Under Section 21) for the year ended 31 March 2023.

1. Incorporation

The company was incorporated on 27 November 2020 and obtained its certificate to commence business on the same day.

2. Nature of business

The main functions of the company are as follows:

- a) Promote and facilitate investment in Namibia by foreign and Namibian investors;
- b) Promote and facilitate new ventures that contribute to economic development and job creation;
- c) Implement the Namibia Investment Policy and Attendant Strategy;
- d) Review and propose policy reforms and measures to support trade as well as investment promotions & conducive labour market policies;
- e) Improve the country's competitiveness and ease of doing business;
- f) Develop institutional mechanism and assume the lead coordinating role across all levers for SME development;
- g) Implement the National MSME policy;
- h) Promote regional Special Economic Zones that leverage the geographic comparative advantages of each region; and
- i) In collaboration with relevant stakeholders facilitate collaborative roles between Government and private sector to stimulate the growth, expansion and development of the Namibian economy.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Directors' Report

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of Namibia. The prior year annual financial statements were prepared in accordance with IFRS for SMEs. These financial statements for the year ended 31 March 2023 are the first the company has prepared in accordance with IFRS. Refer to note 20 for information on how the company adopted IFRS.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

4. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Nationality
Nangula Uaandja	Chief Executive Officer and Chairperson	Executive	Namibian
Dino Ballotti	MSME Development Innovation and Acceleration	Executive	Namibian
Margareth Gustavo	Strategy and Branding	Executive	Namibian
Jessica Hauuanga	Investor Experience Retention and Aftercare	Executive	Namibian
Richwell Lukonga	Chief Operating Officer	Executive	Namibian
James Mnyupe	Director	Non-executive	Namibian
François van Schalkwyk	Investments and New Ventures	Executive	Namibian

There have been no changes to the directorate for the year under review.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
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Directors' report

4. Directorate (continued)

Advisoy Board Members

The advisory board members at the date of this report are as follows:

Member	Nationality
Hans-Bruno Gerdes	Namibian
Elizabeth Hilger	Namibian
Dagmar Honsbein	Namibian
Stefan Hugo	Namibian
Vetumbuavi Mungunda	Namibian
Kaunapuaua Ndilula	Namibian
Martin Shipanga	Namibian

5. Going concern

The 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 directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The company being a state owned organization is fully funded by the Government of Namibia and as such its going concern is not in doubt.

The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
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Director's report

6. Terms of appointment of the auditors

Grand Namibia were appointed as the company's auditors at the general meeting held on Monday, 5 September 2022. Included in profit for the year is the agreed auditors' remuneration of N\$154,564. Stakeholders wishing to inspect a copy of the terms on which the company's auditors is appointed and remunerated may do so by contacting the Company Secretary.

7. Acknowledgements

Thanks and appreciation are extended to all of our stakeholders, staff, suppliers and consumers for their continued support of the company.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
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Independent Auditor's Report

Independent Auditor's Report

To the Shareholder of Namibia Investment Promotion and Development Board (Non Profit Association Incorporated Under Section 21)

Opinion

We have audited the annual financial statements of Namibia Investment Promotion and Development Board (Non Profit Association Incorporated Under Section 21) (the company) set out on pages 82 to 120, which comprise the statement of financial position as at 31 March 2023, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Namibia Investment Promotion and Development Board (Non Profit Association Incorporated Under Section 21) as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with 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 Annual Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Independent Auditor's Report

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Namibia Investment Promotion and Development Board (Non Profit Association Incorporated Under Section 21) annual financial statements for the year ended 31 March 2023", which includes the Directors' Report as required by the Companies Act of Namibia. The other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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, 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 Annual Financial Statements

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

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Independent Auditor's Report

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Grand Namibia
Richard Theron
Partner

11 August 2023
Windhoek

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
 Section 21 of the companies Act no. 28 of 2004)

Statement of Financial Position as at 31 March 2023

Figures in Namibia Dollar	Note(s)	2023	2022 Restated *
Assets			
Non Current Assets			
Property, plant and equipment	2	9,206,363	6,618,971
Right of use assets	3	18,275,831	11,798,494
Intangible assets	4	222,791	236,193
		27,704,985	18,653,658
Current Assets			
Trade and other receivables	5	2,772,827	1,513,903
Prepayments	6	4,369,807	6,909
Cash & Cash Equivalents	7	26,029,878	22,971,730
		33,172,512	24,492,542
Total Assets		60,877,497	43,146,200
Equity and Liabilities			
Equity			
Accumulated funds		659,121	117,543
Liabilities			
Non Current Liabilities			
Lease liabilities	3	12,566,627	7,818,157
Deferred income	8	9,034,265	7,283,981
		21,600,892	15,102,138
Current Liabilities			
Trade and other payables	11	5,848,970	10,017,593
Lease liabilities	3	5,820,014	2,922,884
Deferred income	8	21,628,269	14,798,725
Provisions	9	5,134,576	-
Other financial liabilities	10	185,655	187,317
		38,617,484	27,926,519
Total Liabilities		60,218,376	43,028,657
Total Equity and Liabilities		60,877,497	43,146,200

See note*

**Statement of Profit and loss and Other
Comprehensive Income
31 March 2023**

**Namibia Investment Promotion
and Development Board**

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Figures in Namibia Dollar	Note(s)	2023	2022 Restated *
Revenue	12	126,520,170	105,061,221
Other operating income	13	2,704,515	2,509,230
Other operating losses	14	(888,183)	(605,520)
General and administrative expenses		(126,112,907)	(105,940,773)
Operating profit	15	2,223,595	1,024,158
Finance costs (Lease liabilities)	16	(1,682,017)	(906,615)
Suplus for the year		541,578	117,543

See note*

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Statement of Changes in Equity

Figures in Namibia Dollar	Accumulated funds	Total equity
Surplus for the year	117,543	117,543
Opening balance as previously reported	2,565,166	2,565,166
Adjustments		
Change in accounting policy	(2,447,623)	(2,447,623)
Balance at 1 April 2022 as restated	117,543	117,543
Surplus for the year	541,578	541,578
Balance at 31 March 2023	659,121	659,121
notes(s)	20	

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
 Section 21 of the companies Act no. 28 of 2004)

Statement of Cash Flows

Figures in Namibia Dollar	Note(s)	2023	2022 Restated *
Cash flows from operating activities			
Cash receipts from government and sponsors		136,545,589	128,139,254
Cash paid to suppliers and employees		(123,922,765)	(93,361,854)
Cash generated from operations	19	12,622,824	34,777,400
Finance costs (Lease liabilities)	16	(1,682,017)	(906,615)
Net cash from operating activities		10,940,807	33,870,785
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(4,038,394)	(9,001,323)
Proceeds from sale of property, plant and equipment	2	7,998	4,400
Purchases of intangible assets	4	-	(238,622)
Net cash from investing activities		(4,030,396)	(9,235,545)
Cash flows from financing activities			
Payment of capital portion of lease liabilities	3	(3,850,601)	(1,850,827)
Movement under other financial liabilities	10	(1,662)	187,317
Net cash from financing activities		(3,852,263)	(1,663,510)
Total cash movement for the year		3,058,148	22,971,730
Cash and cash equivalents at the beginning of the year		22,971,730	-
Cash and cash equivalents at the end of the year	7	26,029,878	22,971,730

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Accounting Policies

Accounting Policies

1. Significant accounting policies

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

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards and the Companies Act of Namibia.

The 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 company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note 20-First time adoption of International Financial Reporting Standards.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

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.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Accounting Policies (continued)

1.2 Property, plant and equipment (continued)

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

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 to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	10 years
Office equipment	Straight line	5 years
IT equipment	Straight line	5 years
Leasehold improvements	Straight line	5 years

The residual value, 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 or loss unless it is included in the carrying amount of another asset.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Accounting Policies (continued)

1.2 Property, plant and equipment (continued)

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Intangible assets

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Accounting Policies (continued)

1.3 Intangible assets (continued)

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	10 years
Website	Straight line	10 years

1.4 Tax

Tax exemption

As per Section 16(1)(a) of the Income Tax Act, revenues earned by the Government of Namibia or any other state entity shall be exempt from tax. The Namibia Investment Promotion and Development Board is a state owned company with the majority of its revenue obtained from Government as such this exemption applies. In addition as per Section 16(1)(f)(ff) the receipts of any company which does not engage on any trading or other profit making activities is exempt from tax.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Accounting Policies (continued)

1.5 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

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.

In order to assess whether a contract is, or contains a lease, management determines 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.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Company as 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 (note 15) 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).

Details of leasing arrangements where the company is a lessee are presented in note 3 Leases (company as lessee).

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Accounting Policies (continued)

1.5 Leases (continued)

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right of use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 3).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (lease liabilities)(note 16).

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Accounting Policies (continued)

1.5 Leases (continued)

The company remeasures the lease liability (and makes a corresponding adjustment to the related right of use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recognised in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Right of use assets

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

Lease payments included in the measurement of the right of use asset comprise the following:

- the initial amount of the corresponding right of lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right of use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right of use asset reflects that the

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Accounting Policies (continued)

1.5 Leases (continued)

company expects to exercise a purchase option, the related right of use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

The residual value, 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 a right of use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.6 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Accounting Policies (continued)

1.6 Impairment of assets (continued)

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.7 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 bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.8 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation 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 obligation.

The amount of a provision is the present value of the expenditure 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 shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

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

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Accounting Policies (continued)

1.9 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company 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.

All grants received are initially recorded as deferred income and are subsequently recognised in profit or loss in relation to the expenditure incurred.

1.10 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Accounting Policies (continued)

1.10 Translation of foreign currencies (continued)

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Namibia Dollars by applying to the foreign currency amount the exchange rate between the Namibia Dollar and the foreign currency at the date of the cash flow.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022 Restated*

2. Property, plant and equipment

Summary of property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	3,546,619	(433,399)	3,113,220	1,898,510	(147,528)	1,750,982
Motor vehicles	1,702,046	(184,388)	1,517,658	1,702,046	(14,184)	1,687,862
Office equipment	1,808,931	(418,125)	1,390,806	1,002,681	(124,876)	877,805
IT equipment	3,748,134	(881,191)	2,866,943	2,367,602	(298,817)	2,068,785
Other property, plant and equipment	417,656	(99,920)	317,736	263,253	(29,716)	233,537
Total	11,223,386	(2,017,023)	9,206,363	7,234,092	(615,121)	6,618,971

Reconciliation of property, plant and equipment- 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1,750,982	1,667,085	(17,868)	(286,979)	3,113,220
Motor vehicles	1,687,862	-	-	(170,204)	1,517,658
Office equipment	877,805	810,513	(3,286)	(294,226)	1,390,806
IT equipment	2,068,785	1,402,371	(18,406)	(585,807)	2,866,943
Other property, plant and equipment	233,537	158,425	(3,686)	(70,540)	317,736
	6,618,971	4,038,394	(43,246)	(1,407,756)	9,206,363

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022 Restated*

2. Property, plant and equipment (Continued)

Reconciliation of property, plant and equipment-2022

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	-	1,898,510	-	(147,528)	1,750,982
Motor vehicles	-	1,702,046	-	(14,184)	1,687,862
Office equipment	-	1,002,681	-	(124,876)	877,805
IT equipment	-	2,409,833	(37,831)	(303,217)	2,068,785
Other property, plant and equipment	-	263,253	-	(29,716)	233,537
	-	7,276,323	(37,831)	(619,521)	6,618,971

3. Leases (Company as lessee)

The company leases two floors in the Investment House building located on the corner of Garten Street and Dr. AB May Street, Windhoek, Namibia. The lease terms for the two leases are as follows:

Floor 1

Lease start date: 1 April 2021

Lease end date: 31 March 2026

Floor 2

Lease start date: 1 April 2022

Lease end date: 31 March 2027

Details pertaining to leasing arrangements, where the company is lessee are presented on the table below:

Summary of right of use assets

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Leasehold improvements	1,725,000	(201,250)	1,523,750	1,725,000	-	1,725,000
Right of use asset Floor 1	12,591,868	(5,036,747)	7,555,121	12,591,868	(2,518,37)	10,073,494
Right of use asset Floor 2	11,496,200	(2,299,240)	9,196,960	-	-	-
Total	25,813,068	(7,537,237)	18,275,831	14,316,868	(2,518,374)	11,798,494

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022 Restated*

3. Leases (continued)

Net carrying amounts of right of use assets

The carrying amounts of right of use assets are included in the following line items:

Leasehold improvements	1,523,750	1,725,000
Right of use asset Floor 1	7,555,121	10,073,494
Right of use asset Floor 2	9,196,960	-
	18,275,831	11,798,494

Depreciation recognised on right of use assets

Depreciation recognised on each class of right of use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 18).

Leasehold improvements	201,250	-
Right of use asset Floor 1	2,518,374	2,518,374
Right of use asset Floor 2	2,299,240	-
	5,018,864	2,518,374

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	5,820,014	2,922,884
Two to five years	12,566,628	7,818,157
	18,386,642	10,741,041
Non current liabilities	12,566,627	7,818,157
Current liabilities	5,820,014	2,922,884
	18,386,641	10,741,041

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022 Restated*

4. Intangible assets

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer software	81,704	(10,600)	71,104	81,704	(2,429)	79,275
Website	156,918	(5,231)	151,687	156,918	-	156,918
Total	238,622	(15,831)	222,791	238,622	(2,429)	236,193

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Computer software	79,275	(8,171)	71,104
Website	156,918	(5,231)	151,687
	236,193	(13,402)	222,791

Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Total
Computer software	81,704	(2,429)	79,275
Website	156,918	-	156,918
	238,622	(2,429)	236,193

5. Trade and other receivables

Financial instruments:

Trade receivables	100,000	110,000
Rental deposits	1,386,568	1,208,176
Other receivables	1,286,259	195,727

Total trade and other receivables

2,772,827 **1,513,903**

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Figures in Namibia Dollar

2023

2022 Restated*

6. Prepayments

As at 31 March 2023 there were certain expenses that were paid but not yet incurred by the business.

Prepaid and deferred expenses list

Rental expenses Commercial Offices	298,136	-
Software licences	112,036	-
Vehicle rental expenses Commercial Offices	58,273	-
Telephone expenses	7,870	-
Parking expenses	7,140	-
Newspaper subscriptions	-	6,909
Deferred Expense Commercial Offices	3,886,352	-
	4,369,807	6,909

Deferred expense Commercial Offices

During the 2022-23 financial year, five (5) Investment and Export Promotion Attachés (IEPAs) were deployed to five countries around the world and they have been tasked to set up commercial offices in these respective countries. These commercial offices are setup to promote Namibia to foreign investors and require funds on a monthly basis.

The funds disbursed to these offices are initially recorded as deferred expenses and as expenses are incurred by the office the respective expenditures are recognised in profit or loss.

Commercial Offices were set up in the following countries:

1. China (Funds received: N\$ 4,968,799 / Funds utilised: N\$ 2,639,260 / Funds remaining: N\$ 2,329,539)
2. Egypt (Funds received: N\$ 2,035,074 / Funds utilised: N\$ 1,161,924 / Funds remaining: N\$ 873,150)
3. South Africa (Funds received: N\$ 2,182,458 / Funds utilised: N\$ 2,137,372 / Funds remaining: N\$ 45,086)
4. United Kingdom (Funds received: N\$ 1,834,918 / Funds utilised: N\$ 1,811,636 / Funds remaining: N\$ 23,282)
5. United States of America (Funds received: N\$ 1,873,849 / Funds utilised: N\$ 1,258,554 / Funds remaining: N\$ 615,295)

Deferred expense Commercial Offices : Balances as at year end

China	2,329,539	-
Egypt	873,150	-
South Africa	45,086	-
United Kingdom	23,282	-
United States of America	615,295	-
	3,886,352	-

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Figures in Namibia Dollar

2023

2022 Restated*

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	26,029,878	22,971,730
Cash and cash equivalents held by the entity that are not available for use by the company.	185,655	187,317

These are the remaining funds pertaining to monies received from various international bidders who submitted their bidding documents for the Green Hydrogen Tender in 2022. On the request of the Office of the President the NIPDB was tasked with being the custodian, receiving the funds from bidders (each bidder was required to disburse an amount of N\$ 50,000 when submitting their bidding documents) and also making related expenditure payments. A corresponding liability was created since the company has no right over the use of these funds. See note 10.

8. Deferred income

Deferred income Funds from government

All funds received by the company from government as per the budget vote are recorded as deferred income and are only recognised in profit or loss when the funds have been expensed. As at 31 March 2023 funds amounting to N\$ 30,562,534 (2022: N\$ 22,082,706) were still recognised as deferred income.

Deferred income Sponsorships

So as to supplement the funds received from the government and to ensure that the company is able to fulfil its mandate a number of private sector organisations were approached for funding during the financial year. The funds were specifically used to ensure that the NIPDB was able to successfully attend and to organise a number of trade fairs, exhibitions and Expos. These funds received are initially recorded as deferred income and are only recognised in profit or loss when the funds have been expensed. Refer to note 13. As at 31 March 2023 funds amounting to N\$100,000 (2022: N\$) were still recognised as deferred income.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Figures in Namibia Dollar

2023

2022 Restated*

8. Deferred income (continued)

Non current liabilities	9,034,265	7,283,981
Current liabilities	21,628,269	14,798,725
	<u>30,662,534</u>	<u>22,082,706</u>

Deferred income Funds from government

Opening balance	22,082,706	-
Funds received during the year	134,999,998	127,143,927
Recognised in profit & loss	(126,520,170)	(105,061,221)

Closing balance

30,562,534 22,082,706

Deferred income Sponsorships

Opening balance	-	-
Funds received during the year	1,680,000	2,150,000
Recognised in profit & loss	(1,580,000)	(2,150,000)

Closing balance

100,000 -

9. Provisions

Reconciliation of provisions 2023

	Opening balance	Additions	Total
Performance bonus provision	-	5,134,576	5,134,576

10. Other financial liabilities

This is the corresponding liability in relation to the cash and cash equivalent balance mentioned in note 7. Since the company has no right over the use of these funds a corresponding liability was created.

Other financial liabilities	185,655	187,317
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Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
 Section 21 of the companies Act no. 28 of 2004)

Figures in Namibia Dollar

2023

2022 Restated*

11. Trade and other payables

Financial instruments:

Trade payables – local suppliers	730,680	4,728,580
Other payables	1,373	-
Payroll accruals	1,492,459	1,690,700
Accrued leave pay	2,142,141	1,827,233
Social club contributions payable	-	10,020
Accrued audit fees	154,564	143,781
Other accrued expenses	501,972	1,617,279
Trade payables – foreign suppliers	825,781	-
	5,848,970	10,017,593

Financial instrument and non financial instrument components of trade and other payables

At amortised cost	5,848,970	10,017,593
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Exposure to currency risk

The company is exposed to currency risk related to trade payables because certain transactions are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The currencies in which the company deals primarily are US Dollars, British Pounds, Euros and Yen.

There have been no changes in the foreign currency risk management policies and processes since the prior reporting period.

The net carrying amounts, in Namibia Dollar, of trade and other payables, excluding non financial instruments, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Figures in Namibia Dollar

2023

2022 Restated*

11. Trade and other payables (continued)

Namibia Dollar Amount

At amortised cost

825,781

-

The net carrying amounts, in foreign currency of the above exposure was as follows:

Foreign currency amount

US Dollar

46,500

-

Forward exchange contracts

Exposure to liquidity risk

Refer to note 24 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Exposure to interest rate risk

Refer to note 24 Financial instruments and financial risk management for details of interest rate risk management for trade and other payables.

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under Section 21 of the companies Act no. 28 of 2004)

Figures in Namibia Dollar

2023

2022 Restated*

12. Revenue

Government grants	126,520,170	105,061,221
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13. Other operating income

Interest received	322,066	18,213
Sponsorships	1,580,000	2,150,000
Sundry income	703,302	-
Advertising income	99,147	341,017

2,704,515

2,509,230

Sponsorships

So as to supplement the funds received from the Ministry of Finance and Public Enterprises (MFPE) and to ensure that the company is able to fulfil its mandate a number of private sector organisations were approached for funding. The funds were used to ensure that the NIPDB was able to successfully attend and to organise a number of trade fairs, exhibitions and expos.

Below is a list of sponsors that disbursed funds to the NIPDB during the period ended:

Anheuser Busch InBev Namibia Breweries	N\$ 60,000
B2Gold Namibia	N\$ 40,000
Coca Cola Namibia	N\$ 150,000
Dundee Precious Metals	N\$ 50,000
Frans Indongo Group	N\$ 40,000
MTC Namibia	N\$ 40,000
O&L Center	N\$ 80,000
O&L Group	N\$ 500,000
Old Mutual Namibia	N\$ 40,000
Otesa Civil Engineering	N\$ 500,000
Sanlam Namibia	N\$ 40,000
Shoprite Group Namibia	N\$ 40,000

Total

N\$ 1,580,000

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022 Restated*
14. Other operating losses		
Losses on disposals, theft, scrappings and settlements		
Property, plant and equipment	2 (35,248)	(33,431)
Foreign exchange gains (losses)		
Net foreign exchange loss	(852,935)	(572,089)
Total other operating losses	(888,183)	(605,520)
15. Operating surplus		
Operating surplus for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration external		
Audit fees	154,564	143,781
Employee costs		
As at Friday, 31 March 2023 the company had 71 permanent employees (2022: 58). The total cost of employment of all employees, including executive directors, was as follows:		
Salaries, bonuses and other benefits	56,458,521	39,878,651

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
 Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022 Restated*

15. Operating surplus (continued)

Leases

Leases of low value assets	819,614	1,257,109
Total lease expenses	819,614	1,257,109

16. Finance costs (Lease liabilities)

Interest paid (Lease liabilities)	1,682,017	906,615
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17. Employee costs

As at the end of the period the company had 71 permanent employees (2022: 58). Employee benefits expense is made up of the following for all employees, including executive directors:

Employee costs

Salaries and other employee benefits	50,940,524	37,990,277
Bonus	5,134,576	-
Social Security employer contributions	68,513	61,141
Leave pay provision charge	314,908	1,827,233
	56,458,521	39,878,651

18. Depreciation, amortisation and impairment losses

Depreciation

Property, plant and equipment	1,407,756	619,521
Right of use assets	5,018,864	2,518,374
	6,426,620	3,137,895

Amortisation

Intangible assets	13,402	2,429
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Total depreciation, amortisation and impairment

Depreciation	6,426,620	3,137,895
Amortisation	13,402	2,429
	6,440,022	3,140,324

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022 Restated*

19. Cash generated from operations

Profit before taxation	541,578	117,543
Adjustments for non cash items:		
Depreciation, amortisation, impairments and reversals of impairments	6,440,022	3,140,324
Losses on sale of assets	35,248	33,431
Net losses on exchange differences	852,935	572,089
Movements in provisions	5,134,576	-
Adjust for items which are presented separately:		
Finance costs (Lease liabilities)	1,682,017	906,615
Changes in working capital:		
Increase in trade and other receivables	(1,258,924)	(1,513,903)
Increase in prepayments	(4,362,898)	(6,909)
Increase (decrease) in trade and other payables	(5,021,558)	9,445,504
Increase in deferred income	8,579,828	22,082,706
	<u>12,622,824</u>	<u>34,777,400</u>

20. First time adoption of International Financial Reporting Standards

The company has applied IFRS 1, First time adoption of International Financial Reporting Standards (IFRS), to provide a starting point for the reporting under International Reporting and Accounting Standards. On principle these standards have been applied retrospectively and certain 2022 comparatives contained in these annual financial statements differ from those published in the annual financial statements published for the year ended 31 March 2022.

The prior year annual financial statements were prepared using IFRS for SMEs however so as to provide more comprehensive information to the readers of the annual financial statements, management decided to adopt retrospectively full IFRS in the preparation of the company's annual financial statements. Due to the similarities between the two accounting frameworks only a few line items in the prior year annual financial statements had to be rectified so as to be fully compliant with IFRS.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
 Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022 Restated*

20. First time adoption of International Financial Reporting Standards (continued)

	Note(s)	Effects of transition to IFRS	IFRS
The date of transition was 1 April 2021 and the effect of the transition was as follows.			
Reconciliation of equity at 1 April 2021 (Date of transition to the new standards)			
Right of Use Asset	3	12,591,868	12,591,868
Lease liability		12,591,868	12,591,868
Total assets less total liabilities	3	-	-

Reconciliation of equity at 31 March 2022

	Note(s)	As reported under previous IFRS for SMEs	Effects of transition to IFRS	IFRS
Right of use asset (IFRS 16)	3	-	10,073,494	10,073,494
Deferred income Government grants (IFRS 16)	8	-	(667,547)	(667,547)
Deferred income Government grants (IAS 20)		-	2,447,623	2,447,623
Operating lease liability (IFRS 16)		372,449	(372,449)	-
Lease liability (IFRS 16)	3	-	10,741,041	10,741,041
Total liabilities		372,449	12,148,668	12,521,117
Total assets less total liabilities		(372,449)	(2,075,174)	(2,447,623)
Accumulated funds		-	(2,447,623)	(2,447,623)

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022 Restated*

20. First time adoption of International Financial Reporting Standards (continued)

Notes

As can be noted above the following accounts/line items had to either be de-recognised or recognised due to certain accounting policies being applicable under IFRS (Comparative figures):

1. Right of Use asset:

Due to the adoption of IFRS, IFRS 16 had to be applied to all the company's high value asset leases and this resulted in the recognition of Right of use asset as well as a lease liability.

2. Lease liability:

Refer to point 1. above

3. Operating lease liability:

This liability had to be de recognised due to the adoption of IFRS; Under IFRS 16 all leases should be recognised as finance leases with the exception of leases with a lease term of 12 months or less and leases where the underlying asset has a low value.

4. Deferred income Government grants:

4.1. As noted under note 8, all funds received from government are initially recognised as deferred income and only after the related expenditure is incurred the funds are recognised in profit or loss. The changes made due to the implementation of IFRS 16 resulted in certain expenses having to be de recognised, i.e. rental expenses. Additionally certain expenses had to be recognised i.e. depreciation Right of use assets, finance costs. The overall effect on the deferred income was a decrease of N\$ 677,547.

4.2. Additionally due to the application of IAS 20 income related to government grants had to be de recognised as it could not be matched with any related costs. Income amounting to N\$ 2,447,623 had to be de recognised.

5. Accumulated funds:

Due to application of IAS 20 as mentioned in 4.2 above, the surplus for the period had to be reduced by N\$ 2,447,623 resulting in a closing accumulated funds balance of N\$ 117,543 for the year.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022 Restated*

21. Related parties

Relationships

The company has related party relationships with key management personnel. Key management personnel comprises of executive directors and advisory board members

Related party transactions

Transactions with key management personnel

Short term employee benefits	12,891,989	12,418,052
Compensation paid to advisory board directors		
Fees for services as director	606,906	859,118

22. Directors' emoluments

Total Cost to Company

Executive

2023

Directors' emoluments

Services as director or prescribed officer

Short term employee benefits		12,891,989
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Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
 Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022 Restated*

22. Directors' emoluments (continued)

2022

**Total Cost to
Company**

Services as director or prescribed officer

Short term employee benefits

12,418,052

Non executive

2023

Directors' emoluments

**Fees for
services as
director**

**Expense
allowances**

Total

Fees for services as director

546,816

60,090

606,906

2022

Directors' emoluments

**Fees for
services as
director**

**Expense
allowances**

Total

Fees for services as director

797,613

61,505

859,118

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022 Restated*

23. Comparative figures

Due to the retrospective first time adoption of IFRS certain comparatives had to be adjusted.

The effects of the adjustments are as follows:

Statement of Financial Position

Right of use assets	-	10,073,494
Lease liability	-	(10,741,041)
Deferred income	-	2,447,623
Operating lease liability	-	372,449

Profit or Loss

Rent Paid	-	(3,129,887)
Finance costs	-	906,611
Depreciation-Right of use assets	-	2,518,374
Revenue-Government grants	-	(2,447,623)

24. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	5	2,772,827	2,772,827	2,772,827
Cash and cash equivalents	7	26,044,457	26,044,457	26,044,457
		28,817,284	28,817,284	28,817,284

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022 Restated*

24. Financial Instruments and risk management (continued)

2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	5	1,513,903	1,513,903	1,513,903
Cash and cash equivalents	7	22,971,730	22,971,730	22,971,730
		24,485,633	24,485,633	24,485,633

Categories of financial liabilities

2023

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	11	5,848,970	-	5,848,970	4,356,512
Finance lease obligations	3	-	18,386,641	18,386,641	18,386,641
Bank overdraft	7	14,579	-	14,579	14,579
		5,863,549	18,386,641	24,250,190	22,757,732

2022

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	11	10,017,593	-	10,017,593	10,017,593
Finance lease obligations	3	-	10,741,041	10,741,041	10,741,041
		10,017,593	10,741,041	20,758,634	20,758,634

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022 Restated*

24. Financial Instruments and risk management (continued)

Financial risk management

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.

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 exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well established financial institutions with high credit ratings.

The maximum exposure to credit risk is presented in the table below:

		2023			2022		
	Note(s)	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	5	2,772,827	-	2,772,827	1,513,903	-	1,513,903
Cash and cash equivalents	7	26,044,457	-	26,044,457	22,971,730	-	22,971,730
		28,817,284	-	28,817,284	24,485,633	-	24,485,633

Liquidity risk

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a subsidies/grants received from government.

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

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022 Restated*

24. Financial Instruments and risk management (Continued)

2023

	Note(s)	Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
Non current liabilities						
Lease liabilities	3	-	5,938,763	6,627,864	12,566,627	12,566,627
Current liabilities						
Trade and other payables	11	4,356,512	-	-	4,356,512	5,848,970
Lease liabilities	3	5,820,014	-	-	5,820,014	5,820,014
Bank overdraft	7	14,579	-	-	14,579	14,579
		10,191,105	5,938,763	6,627,864	22,757,732	24,250,190

2022

	Note(s)	Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
Non current liabilities						
Lease liabilities	3	-	3,098,257	4,719,900	7,818,157	7,818,157
Current liabilities						
Trade and other payables	11	10,017,593	-	-	10,017,593	10,017,593
Lease liabilities	3	2,922,884	-	-	2,922,884	2,922,884
		12,940,477	3,098,257	4,719,900	20,758,634	20,758,634

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022 Restated*

24. Financial Instruments and risk management (Continued)

The maturity profile of contractual cash flows of derivative financial liabilities are as follows:

Foreign currency risk

The company is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies. The foreign currencies in which the company deals primarily are US Dollars, Euros, British Pounds and Yen.

The company accepts the risk of currency movement as a cost of doing business and mitigates against this risk by ensuring it has sufficient funds in its bank accounts that provides a buffer against exchange rate volatility.

Exposure in Namibia Dollar

The net carrying amounts, in Namibia Dollar, of the various exposures, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amounts at the closing rate at the reporting date:

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

US Dollar exposure:

Note(s)

Current liabilities:

Trade and other payables

11

825,781

-

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022 Restated*

24. Financial Instruments and risk management (Continued)

Foreign currency sensitivity analysis

The following information presents the sensitivity of the company to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	2023	2023	2022	2022
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
US Dollar 5% (2022: 5%)	41,289	(41,289)	-	-

Interest rate risk

The company is not exposed to interest rate risk as it does not have any interest bearing debt instruments.

Price risk

The company is not exposed to commodity price risk.

Namibia Investment Promotion and Development Board

(Association not for gain Incorporated Under
Section 21 of the companies Act no. 28 of 2004)

Notes to the Annual Financial Statements

Figures in Namibia Dollar

2023

2022 Restated*

25. Going concern

The 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 directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors are satisfied that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

